



Simonds Group

MARKET ANNOUNCEMENT

19 February 2016

APPOINTMENT OF SIMONDS GROUP CEO AND MANAGING DIRECTOR

Simonds Group Limited (ASX:SIO) today announced the appointment of Matthew Chun as its next CEO and Managing Director. Mr Chun will commence in the role on 1 April 2016. A summary of the key terms of his employment is attached.

Mr Chun has served as a Non-Executive Director on the Simonds Board since November 2014 and has significant experience in the property sector.

Simonds Chairman Mr Gary Simonds said: "The Board is delighted with Matthew's appointment and believes he has the skills and expertise to successfully deliver the Group's strategy.

"In his time on the Board, Matthew has proven to be an asset to the Group and has demonstrated a solid understanding of our industry and the opportunities for growth.

"Matthew's expertise and knowledge of the property industry, his considerable financial acumen and leadership skills are a highly attractive combination and are precisely what the business requires.

"We are very fortunate to have his depth of experience within Simonds, and look forward to working with him in his new capacity."

Mr Chun brings to the role over 23 years' experience in the property industry and has held senior roles at Coles Myer, Cbus and Becton Property Group.

The experience gained through these roles in both listed and unlisted companies, coupled with the achievements in managing stakeholders and driving strategy as a CEO and Board member, will assist Simonds in achieving its next stage of growth.

Mr Chun said, "Simonds has a proud and long history of building homes and providing exceptional education programs for the building industry, and I am delighted and honoured to be appointed as CEO.

"There is no doubt there are a number of challenges in the near term that need to be addressed, but equally there is great opportunity ahead with the team and the legacy of the brand," he said.

Mr Chun currently runs a firm which provides development and project management advisory services, Chun Property Advisory Pty Ltd.

Under the terms of his employment, this firm will be acquired by Simonds, which will enable the recently commenced land development arm of the business, Discovery Developments Pty Ltd, to benefit from the knowledge, processes, systems and talent that Chun Property Advisory has developed.



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Attachment 1: Curriculum Vitae of new CEO, Matthew Chun

Key Senior Executive Roles

2013 Chun Property Advisory Pty Ltd

Executive Director

2008 Becton Property Group Limited

Chief Executive Officer

2006 Becton Property Group Limited

Chief Operating Officer (Becton Property Group Ltd) &

Head of Funds Management (Becton Funds Management Ltd)

2004 Becton Property Group Limited

Chief Investment Officer, Funds Management

2003 Chun Property Advisory

Managing Director

2003 Cbus

Senior Property Investment Officer

1999 Coles Myer Limited

Property Leasing Officer

Education

Graduate Diploma in Applied Investment and Finance, Australian Securities Institute

Graduate Diploma in Property, RMIT Victoria

Bachelor of Economics (Major - Accounting), La Trobe University, Victoria

Advanced Certificate of Real Estate, Swinburne TAFE, Victoria

Victorian Real Estate Agents Licence

Attachment 2: Material Terms of Employment

The material terms of the Executive Services Agreement between Matthew Chun and Simonds Group Limited (the Company) for the role of Chief Executive Officer and Managing Director (the Agreement) are as follows:

Commencement Date	1 st April 2016
Term	No fixed term. Ongoing until terminated by either party in accordance with the Agreement (see below)
Total Fixed Annual Remuneration (FAR)	\$615,000 per annum including superannuation, reviewed annually
Short Term Incentive (STI) for FY16/17	Maximum opportunity of \$600,000 per annum, subject to performance, pro rata for the period from the Commencement Date to 30 June 2017.
Long Term Incentive (LTI) for FY16/17	See below for details of LTI. The options and rights will be offered pursuant to Simonds Group Employee Share Plan as previously released to the market and subject to shareholder approval at the 2016 Annual General Meeting. LTI participation and terms in future years are at the discretion of the Board.
Notice Period / Termination Entitlements	12 months by either party Employment may be ended immediately in certain circumstances including misconduct, incapacity, mutual agreement or in the event of a fundamental change in the CEO's role or responsibilities. The Company may elect to pay 12 months FAR in lieu of any unserved notice period.
Post-Employment Restraint	A 6 month unpaid restraint provision applies.
Other material terms	Provision has been made for Termination for Fundamental Change (including a material diminution in the role or delisting); Agreement to be finalised in respect to the acquisition of Chun Property Advisory Pty Ltd, a development management and project management advisory services business for an undisclosed immaterial sum (less than \$400,000).

Long Term Incentive details for performance period Commencement Date to 30 June 2017:

Tranche	Number / \$Amount	Exercise Price	Vesting Date	Expiry Date	Condition
1	1,320,000 options	\$0.60	30 June 2019	30 June 2021	Earnings per share
2	1,320,000 options	\$0.85	30 June 2019	30 June 2021	Earnings per share
3	1,360,000 options	\$1.10	30 June 2019	30 June 2021	Earnings per share
4	\$180,000	n/a	30 June 2019	30 June 2021	EPS and TSR