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ASX & Media Release Adacel Technologies Limited (ASX: ADA)

Melbourne, 29 October 2015

Position of Chief Executive Officer

The Board of Adacel Technologies Limited (**Adacel** or the **Company**) advises that Mr. Gary Pearson has been confirmed as the Company's Chief Executive Officer. Mr. Pearson has acted as Chief Executive Officer since Seth Brown's medical leave of absence as announced on 22 June 2015. Mr. Pearson will continue to lead management in its execution of the Company's strategic plan.

Mr. Brown has taken a decision to focus on his health at this time. Accordingly, Mr. Brown's employment with Adacel Systems, Inc. (**ASI**), the Company's subsidiary, has ceased.

The Board wishes to thank Mr. Brown for his dedication and contribution to the Company during his tenure with Adacel, and extends its best wishes to him and his family.

Mr. Pearson's employment as Chief Executive Officer will continue on terms that are substantially similar to the terms of his existing employment. A summary of the key terms of Mr. Pearson's employment with the Company's subsidiary ASI as Chief Executive Officer is set out in the Appendix to this announcement.

-ENDS

About Adacel

Adacel Technologies Limited is a leading developer of advanced simulation and training solutions, speech recognition applications and operational air traffic management systems. Adacel is particularly well known for innovations within the ATC simulation and speech recognition fields. The Company's products are widely used throughout North America, Europe, the Middle East and the Asia Pacific region. Adacel is listed on the ASX and further information on the Company can be found on its website at www.adacel.com.

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APPENDIX

Summary of terms of Mr Gary Pearson's employment as Chief Executive Officer (CEO)

(a) **Term and termination**

The appointment of Mr. Pearson to the position of CEO will continue until the Board provides notice of cessation of this appointment, in which event Mr. Pearson will resume his duties as Chief Operating Officer in accordance with the terms of his employment agreement with ASI in respect of that role.

Under the terms of Mr. Pearson's employment as COO, Mr. Pearson's employment automatically renews for successive terms of 1 year, until terminated by either party with at least 30 days' notice prior to the expiry of each renewed term.

In addition, ASI may terminate Mr. Pearson's employment immediately in certain circumstances including serious misconduct and material breach of the employment agreement. The Company may also terminate Mr. Pearson's employment if he is incapacitated for an extended period.

(b) **Remuneration**

- (i) **Base salary** – Mr. Pearson's base salary as CEO is USD 315,000 per annum.
- (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 ASX Listing Rules, pay a short term incentive to Mr Pearson.