

## **ASX RELEASE 8 MAY 2014**

### **STRUCTURAL SYSTEMS LIMITED APPOINTS NEW CHAIRMAN AND MANAGING DIRECTOR**

The Chairman of Structural Systems Limited (ASX : STS), Mr Bob Freedman, is pleased to announce the appointment of Mr Peter McMorrow as Chairman and Mr David Macgeorge as Managing Director of Structural Systems Limited.

#### **Chairman**

As announced at the 2013 AGM Mr Freedman will step down as Chairman on 30 June 2014. However, he has committed to continue his current term as a Non Executive director. Mr Peter McMorrow has accepted the role of Chairman commencing 1 July 2014.

Mr McMorrow said “I am delighted to accept on the role of Chairman and look forward to the next phase of the Company’s development. I would like to acknowledge Mr Freedman’s many years of contribution to the Company as Chairman and Managing Director”. “I expect to announce further progress on board succession prior to this year’s AGM”.

#### **Managing Director**

As announced in March the Board commenced a replacement program for a new Managing Director following advice by Mr David Perry that he did not intend to renew his contract next year. The Board is pleased that this program has lead to the appointment of Mr David Macgeorge who will join the company on 12 May 2014. Mr Macgeorge will assume the role of Managing Director on 31 May 2014 after a short handover period. Mr Perry will be paid in accordance with his contract and will make himself available on specific issues as agreed with the Board until December 2014.

Mr Macgeorge has extensive senior executive experience in contracting, logistics, infrastructure and mining services industries. He was most recently WA / NT Director of Kohlberg Kravis Roberts (KKR) owned BIS Industries (formerly Brambles), with revenues of \$450 million, asset base of \$500 million and a workforce of approximately 1,200 people across numerous geographical locations and profit centres. Mr Macgeorge has also held senior executive positions at CHEP Asia Pacific, Cleanaway and Brambles Industrial Services.

Mr Macgeorge has a strong record of leading business transformation, value creation and growth through a unique understanding of strategy, customer focus and shareholder returns. Mr Macgeorge holds a Bachelor of Business in Marketing and



has completed the Senior Executive Management program at INSEAD Business School in France.

Commenting on Mr Macgeorge's appointment, Chairman Mr Freedman said "We are delighted that David has agreed to take on the role of Managing Director of Structural Systems. The Board believes David brings an exceptional mix of leadership, strategic initiative, financial discipline and value creation. His appointment will be a key asset to Structural Systems in leading the Company through its next phase of development".

Mr Macgeorge said he was delighted to have been appointed to the position of Managing Director of Structural Systems.

"I am excited about the prospect of leading Structural Systems and implementing strategies to further develop and enhance our business. I am committed to the continued development of our people and driving value for our customers and shareholders". A summary of the key terms of Mr Macgeorge's Employment Agreement is set out in attachment A.

The Board again wishes to thank Mr David Perry for his 12 years of dedicated service and wishes him well for the future.

### **Full Year Profit Forecast**

The Board also confirms the full year profit forecast announced on March 28 2014, in the range \$6.7 to \$7.5 million NPBT.

Bob Freedman  
Chairman

### **About Structural Systems Limited**

The Company commenced as BBR Australia Pty Ltd in 1961 and was listed on the Australia Securities Exchange as Structural Systems Limited in 1987. The Company operates in the construction and resource sectors. Construction sector activities include infrastructure works, post-tensioning and remedial services. Activities undertaken in the resource sector include drill and blast as well as geotechnical services and radar monitoring systems. Structural Systems operates throughout Australia, the Middle East and Africa and has approximately 650 employees worldwide.

For further information about Structural Systems please see our website:

[www.structuralsystems.com.au](http://www.structuralsystems.com.au)

## ATTACHMENT A

### SUMMARY OF KEY TERMS AND CONDITIONS OF EMPLOYMENT

**Employment term:** The executive's employment commences on 12 May 2014 for a term of 5 years, which may be extended by agreement. During the term of the agreement, either side may terminate the agreement without cause by giving 6 months notice. The employer may terminate the executive's employment by making a payment in lieu of any required notice. The executive will be entitled to a payment equal to the value of 6 months total remuneration if the post-employment restraints, including a 6 month non-compete restraint, are complied with.

**Remuneration:** The executive remuneration will comprise the following elements:

1. A sign on bonus of \$60,000.
2. Fixed annual remuneration (**TFR**) of \$585,000, inclusive of superannuation contributions, which will be reviewed by the remuneration and nomination committee on an annual basis. The first review will be in June 2015.
3. Grant of a short term incentive (**STI**) award of up to a maximum of 100% of bonus base which is 80% of TFR depending on the achievement of targets to be agreed.
4. Subject to shareholder approval, a grant of 500,000 options in a single tranche which will vest on and be capable of exercise from 31 July 2016. The exercise price of the options will be 145% of the 5 day VWAP of a share at the date that the shareholders approved the grant and the options will expire 4 years from that date.
5. Subject to shareholder approval, the issue of Performance Rights as follows:
  - Tranche 1 – 250,000 Performance Rights, for the Performance period ending on 30 June 2016
  - Tranche 2 – 250,000 Performance Rights, for the Performance period ending on 30 June 2017
  - Tranche 3 – 250,000 Performance Rights, for the Performance period ending on 30 June 2018

The Company's earnings per share (EPS) performance will be the measure over the relevant performance period to determine vesting of the Performance Rights.

**Leave Entitlement:** The executive is entitled to leave entitlements as prescribed by statute, including 4 weeks annual leave (which may accrue from year to year) and 10 days personal/carers leave.