

Harris Technology Group Limited ASX:HT8

29 September 2016

ASX and Media Release

Terms of Managing Director's Executive Services Agreement

Harris Technology Group Limited (**Harris Technology** or the **Company**) is pleased to advise that the Company has finalised the terms of an executive services agreement with Mr Garrison Huang (**Agreement**), in respect of his appointment as Managing Director of Harris Technology and its related bodies corporate (the **Group**).

A summary of the key terms of Mr Huang's employment under the Agreement is as follows:

(a) **Duration of the agreement**

Mr Huang's term of employment as Managing Director commenced on 18 July 2016 (**Commencement Date**) and will continue indefinitely until terminated in accordance with the Agreement (**Term**).

(b) **Remuneration, Entitlements and Expenses**

- i. **Fixed remuneration** – For the first 12 months of the Term, Mr Huang's remuneration will be \$34,980.40 plus statutory superannuation, being the statutory minimum wage for an employee in Australia. Whilst this remuneration is considerably lower than standard market rates of CEO salaries, Mr Huang has volunteered to enter into this arrangement to demonstrate his ongoing support for the Company, and to enable it to conserve its cash reserves at a pivotal point in its growth strategy. Mr Huang's fixed remuneration will be subject to review 12 months after the Commencement Date.
- ii. **Bonuses** – The Company may, if the Board determines in its absolute discretion and subject to any relevant performance or other conditions restrictions or requirements of the Board or of the listing rules of ASX, pay a short term incentive (**STI**) to Mr Huang, and/or grant shares, performance rights or options to or for the benefit of Mr Huang as a long term incentive (**LTI**).
- iii. **Expenses** – Mr Huang is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

(c) **Termination of employment**

Termination by the Company – Mr Huang's employment may be terminated at any time by the Company giving Mr Huang three (3) months' notice of termination (or payment in lieu of such notice). The Company may terminate Mr Huang's employment immediately in certain circumstances including serious misconduct and material breach of the Agreement, in which event Mr Huang will not be entitled to any compensation, except for any outstanding payments for accrued leave entitlements.

Termination by Mr Huang – Mr Huang may terminate his employment at any time by giving the Company three (3) months' notice of termination.

Consequences of termination – Upon termination of his employment, however occurring, Mr Huang must return to the Company all property belonging to the Group, including all documents and confidential information.

(d) **Non-competition and non-solicitation**

Mr Huang must not, during his employment, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Company. In addition, certain restraints apply to Mr Huang after termination of his employment with the Group for any reason, including that for a period of 12 months post termination, Mr Huang may not without the prior written consent of the Company:

- i. be involved in any business activities in Australia which are in competition with the Company's activities; or
- ii. canvass, solicit or compete for the custom of any person who was a customer or client of the Group during the 12 months preceding termination of the agreement.

-ENDS

For further information, contact:

Alyn Tai
Company Secretary
Harris Technology Group Limited
T: +61 3 9286 7502
E: at@ccounsel.com.au