

ASX Release



25 February 2016

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Programmed Maintenance Services Ltd
ACN 054 742 264

Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

LETTER TO SHAREHOLDERS

In accordance with ASX Listing Rule 3.17.1, **attached** is a letter that will be mailed to shareholders of Programmed Maintenance Services Limited (ASX Code: PRG).

Yours sincerely

A handwritten signature in black ink, appearing to read "K. Nadebaum".

Katina Nadebaum
Company Secretary
Programmed Maintenance Services Limited

zero/harm

A leading provider of staffing, maintenance and facility management services.

25 February 2016

Dear Shareholder

Notice of General Meeting

You will have received the Notice of General Meeting which was sent to shareholders on 12 February 2016. This contains two resolutions that will be put to shareholders at the meeting.

Resolution 1 – approval of financial assistance

The first resolution deals with a standard requirement for funding arrangements when one company acquires another. Programmed's debt facility requires Skilled and certain of its wholly owned subsidiaries to become guarantors and security providers alongside all the existing Programmed entities. In these circumstances, the Corporations Act requires shareholder approval.

Passing this resolution will have no effect on Programmed's merger with Skilled, as this was completed successfully on 16 October 2015 and the businesses are now combined.

Voting down Resolution 1, however, would have significant consequences for Programmed. We would be forced to renegotiate the company's financing arrangements, and it is likely that the company would incur significant costs and be exposed to further risks.

For these reasons (among others), your directors unanimously recommend that you vote in favour of Resolution 1, on the basis that it is in the best interests of Programmed.

Resolution 2 – approval of increase in non-executive director remuneration Fee Cap

The second resolution seeks approval to increase the maximum aggregate fees that can be paid to all non-executive directors (Fee Cap) to \$1,350,000 per annum, including superannuation. The ASX Listing Rules require that any proposed increase in this maximum aggregate amount is first approved by shareholders.

The Fee Cap was last approved by shareholders at Programmed's 2010 annual general meeting so has not been increased for more than five years.

The increase will enable us to increase the size of the board to six non-executive directors in recognition of the increased size and complexity of Programmed's business following the acquisition of Skilled, and to enable ongoing succession planning. We only intend to use a small component of the increase now; it will be available to increase aggregate fees in future years in line with market. Programmed's board is still relatively small for a company with more than 20,000 employees and \$3 billion in revenue.

We encourage shareholders to read the notice (which includes explanatory notes, other information and a proxy form) in its entirety.

If you have any questions about the two resolutions, please don't hesitate to contact the Company Secretary, Katina Nadebaum on (08) 9216 2191.

Yours faithfully



Bruce Brook
Chairman
Programmed Maintenance Services Limited