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ASX ANNOUNCEMENT

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Managing Director Employment Agreement

The Board of Directors of PMP Limited ("the Company") are pleased to announce that a new employment agreement has been signed with the Managing Director Mr. Peter George.

The agreement is on substantially the same terms as the previous agreement (a 3 year agreement that commenced on 23 October 2012) other than:

- the agreement has no fixed termination date;
- the notice required to terminate the agreement is extended to 12 months; and
- 3 million performance rights are to be issued under the Company's Long Term Incentive Plan; with similar performance hurdles to the previous rights issued.

Shareholder approval will be sought at the forthcoming Annual General Meeting on 20 November 2015 for the granting of these rights.

A summary of the key terms of Mr George's employment agreement follows.

Fixed Annual Remuneration

Gross salary continues at A\$600,000 per annum (inclusive of superannuation) and subject to annual review.

Short Term Incentive

The Short Term Incentives (**STI**) scheme continues with the same structure as provided under the previous agreement. That is:

- If less than 90% of the annual budgeted EBIT is achieved, the Company may determine that no payment is to be made under the STI plan.
- The STI hurdles are linked to annual budgeted EBIT (between 60 & 70%), safety (up to 20%), and other personal hurdles (between 10 to 20%).
- Any STI payment made will comprise of 66.7% in cash and 33.3% in ordinary shares in the Company.
- The award of shares will be subject to a 12 month transfer restriction and if Mr George's employment is terminated for cause during the 12 month transfer restriction, the shares will be forfeited.

Long Term Incentive

Subject to shareholder approval at the 2015 Annual general Meeting, Mr George will be granted 3 million performance rights under the PMP Long Term Incentive Plan. The performance rights will be tested against the performance hurdles on 30 June 2018 (subject to no early vesting). Where the performance hurdles are met, the zero priced performance rights will convert to fully paid ordinary shares.

The performance rights offered to Mr George are again split evenly: 50% against Total Shareholder Return, measured against a comparator group consisting of ASX listed entities that are ranked between S&P/ASX 200-ASX 300 (excluding entities in the metals and mining and materials indexes) and the other 50% against a 3 year EBITDA target for the Company.

If employment is terminated before 30 June 2018 some or all of the performance rights granted may vest (if the performance hurdles are met). Further details on possible early vesting of performance rights can be found in the Explanatory Memorandum to and forming part of the Notice of Annual General Meeting 2015.

Restraint

Mr George will continue to have up to a 12 month post employment restraint.

Termination

The Company may terminate Mr George's employment or Mr George may cease his employment by giving not less than 12 months notice. The Company can elect to require service for the notice period, pay in lieu of notice, or place him on leave.

Employment may be terminated without notice in the event of Mr. George's misconduct or where there is a non-rectified breach of his employment contract.

Where there is a change of control or a significant and material adverse change to Mr George's duties or responsibilities either Mr George or the Company may terminate Mr to George's employment by paying to Mr George his gross annual salary plus any STI payment made or due to be made in respect of the prior financial year.

For further enquires:

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