

ASX ANNOUNCEMENT

Retirement of Joint CEO & Managing Director and appointment of Group CEO & Managing Director

Melbourne, 10 December 2020

Simonds Group “ASX: SIO” announces the retirement of Mr. Kelvin Ryan as Joint Chief Executive & Managing Director and the appointment of Mr. Rhett Simonds as Group CEO & Managing Director. This change will be effective from 1 January 2021.

Kelvin Ryan retirement and appointment as Special Advisor

Simonds Group Chairman, Mr. Iain Kirkwood, said:

“The Board thanks Kelvin for his dedicated service and recognises the substantial contribution he has made to the Simonds Group since his appointment in 2018.

Kelvin has been instrumental in growing the traditional business as well diversifying the Group into new business channels.

The Board is delighted Kelvin will continue to be involved with the Simonds Group by providing advisory services around specific areas of the business, such as government projects, where his network and experience will be welcomed.”

Simonds Founder and Senior Advisor to the Board, Mr. Gary Simonds said:

“I thank Kelvin for his dedication and service to Simonds Group. We are delighted that we will retain Kelvin in the business in an advisory capacity and continue to benefit from his extensive experience in and knowledge of the volume home building market.”

Rhett Simonds appointment as Group CEO & Managing Director

Rhett Simonds has been working alongside Kelvin Ryan as Joint CEO & Managing Director since 1 February 2020.

Mr Simonds’ appointment as Group CEO & Managing Director brings detailed knowledge of the business and continuity to delivery on the strategy.

Prior to his appointment as Joint CEO & Managing Director, Mr Simonds has been a Non-Executive Director of Simonds Group Ltd (SIO) since April 2016; Group Chief Executive Officer of Simonds Consolidated, the trading arm of the Simonds Family Office; and held several management roles within the Simonds Group of Companies since 2004. Mr Simonds was also the Interim Chief Executive Officer for Simonds Group from late 2017, before Mr Ryan’s appointment in 2018.

Employment Agreement

Simonds Group Limited advises the following key terms relating to announcement of Mr Simonds being appointed as Group CEO & Managing Director. Key employment terms to facilitate this arrangement are as follows:

Effective date

Group CEO employment agreement will be effective from 1 January 2021 and continues for an ongoing term subject to termination as summarised below.

Mr Simonds Material Employment Terms

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

Total fixed annual remuneration	<p>\$362,500 per annum (including superannuation) from 1 February 2020 to 31 December 2020.</p> <p>\$700,000 per annum (including superannuation) from 1 January 2021 onwards.</p>
Short term incentive (STI)	<p>STI eligibility up to \$300,000 per annum, subject to performance, up to 31 December 2020.</p> <p>STI eligibility up to \$600,000 per annum, subject to performance, from 1 January 2021 onwards.</p>
Long term incentive (LTI)	<p>LTI eligibility up to the value of \$150,000 per annum will be offered pursuant to the Simonds Group Employee Share Plan up to 31 December 2020.</p> <p>LTI eligibility up to the value of \$300,000 per annum will be offered pursuant to the Simonds Group Employee Share Plan from 1 January 2021.</p> <p>LTI participation and terms are at the discretion of the Board.</p>
Other benefits	<p>An allowance of \$87,500 per annum up to 31 December 2020.</p> <p>This allowance will cease from 1 January 2021.</p>
Notice period/ termination entitlements	<p>The notice of termination periods in Mr Simonds' employment are:</p> <ul style="list-style-type: none"> • 3 months if notice is provided by Mr Simonds to the Company and • 6 months if notice is provided by the Company to Mr Simonds. <p>Employment may be ended immediately in certain circumstances including misconduct, incapacity, mutual agreement or in the event of a fundamental change in the Group CEO's role or responsibilities.</p> <p>The Company may elect to make payment in lieu of any unserved notice period.</p>
Post-employment restraint	<p>A 12-month restraint provision applies.</p>

ENDS

For more information, please contact:

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Authorised for lodgement by the Board of Simonds Group Limited.