

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PROGRAMMED MAINTENANCE SERVICES LIMITED

ABN

61 054 742 264

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Performance Rights (granted 1 July 2017) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 855,000                                  |

+ See chapter 19 for defined terms.

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

|  |
|--|
| <p><b><u>Performance Rights</u></b></p> <p>855,000 Performance Rights<br/> Vesting Date: 1/7/2021</p> <p>The Performance Rights are granted to executives and senior employees pursuant to the Company’s Long Term Incentive Plan. Each Performance Right carries a right on vesting to one fully paid ordinary share.</p> <p>The Performance Rights will be tested against the following Performance Criteria over the period from 1 July 2017 to the Vesting Date (1 July 2021) (<b>Performance Period</b>).</p> <p><b>(a) Performance criteria 1: Continued Employment</b></p> <p>One third (1/3) of the Performance Rights will vest if participants are continually employed during the Performance Period by the Programmed Group.</p> <p><b>(b) Performance criteria 2: Total Shareholder Return (TSR)</b></p> <p>Up to one third (1/3) of the Performance Rights will vest based on the Company’s performance by reference to the TSR over the Performance Period when compared with the TSR for each company in a group of peer companies. The peer group of companies comprises the companies listed in the S&amp;P/ASX 300 (ranked by market capitalisation) after excluding resource companies, banks and listed property trusts. A peer company continues to be included in the comparator group for the entire Performance Period, except where the company is delisted due to takeover or merger. New entrants into the ASX300 during the Performance Period are excluded.</p> <p>The Company’s performance ranking within that group of peer companies at the end of the relevant Performance Period determines the number of TSR Performance Rights that will vest, as follows:</p> |
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| Performance Criteria                             | TSR Performance Rights vesting   |
|--|--|
| TSR below 40th percentile                        | None vest  |
| TSR between 40th and 75th percentile (inclusive) | TSR 2017 Performance Rights that vest to be determined on a straight line escalation from the 40th percentile (0% vest) to the 75th percentile (100% vest) |
| TSR above 75th percentile                        | 100% of TSR 2017 Performance Rights vest   |

**(c) Performance criteria 3: Earnings Per Share (EPS)**

Up to one third (1/3) of the Performance Rights will vest based on the Company's performance, where a target range for the average annual growth in diluted EPS over the Performance Period of the EPS Performance Rights has been established to determine the number of EPS Performance Rights that will vest, as follows:

| Performance Criteria                             | EPS Performance Rights vested   |
|--|---|
| Average EPS growth of less than 5% pa            | None vest   |
| Average EPS growth from 5% to 15% pa (inclusive) | EPS 2017 Performance Rights that vest to be determined on a straight line escalation from EPS growth of 5% pa (0% vest) to EPS growth of 15% pa (100% vest) |
| Average EPS growth above 15% pa                  | 100% of EPS 2017 Performance Rights vest  |

The starting EPS will be the reported audited EPS for the prior financial year ending 31 March before amortisation and non-trading items.

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|   |   |
|---|---|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>No – The Performance Rights have no rights to participate in dividends.</p> <p>Each ordinary share issued upon vesting of a Performance Right will rank equally in all respects with other ordinary shares in the Company from the date of allotment of that ordinary share.</p> |
| <p>5 Issue price or consideration</p>   | <p>Nil</p>  |
| <p>6 Purpose of the issue<br/>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>   | <p>The performance rights have been issued in accordance with the Company’s Long Term Incentive Plan, which is a share-based compensation scheme for executives and senior employees.</p>   |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>   | <p>No</p>   |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p>  | <p>Not applicable</p>   |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p>  | <p>Not applicable</p>   |

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+ See chapter 19 for defined terms.

|    |  |                |                            |
|----|--|----------------|----------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A   | Not applicable |                            |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)  | Not applicable |                            |
| 6f | Number of +securities issued under an exception in rule 7.2  | Not applicable |                            |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.   | Not applicable |                            |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements   | Not applicable |                            |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements   | Not applicable |                            |
| 7  | <p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p> | 1 July 2017    |                            |
| 8  | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)  | Number         | +Class                     |
|    |  | 257,334,094    | Fully Paid Ordinary Shares |

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|    | Number   | +Class             |
|----|--|--------------------|
| 9  | 5,092,000  | Performance Rights |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)<br>Performance Rights do not carry a right to a dividend. |                    |

**Part 2 - Pro rata issue**

|    |  |                |
|----|--|----------------|
| 11 | Is security holder approval required?  | Not applicable |
| 12 | Is the issue renounceable or non-renounceable?   | Not applicable |
| 13 | Ratio in which the +securities will be offered   | Not applicable |
| 14 | +Class of +securities to which the offer relates   | Not applicable |
| 15 | +Record date to determine entitlements   | Not applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?   | Not applicable |
| 17 | Policy for deciding entitlements in relation to fractions  | Not applicable |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | Not applicable |

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|    |   |                |
|----|---|----------------|
| 19 | Closing date for receipt of acceptances or renunciations  | Not applicable |
| 20 | Names of any underwriters   | Not applicable |
| 21 | Amount of any underwriting fee or commission  | Not applicable |
| 22 | Names of any brokers to the issue   | Not applicable |
| 23 | Fee or commission payable to the broker to the issue  | Not applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders  | Not applicable |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting   | Not applicable |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled   | Not applicable |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not applicable |
| 28 | Date rights trading will begin (if applicable)  | Not applicable |
| 29 | Date rights trading will end (if applicable)  | Not applicable |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?  | Not applicable |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?   | Not applicable |

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.



Entities that have ticked box 34(b)

|    |   |                          |                          |
|----|---|--------------------------|--------------------------|
| 38 | Number of +securities for which +quotation is sought  | Not applicable           |                          |
| 39 | +Class of +securities for which quotation is sought   | Not applicable           |                          |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | Not applicable           |                          |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>  | Not applicable           |                          |
| 42 | Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in clause 38)   | Number<br>Not applicable | +Class<br>Not applicable |

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:   
Company Secretary

Date: 3 July 2017

Print name: Katina Nadebaum

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>   |                |
|---|----------------|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |                |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue   | Not applicable |
| <p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |                |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period   |                |
| <b>“A”</b>  |                |

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|   |  |
|---|--|
| <b>Step 2: Calculate 15% of “A”</b>   |  |
| “B”   | 0.15<br><i>[Note: this value cannot be changed]</i>                            |
| <b>Multiply</b> “A” by 0.15   |  |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |  |
| <p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| “C”   |  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |  |
| “A” x 0.15<br><br><i>Note: number must be same as shown in Step 2</i>   |  |
| <b>Subtract</b> “C”<br><br><i>Note: number must be same as shown in Step 3</i>  |  |
| <b>Total</b> [“A” x 0.15] – “C”   | <br><br><i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

## Part 2

|   |  |
|---|--|
| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>  |  |
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |  |
| <p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>  |  |
| <b>Step 2: Calculate 10% of “A”</b>   |  |
| <p><b>“D”</b></p>   | <p>0.10</p> <p><i>Note: this value cannot be changed</i></p> |
| <b>Multiply “A” by 0.10</b>   |  |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>   |  |
| <p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| <p><b>“E”</b></p>   |  |

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|  |   |
|--|---|
| <b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b> |   |
| $"A" \times 0.10$<br><i>Note: number must be same as shown in Step 2</i>                               |   |
| <b>Subtract "E"</b><br><i>Note: number must be same as shown in Step 3</i>                             |   |
| <b>Total</b> $["A" \times 0.10] - "E"$   | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

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