



**PROGRAMMED MAINTENANCE SERVICES LIMITED  
ABN 61 054 742 264**

**NOTICE OF 2016 ANNUAL GENERAL MEETING  
WEDNESDAY, 27 JULY 2016 AT 10.00AM (PERTH TIME)**

at

**PARMELIA HILTON PERTH  
14 MILL STREET, PERTH, WESTERN AUSTRALIA**

**NOTICE IS GIVEN** that the Annual General Meeting ("**AGM**" or "**Meeting**") of shareholders of Programmed Maintenance Services Limited ("**Company**") will be held at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia on Wednesday, 27 July 2016 at 10.00am (Perth time).

Attached to, and forming part of, this Notice of Meeting are Explanatory Notes that provide shareholders with background information and further details on the Resolutions to assist shareholders to determine how they wish to vote on the Resolutions. This Notice of Meeting, including the Explanatory Notes, Other Information and the Proxy Form, should be read in its entirety.

#### **ORDINARY BUSINESS**

##### **ANNUAL REPORTS**

To consider the financial report, the Directors' report and the Auditor's report for the year ended 31 March 2016.

##### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, pass the following ordinary resolution:

*"That the remuneration report (which forms part of the Directors' report for the year ended 31 March 2016) be adopted."*

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the key management personnel of the Company's consolidated group at the date of the Meeting or whose remuneration is disclosed in the remuneration report ("**KMP**") and their closely related parties (such as close family members and controlled companies), unless the vote is cast:

- (a) as proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting as proxy for a person entitled to vote where the Proxy Form does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

KMP and their closely related parties are prohibited under the *Corporations Act 2001* (Cth) ("**Corporations Act**") from voting in a manner contrary to the above. The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 1.

##### **RESOLUTION 2 – ELECTION OF JAMES WALKER AS A DIRECTOR**

To consider and, if thought fit, pass the following ordinary resolution:

*"That Mr James Walker, who was appointed as a Director by the Board on 19 November 2015 and is retiring in accordance with rule 3.3 of the Company's Constitution, and being eligible, offers himself for election, be elected as a Director of the Company."*

**RESOLUTION 3 – ELECTION OF LISA PAUL AS A DIRECTOR**

To consider and, if thought fit, pass the following ordinary resolution:

*“That Ms Lisa Paul, who was appointed as a Director by the Board on 3 February 2016 and is retiring in accordance with rule 3.3 of the Company’s Constitution, and being eligible, offers herself for election, be elected as a Director of the Company.”*

**RESOLUTION 4 – RE-ELECTION OF BRUCE BROOK AS A DIRECTOR**

To consider and, if thought fit, pass the following ordinary resolution:

*“That Mr Bruce Brook, who is retiring from the office of Director by rotation in accordance with rule 3.6 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

**RESOLUTION 5 – RE-ELECTION OF ANDREA GRANT AS A DIRECTOR**

To consider and, if thought fit, pass the following ordinary resolution:

*“That Ms Andrea Grant, who is retiring from the office of Director by rotation in accordance with rule 3.6 of the Company’s Constitution, and being eligible, offers herself for re-election, be re-elected as a Director of the Company.”*

**RESOLUTION 6 – APPROVAL OF THE PROGRAMMED MANAGING DIRECTOR LONG TERM INCENTIVE PLAN AND GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND ISSUE OF SHARES ON VESTING OF THOSE PERFORMANCE RIGHTS**

To consider and, if thought fit, pass the following ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, shareholders approve:*

- (a) the Programmed Managing Director Long Term Incentive Plan (the “Plan”), the terms of which are summarised in the Explanatory Notes forming part of this Notice of Meeting, and the issue of securities under the Plan; and*
- (b) the grant to Mr Christopher Sutherland, the Company’s Managing Director, of 300,000 Performance Rights pursuant to the Plan, the terms of which are summarised in the Explanatory Notes forming part of this Notice of Meeting, and the issue of any shares on the vesting of those Performance Rights.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 6 by, or on behalf of:

- (a) the Managing Director and any other director of the Company who is eligible to participate in any employee incentive scheme in relation to the Company, and their associates; and
- (b) a member of KMP (and their closely related parties) acting as a proxy,

unless the vote is cast:

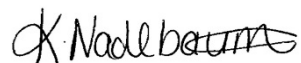
- (a) as proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting as proxy for a person entitled to vote where the Proxy Form does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

KMP and their closely related parties are prohibited under the Corporations Act from voting in a manner contrary to the above. The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 6.

**OTHER BUSINESS**

To transact any other business that may be brought forward in accordance with the Company's Constitution or the law.

By order of the Board

A handwritten signature in black ink, appearing to read "K. Nadebaum". The signature is written in a cursive, somewhat stylized font.

**Katina Nadebaum**  
**Company Secretary**

8 June 2016

## **EXPLANATORY NOTES**

### **ANNUAL REPORTS**

The Company's 2016 Annual Report, including the financial report, the Directors' report and the Auditor's report for the year ended 31 March 2016, will be considered. A copy of the 2016 Annual Report is available on the Company's website at [www.programmed.com.au](http://www.programmed.com.au) and on the ASX market announcements platform at [www.asx.com.au](http://www.asx.com.au).

As a shareholder, you may elect to receive by mail, free of charge, the Company's 2016 Annual Report. The Company will mail a copy of the Annual Report to those shareholders who have made an election to receive one. If you would like a hard copy, please contact the Company's share registrar, Computershare Investor Services Pty Limited.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires that a resolution that the remuneration report be adopted be put to the vote at the Company's AGM. While the vote on the resolution is advisory only and does not bind the Directors or the Company, the Board will take into consideration the outcome of voting on this resolution when assessing the remuneration policy for Non-Executive Directors and executives in the future.

**Directors' recommendation:** *The Board recommends that shareholders vote in favour of the adoption of the remuneration report.*

### **RESOLUTION 2 – ELECTION OF JAMES WALKER AS A DIRECTOR**

Shareholder approval is sought for the election of Mr James Walker as a Director of the Company.

Mr Walker was appointed as a Non-Executive Director by the Board in November 2015. At the AGM, Mr Walker will automatically retire from the office of Director in accordance with rule 3.3 of the Company's Constitution and is eligible for election. Being eligible, Mr Walker offers himself for election as a Director.

Mr Walker has over 40 years' experience in the resources sector, most recently as Managing Director and Chief Executive Officer of WesTrac Pty Ltd, where he led the company's rapid development in industrial and mining services locally and in China. Prior to this, Mr Walker held various roles with other Australian Caterpillar dealers.

Mr Walker's current directorships include Chairman of the WA State Training Board (since January 2014), Chairman of Macmahon Holdings Ltd (since March 2014), Non-Executive Director of Seeing Machines Ltd (since May 2014) and Non-Executive Director of RACWA Holdings Pty Ltd (since November 2013).

Mr Walker was previously a Non-Executive Director of Skilled Group Limited (November 2013 to October 2015), Seven Group Holdings Ltd and National Hire Group Limited.

Mr Walker is a graduate member of the Australian Institute of Company Directors (AICD) and Australian Institute of Management (AIM WA), holding the position of President WA (2008 to 2010) and National President - Australia (2010 to 2013).

Mr Walker is a member of the Board's Nomination Committee, the Board's Health Safety and Environment Committee and the Board's Remuneration & People Committee.

**Directors' recommendation:** *The Board is of the view that Mr Walker continues to add considerable value to the Board, including as a result of his extensive experience as a director. The Board (other than Mr Walker) recommends that shareholders vote in favour of Resolution 2. Mr Walker does not make a recommendation due to his interest in the outcome of the Resolution.*

**RESOLUTION 3 – ELECTION OF LISA PAUL AS A DIRECTOR**

Shareholder approval is sought for the election of Ms Lisa Paul as a Director of the Company.

Ms Paul was appointed as a Non-Executive Director by the Board in February 2016. At the AGM, Ms Paul will automatically retire from the office of Director in accordance with rule 3.3 of the Company's Constitution and is eligible for election. Being eligible, Ms Paul offers herself for election as a Director.

Ms Paul has been a Chief Executive in the Australian Public Service for the last eleven years, most recently as the Secretary of the Australian Government Department of Education and Training. During different times in her Australian Public Service career, Ms Paul has held national responsibility for early childhood, schooling, vocational education, skills and training, higher education, international education, research, science, employment, workforce and workplace relations.

Ms Paul's current Non-Executive directorships include Australian Research Alliance for Children and Youth (since April 2010), Social Ventures Australia (since August 2013), Australian Schools Plus (February 2015), Navitas Limited (since February 2016), the Australian American Education Leadership Foundation (since March 2016) and APM Australia (since March 2016). Ms Paul is also a member of the advisory board to the Melbourne Accelerator Program, and was previously a member of the Board of CSIRO.

In 2011, Ms Paul was made an Officer of the Order of Australia for distinguished service to public sector leadership in key policy and program implementation, and also received the Australia Chartered Accountants' Federal Government Leader of the Year award. In 2003, she was awarded a Public Service Medal for leading the Australian Government's domestic response to the Bali bombings.

Ms Paul is a fellow of the Australian Institute of Company Directors, a fellow of the Australian Council for Educational Leaders, National Fellow of the Institute of Public Administration Australia, a fellow of the Australian Institute of Management, an Australian National University Public Policy Fellow, a Fellow of the Australia New Zealand School of Government and a member of Chief Executive Women.

Ms Paul is a member of the Board's Audit and Risk Committee, a member of the Board's Nomination Committee and a member of the Board's Health, Safety and Environment Committee.

**Directors' recommendation:** *The Board is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Ms Paul brings to the Company. The Board (other than Ms Paul) recommends that shareholders vote in favour of Resolution 3. Ms Paul does not make a recommendation due to her interest in the outcome of the Resolution.*

**RESOLUTION 4 – RE-ELECTION OF BRUCE BROOK AS A DIRECTOR**

Shareholder approval is sought for the re-election of Mr Bruce Brook as a Director of the Company.

Mr Bruce Brook joined the Board as a Non-Executive Director in June 2010 and was appointed Chairman in August 2011. Mr Brook retires at the AGM by rotation and, being eligible, offers himself for re-election as a Director in accordance with the Company's Constitution.

Mr Brook is a chartered accountant with extensive experience in the mining industry, as well as experience in the financial services and manufacturing industries. Mr Brook was the Chief Financial Officer of WMC Resources Limited from 2002 to 2005 and has approximately 30 years' experience in senior finance positions at major public companies including Gold Fields of South Africa Limited, Rio Tinto Limited, Pacific Dunlop and ANZ Banking Group.

Mr Brook's current Non-Executive directorships include CSL Limited (since August 2011), NYSE listed Newmont Mining Corporation (since October 2011) and the Deep Exploration Technologies Co-operative Research Centre. Mr Brook joined the ASIC Director Advisory Panel in November 2013 and was appointed a member of the Anaesthesia and Pain Management Foundation Board of Governors in January 2014. He was previously a Non-Executive Director of the Export Finance and Insurance Corporation and a member of the Financial Reporting Council.

Mr Brook was previously a Non-Executive Director of Boart Longyear Limited (February 2007 to June 2015), Energy Developments Limited (April 2009 to February 2010) and Lihir Gold Limited (December 2005 to September 2010).

Mr Brook is the Chairman of the Board's Nomination Committee and a member of the Board's Remuneration & People Committee.

**Directors' recommendation:** *The Board is of the view that Mr Brook continues to add considerable value to the Board, including as a result of his extensive experience as a director. The Board (other than Mr Brook) recommends that shareholders vote in favour of Resolution 4. Mr Brook does not make a recommendation due to his interest in the outcome of the Resolution.*

## **RESOLUTION 5 – RE-ELECTION OF ANDREA GRANT AS A DIRECTOR**

Shareholder approval is sought for the re-election of Ms Andrea Grant as a Director of the Company.

Ms Grant joined the Board as a Non-Executive Director in September 2012. Ms Grant retires at the AGM by rotation and, being eligible, offers herself for re-election as a Director in accordance with the Company's Constitution.

Ms Grant is a senior human resources professional with over 20 years' experience with both global and Australian companies across the finance, pharmaceutical, automotive and telecommunication industries. Ms Grant is the former Group Managing Director of Human Resources for Telstra, Executive Director of Human Resources for GM Holden, Regional Human Resources Director for GM's Asia Pacific Engineering function and Human Resources Director of Merck, Sharp and Dohme (New Zealand) Ltd (a subsidiary of Merck & Co). Ms Grant is now the Managing Director of People Ingenuity, a boutique Human Resources business.

Ms Grant holds a Bachelor of Education and a Post-Graduate Diploma in teaching. She is also a graduate of the London Business School's Advanced Development Program.

Ms Grant is the Chair of the Board's Remuneration & People Committee and a member of the Board's Nomination Committee.

**Directors' recommendation:** *The Board is of the view that Ms Grant continues to add considerable value to the Board, including as a result of her extensive experience as a director. The Board (other than Ms Grant) recommends that shareholders vote in favour of Resolution 5. Ms Grant does not make a recommendation due to her interest in the outcome of the Resolution.*

## **RESOLUTION 6 – APPROVAL OF THE PROGRAMMED MANAGING DIRECTOR LONG TERM INCENTIVE PLAN AND GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND ISSUE OF SHARES ON VESTING OF THOSE PERFORMANCE RIGHTS**

### **6.1 Background**

Resolution 6 seeks shareholder approval for the purposes of:

- (a) ASX Listing Rule 7.2 Exception 9(b), and for all other purposes, to approve the Programmed Managing Director Long Term Incentive Plan ("**Plan**") and the issue of securities under the Plan from time to time; and
- (b) ASX Listing Rule 10.14, and for all other purposes, to grant 300,000 Performance Rights to the Company's Managing Director, Mr Christopher Sutherland, under the Plan, and to issue up to 300,000 fully paid ordinary shares in the Company ("**Share**") on vesting of the Performance Rights.

A performance right is a right to acquire one Share ("**Performance Right**").

As announced to ASX on 25 May 2016, and as disclosed in the Remuneration Report set out on pages 29 to 55 of the 2016 Annual Report, Mr Sutherland's remuneration as Managing Director (in accordance with his Employment Agreement) comprises:

- (a) fixed annual remuneration (being a base salary, superannuation contribution and benefits as allocated in accordance with Company's policies);
- (b) a short term incentive bonus of up to 75% of fixed annual remuneration payable in Shares or cash upon the achievement of key performance indicators (to be agreed between Mr Sutherland and the Board); and
- (c) a long term incentive ("**LTI**") component, whereby Mr Sutherland may, subject to shareholder approval, be invited to participate in the Plan and be granted Performance Rights, which may vest into Shares subject to specified performance criteria being met and otherwise in accordance with the Plan rules.

In relation to the LTI component, it is proposed that, subject to shareholder approval of Resolution 6, Mr Sutherland be granted 300,000 Performance Rights ("**2016 Performance Rights**"), which will vest in 4 years (on 1 July 2020) ("**Vesting Date**"), subject to the applicable performance criteria being met. The 2016 Performance Rights will be subject to the performance criteria set out in paragraph 6.3 below ("**Performance Criteria**"). These Performance Criteria must be satisfied over the relevant performance period before the 2016 Performance Rights can vest.

In determining the number of 2016 Performance Rights to be granted to Mr Sutherland subject to shareholder approval of Resolution 6, the Board had regard to (among other things) the overall composition of Mr Sutherland's remuneration package, the market price of Shares (as at the date of the Board approving the grant of the 2016 Performance Rights) and the operation of the Performance Criteria. Assuming, for the purposes of illustration, that the market value of the Performance Rights was determined by reference to the Company's share price as at the date of the Board approving the grant of the 2016 Performance Rights (that is, as at 19 May 2016), the ultimate value of any vested 2016 Performance Rights would be in the range of between \$Nil and \$427,500, depending on the application of the Performance Criteria.

Upon the Performance Criteria being met, the Company will issue to the Managing Director one fully paid ordinary share per vested Performance Right for nil consideration.

## **6.2 Reasons shareholder approval is being sought**

### ***ASX Listing Rule 7.2 Exception 9(b)***

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares issued pursuant to the vesting of Performance Rights under the Plan) that a company can issue or agree to issue without shareholder approval. Generally, a company may not without shareholder approval issue in any 12 month period a number of equity securities that is greater than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.2 Exception 9(b) provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% limit under ASX Listing Rule 7.1, provided that the employee incentive scheme and the issue of securities under it have been approved by shareholders within the three year period prior to the issue of securities.

The Plan was last approved by Shareholders at the Company's 2013 annual general meeting. If shareholder approval is not obtained at this Meeting, ASX Listing Rule 7.2 Exception 9 will cease to apply to the Plan from 7 August 2016 (being the third anniversary of the Company's 2013 annual general meeting).

Resolution 6 seeks shareholder approval for the purposes of ASX Listing Rule 7.2 Exception 9(b), and for all other purposes, so that the issue of Performance Rights (and Shares on the vesting of those Performance Rights) under the Plan will be excluded from calculating the Company's 15% capacity under ASX Listing Rule 7.1 for a period of 3 years from the date of the approval.

The approval will preserve maximum flexibility for the Company to issue securities in the future without the need for shareholder approval for the purposes of ASX Listing Rule 7.1. It should be noted that, notwithstanding shareholders approving Resolution 6, any future grant of Performance Rights to a Director (including the Managing Director) in addition to the 2016 Performance Rights, will remain subject to shareholder approval under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a director of a company or his or her associates. As Mr Sutherland is a Director of the Company, approval is being sought for the purposes for ASX Listing Rule 10.14, and for all other purposes, to grant 300,000 2016 Performance Rights to Mr Sutherland under the Plan and, to avoid any doubt, to issue any Shares on the vesting of those 2016 Performance Rights.

Approval under ASX Listing Rule 10.14 provides an exception to the need to seek separate shareholder approval under ASX Listing Rule 10.11.

### 6.3 Terms of the 2016 Performance Rights

If shareholders approve Resolution 6, the Board intends to invite the Managing Director to accept an offer of 300,000 2016 Performance Rights under the Plan. The 2016 Performance Rights will only vest if the Performance Criteria summarised below are satisfied. The 2016 Performance Rights will be tested against the applicable Performance Criteria on the Vesting Date (1 July 2020) to determine the number of the 2016 Performance Rights that will vest into Shares (which are to be allocated to the Managing Director shortly after the Vesting Date):

- (a) 150,000 of the 2016 Performance Rights are subject to performance criteria 1 – Total Shareholder Return ("TSR"), ("**TSR 2016 Performance Rights**"), and
- (b) 150,000 of the 2016 Performance Rights are subject to performance criteria 2 – Earnings Per Share ("**EPS**"), ("**EPS 2016 Performance Rights**").

#### **Performance criteria 1: Total Shareholder Return**

The performance hurdle for the 150,000 TSR 2016 Performance Rights will be based on the Company's performance by reference to the TSR over the relevant period (the "**Performance Period**" being the period from 1 July 2016 to 1 July 2020) when compared with the TSR for each company in a group of peer companies.

Broadly speaking, TSR is the growth in share price plus the value of dividends and distributions on the relevant shares. The peer group of companies comprises the companies listed in the S&P/ASX 300 as at the date of the invitation 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 S&P/ASX 300 during the Performance Period are excluded.

The Company's performance ranking within that group of peer companies at the end of the Performance Period determines the number of TSR 2016 Performance Rights that vest, as follows:

<b>Performance Criteria</b>	<b>TSR 2016 Performance Rights vest</b>
TSR below 40th percentile	None vest
TSR between 40th and 75th percentile (inclusive)	TSR 2016 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 2016 Performance Rights vest



**Performance criteria 2: Earnings Per Share**

The performance hurdle for the 150,000 EPS 2016 Performance Rights will be based on the Company's EPS performance, where a target range for the average annual growth in diluted EPS over the Performance Period of the EPS 2016 Performance Rights has been established to determine the number of EPS 2016 Performance Rights that vest, as follows:

<b>Performance Criteria</b>	<b>EPS Performance Rights vest</b>
Average EPS growth of less than 5% pa	None vest
Average EPS growth from 5% to 15% pa (inclusive)	EPS 2016 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 2016 Performance Rights vest

The starting EPS for the EPS 2016 Performance Rights is the reported audited EPS for the Company's financial year ended 31 March prior to grant.

**6.4 Summary of the terms of the Plan**

There have been no changes to the terms of the Plan since it was last approved by shareholders at the Company's 2013 annual general meeting. A summary of the terms and conditions of the Plan is set out below.

***Board's discretion to make invitations to Managing Director and determine criteria***

Under the Plan, the Board may, in its absolute discretion, from time to time invite the Company's current Managing Director to participate in the Plan and to make an offer to acquire a specified number of Performance Rights under the Plan. An invitation issued to the Managing Director under the Plan will set out, among other things, the number of Performance Rights that the Managing Director is invited to acquire, and the Performance Criteria and the Performance Period applicable to some or all of the Performance Rights. Upon receiving an invitation, the Managing Director may then apply for the Performance Rights. As noted above, however, any specific grant of Performance Rights to the Managing Director will always be subject to shareholder approval under ASX Listing Rule 10.14.

***Performance Rights***

A Performance Right is a right to acquire one fully paid ordinary share in the Company subject to the satisfaction of certain Performance Criteria. Until a Performance Right vests and a share is issued, the Managing Director, in his capacity as a holder of a Performance Right does not (by virtue of holding Performance Rights) have a legal or beneficial interest in Shares and is not entitled to receive dividends or other shareholder benefits.

***Transferability***

Invitations made under the Plan are personal to the Managing Director and may not be transferred or assigned to another person except: (i) with the consent of the Board, to an Associate of that Participant (each as defined under the Plan) or from an Associate of a Participant to that Participant; or (ii) in such other circumstances as the Board may determine in its sole discretion, in each case on the condition that the transferee agrees to be bound by the Plan rules and the Company's Constitution. The Managing Director must not otherwise assign, transfer, sell, grant an encumbrance over or otherwise deal with a Performance Right during the Performance Period except with the written consent of the Board.

***No consideration payable***

No consideration is payable in respect of the grant of the Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of Shares in respect of them (unless, in the latter case, the Board determines to set an acquisition price).

***Vesting of Performance Rights and issue of Shares***

Subject to the terms of the Plan, if the Performance Criteria applicable to Performance Rights are satisfied over the Performance Period, the Company must allocate to the holder the number of Shares to which it is entitled under the terms of those Performance Rights by either acquiring Shares in the ordinary course of trading on ASX or issuing new Shares. If the Performance Criteria applicable to any Performance Rights are not satisfied over the Performance Period, those Performance Rights will lapse.

***Ability to impose restrictions on dealing with Shares***

Under the Plan, the Company has the discretion to impose a restriction period on Shares allocated to a participant on vesting of Performance Rights provided that any such restriction is outlined in the invitation for those Performance Rights. During the restriction period, a participant must not assign, transfer, sell, grant an encumbrance over or otherwise deal with the Shares and the Company is entitled to retain possession of the title documents in relation to the relevant Shares.

***Quotation***

The Company will not seek quotation of any Performance Rights on ASX. The Company will, however, apply to the ASX for quotation of Shares issued pursuant to vesting of Performance Rights if other Shares of the Company are quoted by ASX at that time.

***Change of Control event***

If a change of control event occurs prior to the satisfaction of the Performance Criteria applicable to the Performance Rights, then at the discretion of the Board:

- (a) the number of Shares that will be allocated will be the greater of:
  - (i) 50% of all of the Performance Rights held by the participant; and
  - (ii) the number of those Performance Rights that would be exercised if the Performance Criteria were applied at the date of the change of control event as if the Performance Period ended on the date of the change of control event with such amendments to the Performance Criteria as the Board may deem appropriate in the circumstances; or
- (b) the Board may negotiate a transition, transfer or replacement of the Performance Rights to performance rights under an alternate plan that they assess as being no less favourable under the Plan.

For this purpose, a "**change of control event**" occurs:

- (a) if a takeover bid is made for all of the Shares, when takeover offers are accepted in respect of at least 50% of the total voting shares in the Company;
- (b) if a court orders a meeting of the Company's shareholders to be held in relation to a proposed compromise or arrangement for the purpose of, or in connection with, a merger by scheme of arrangement under Part 5.1 of the Corporations Act;
- (c) a person's voting power in the Company increases from less than 50% to 50% or more (whether under a takeover bid or otherwise); or
- (d) if any other event determined by the Board for the purposes of the rules of the Plan occurs.

Note that for the 2016 Performance Rights, in determining whether the Performance Criteria have been satisfied in the case of a change of control event, the Performance Period will be taken to be from 1 July 2016 to the date on which the change of control event occurs, and the following principles will be applied:

- (a) performance criteria 1 – Total Shareholder Return: the price (including, if appropriate, implied price) of the Company's shares under a takeover bid, scheme of arrangement or other control transaction, will be used in determining the Company's TSR performance ranking; and
- (b) performance criteria 2 – Earnings Per Share: the average of the Company's EPS in the two reported half-years immediately preceding the change of control event will be used to determine the Company's EPS growth.

### ***Cessation of employment***

Performance Rights will, at the discretion of the Board, automatically lapse if the Managing Director ceases to be an Employee (as defined in the Plan), other than in Special Circumstances (see definition below) or the Managing Director commits any act of fraud, dishonesty, theft or gross misconduct in relation to the affairs of an Employing Company (as defined in the Plan). **"Special Circumstances"** includes retirement, redundancy, death or permanent disablement of the Managing Director or other circumstances that the Board determines from time to time.

If the Managing Director's employment ceases because of Special Circumstances, then:

- (a) if less than 24 months of the Performance Period relating to the Performance Rights has elapsed at the date of cessation of Employment, all of the Performance Rights will, at the discretion of the Board, be forfeited; or
- (b) if 24 months or more of the relevant Performance Period has elapsed at the date of cessation of Employment, a proportion of the Managing Director's Performance Rights (calculated in proportion to the number of days in the Performance Period which have elapsed as at the date of cessation of Employment) will be capable of vesting if the Performance Criteria in respect of those Performance Rights was satisfied over the part of the Performance Period ending on the date of cessation of Employment. In such circumstances, the remaining Performance Rights that do not vest, will lapse.

For example, for the 2016 Performance Rights, if Mr Sutherland ceased employment then, subject to the Board's discretion, Mr Sutherland may be entitled to retain a pro rata portion of the 2016 Performance Rights that have been issued to him, if an initial 24 month qualifying period from the date of the issue of the 2016 Performance Rights has passed and the minimum Performance Criteria in relation to the Company's EPS and TSR performance (as set out in paragraph 6.3 above) have been satisfied. The Performance Period in relation to the 2016 Performance Rights in this case will be taken to be from 1 July 2016 to the date on which Mr Sutherland's employment ends due to Special Circumstances (assuming that is more than 24 months after the start of the Performance Period).

### ***Winding up***

In the event that an order is made for the compulsory winding up of the Company or the Company passes a resolution for a voluntary winding up, all unvested Performance Rights will lapse.

### ***Capital reorganisation***

In the event of a reorganisation of capital of the Company, the rights of a participant (including the participant's number of Performance Rights) will be changed to the extent necessary to comply with the ASX Listing Rules that apply to a reorganisation of capital at the time of the reorganisation or, otherwise, will be changed as the Board determines in proportion to the impact of the capital reconstruction.

***Bonus issues***

If the Company makes a bonus issue of Shares or other securities to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or distributions or by way of dividend or distribution reinvestment) and no Share has been issued in respect of a Performance Right before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Performance Right is exercisable will be increased by the number of Shares which the Participant would have received if the Performance Right had been exercised before such record date.

***Pro rata issue***

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares and no Share has been issued in respect of a Performance Right before the record date for determining entitlements to the issue, there will be no change in the number of Performance Rights nor the number of Shares which a participant is entitled to on exercise of those Performance Rights.

***New issue***

During the currency of any Performance Rights and prior to vesting and the issue of Shares in respect of those Performance Rights, the holder is not entitled to participate in any new issue to existing shareholders by virtue of holding a Performance Right unless the Performance Right has been exercised and they acquire the underlying Share prior to the record date for the determination of entitlements to the new issue of securities and participate in the new issue as a result of being a holder of Shares.

***Administration of the Plan***

The Board will administer the Plan, unless it decides to delegate all or any of its functions and powers under the rules of the Plan to a person or persons.

***Amendments to the Plan***

Subject to the rights of participants set out under rule 9.2 of the Plan and the ASX Listing Rules, the Board may at any time amend the rules of the Plan and/or waive or amend the application of any of the provisions in the rules of the Plan in relation to a participant (including the waiver or amendment of any Performance Criteria) and such amendments may operate retrospectively if specified by the Board.

***Termination or suspension of the Plan***

The Board may terminate or suspend the Plan at any time.

**6.5 Specific information required by the ASX Listing Rules**

The following additional information is provided in accordance with ASX Listing Rule 7.2 Exception 9(b) in relation to the approval of the Plan itself, and ASX Listing Rule 10.15 in relation to the proposed grant of 300,000 2016 Performance Rights (and the issue of Shares on vesting of those 2016 Performance Rights) to Mr Sutherland:

**(a) Prior participation:**

The Plan was last approved by shareholders at the Company's 2013 annual general meeting. Since then, Mr Sutherland has been issued under the Plan:

- (i) 160,000 Performance Rights on 9 August 2013 (which was approved by shareholders at the Company's 2013 annual general meeting); and
- (ii) 150,000 Performance Rights on 31 July 2014 (which was approved by shareholders at the Company's 2014 annual general meeting); and
- (iii) 170,000 Performance Rights on 31 July 2015 (which was approved by shareholders at the Company's 2015 annual general meeting).

The Performance Rights set out above were issued to Mr Sutherland for nil cash consideration. No other person referred to in ASX Listing Rule 10.14 has been issued securities under the Plan since it was last approved by shareholders at the Company's 2013 annual general meeting.

- (b) **Maximum number of securities:** The maximum number of 2016 Performance Rights to be issued to Mr Sutherland is 300,000. If all of the Performance Criteria are satisfied, upon vesting of those rights, Mr Sutherland would receive a maximum of 300,000 Shares.
- (c) **Terms of 2016 Performance Rights:** The 2016 Performance Rights will be issued in accordance with the terms of the Plan (a summary of which is set out in paragraph 6.4 above) and will vest subject to satisfaction of the Performance Criteria. The key terms of the 2016 Performance Rights are summarised in paragraph 6.3 above.
- (d) **Issue price:** No cash consideration is payable by Mr Sutherland to acquire the 2016 Performance Rights or upon the vesting of those rights and resulting issue of Shares in respect of them (but the relevant Performance Criteria must first be satisfied before the 2016 Performance Rights can be exercised).
- (e) **Persons entitled to participate:** The Managing Director of the Company from time to time is the only person eligible to participate in the Plan. Mr Sutherland is the Company's current Managing Director and is currently eligible to participate in the Plan. Any grants to a Managing Director (other than the grant and issue specifically contemplated by Resolution 6) will remain subject to shareholder approval under ASX Listing Rule 10.14 notwithstanding that shareholders may approve Resolution 6.
- (f) **Loan:** No loan is being made available to Mr Sutherland in connection with the issue of 2016 Performance Rights.
- (g) **Date of issue:** The 2016 Performance Rights will be issued to Mr Sutherland as soon as practicable after shareholder approval is obtained (and in any event within 12 months of the date of the AGM).
- (h) **Voting exclusion statement:** Refer to the voting exclusion statement immediately following Resolution 6 on page 2 of this Notice.

## 6.6 Non-Executive Directors' views and recommendation

The Non-Executive Directors:

- (a) believe that the continued success of the Company will depend largely on the skills, motivation and leadership of Mr Sutherland in overseeing the management of the Company's operations and strategy;
- (b) took into account the nature of Mr Sutherland's position, the function and purpose of the LTI component of the Company's remuneration strategy, compared against the practices of its Australian peer companies, and other relevant information provided by external remuneration consultants; and
- (c) consider that the grant of the 2016 Performance Rights is an appropriate form of remuneration and is part of a reasonable remuneration package (taking into account the Company's and Mr Sutherland's circumstances).

Accordingly, it is the Non-Executive Directors' view that it is in the best interests of shareholders to approve Resolution 6 because they consider that this share based LTI arrangement and the grant of the 2016 Performance Rights appropriately align Mr Sutherland's remuneration with shareholder returns due to the significant Performance Criteria the Company must achieve for the LTI components to vest. The Non-Executive Directors therefore recommend that shareholders vote in favour of Resolution 6.

## **OTHER INFORMATION**

### **Determination of Shareholders' Right to Attend and Vote**

The Company has determined that persons who are registered holders of Shares at 5.00pm (Perth time) on 25 July 2016 will be entitled to attend and vote at the AGM.

### **Voting by Proxy**

A shareholder entitled to attend and vote at the AGM may appoint a proxy. A proxy need not be a shareholder and can be either an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative to exercise its powers as proxy at the Meeting (see below).

A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Generally, these sections mean that if proxies vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

The following addresses are specified for the purposes of receipt of Proxy Forms and any authorities under which Proxy Forms are signed (or certified copies of those authorities):

**By Facsimile:** (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

**By Post:** Computershare Investor Services Pty Limited, GPO Box 242 Melbourne VIC 3001

**Online:** A proxy can be appointed electronically by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the instructions provided.

**In Person:** Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000


For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting instructions.

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the Proxy Form is signed (or a certified copy of the authority) must be received by the Company at least 48 hours before the commencement of the Meeting (that is, by 10.00am (Perth time) on Monday, 25 July 2016).

The enclosed Proxy Form provides further details on appointing proxies and lodging the Proxy Forms.

### **Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body may exercise (either as a shareholder or as a proxy) at a meeting of a Company's shareholders in accordance with section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative will need to bring to the AGM evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

**Lodge your vote:**

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
 Computershare Investor Services Pty Limited  
 GPO Box 242 Melbourne  
 Victoria 3001 Australia

 Alternatively you can fax your form to  
 (within Australia) 1800 783 447  
 (outside Australia) +61 3 9473 2555

 For Intermediary Online subscribers only  
 (custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)
**For all enquiries call:**  
 (within Australia) 1300 850 505  
 (outside Australia) +61 3 9415 4000

## Proxy Form

**XX**


### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 188608**
**SRN/HIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.


**For your vote to be effective it must be received by 10:00am (Perth Time) Monday, 25 July 2016**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Programmed Maintenance Services Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Programmed Maintenance Services Limited to be held at Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia on Wednesday, 27 July 2016 at 10:00am (Perth Time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of James Walker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Lisa Paul as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Bruce Brook as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Andrea Grant as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the Programmed Managing Director Long Term Incentive Plan and grant of performance rights to the Managing Director and issue of shares on vesting of those performance rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting (where appropriately authorised) intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_