

**ASX & Media Release****25 August 2014****Update on remuneration arrangements of Managing Director**

On 26 May 2014, the Board of Service Stream (ASX:SSM) advised that Mr Leigh Mackender had been appointed Managing Director of Service Stream Limited - effective 26 May 2014.

At that time Leigh's revised remuneration arrangements had not yet been finalised. A revised remuneration package has now been agreed with Leigh for his role as Managing Director and is detailed below:

**Outline of material elements of Employment Agreement**

Leigh's total fixed remuneration is \$475,000 per annum, including superannuation and all other allowances. Whilst the Board retains discretion to offer a short term incentive bonus in the case of exceptional performance in circumstances not presently anticipated, there is no planned short term incentive scheme.

Reward for performance in the role, over and above annual remuneration, is intended to be realised by way of participation in an Executive Share-based Incentive Plan (**ESBIP**). Subject to shareholder approval, Leigh will be awarded one million performance rights at the commencement of each financial year from FY15 through FY19, which will vest at the end of each financial year subject to the satisfaction of certain performance criteria and be delivered as shares in the Company within 30 days of lodgement of the Company's annual accounts with the ASX. The ESBIP is intended to ensure the Managing Director is rewarded over the medium term in broadly the same manner as the Company's shareholders, and to realise value based on the performance of the Company.

The vesting of each year's performance rights is subject to the Company's achievement of 10% growth in earnings per share (**EPS**) relative to each prior year's reported EPS. Any performance rights for which the EPS target has not been satisfied in a particular year may subsequently vest should EPS growth over subsequent years (to a maximum aggregate period of three years) achieve average annual growth of 10% over that period. Performance rights for which the relevant period's EPS target has not and cannot subsequently be achieved are forfeited.

To be eligible for the award of any shares, Leigh must be employed by the Company at the date on which the relevant shares are to be delivered. In certain circumstances however (such as those arising from a Change of Control) performance rights relating to the current and previous years may vest early.

The Executive Employment Agreement contains other standard provisions common to such agreements, and includes the right for either party to terminate on six months' notice.

**Resignation of Alternate Director- Mr Bob Grant**

As part of a review of arrangements, the Board also announces that Mr Bob Grant has resigned as Alternate Director for Mr Leigh Mackender effective today, but that it proposes to issue Mr Grant with a joint Power of Attorney to execute relevant documents to facilitate administrative dealings of the Company.

Mr Grant's other responsibilities as Chief Financial Officer for the Company will not change.

**For further details contact:**

**Service Stream Limited**  
Peter Dempsey, Chairman  
Tel: +61 3 9937 6350

**About Service Stream Limited:**

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). The Service Stream Group is a provider of essential network services to the telecommunications, energy and water industries. Service Stream operates out of more than 40 locations nationwide and maintains a workforce of around 3,000 employees and contractors. For more information please visit [www.servicestream.com.au](http://www.servicestream.com.au)