



ASX announcement Media Release

17 May 2021

David Clarke appointed Chief Executive Officer

Hills Limited (ASX: HIL) is pleased to announce the appointment of technology and healthcare industry leader David Clarke as Chief Executive Officer, effective immediately.

Mr Clarke brings significant experience as a chief executive officer and chief financial officer of ASX-listed companies, with extensive knowledge across technology and healthcare, as well as distribution and technical field services.

Mr Clarke spent seven years as a senior executive at ASX-listed health software provider Corum Group Limited, including four as CEO. Previously, he held executive leadership roles at companies including Medtronic Australasia, Fisher & Paykel and the ASX-listed Nick Scali Limited.

More recently, Mr Clarke has worked with the Medical Software Industry Association to lead the taskforce coordinating the technical readiness of industry and governments for the COVID-19 vaccination roll-out throughout the primary healthcare network.

Hills Chairman Jennifer Hill-Ling said: "I am delighted that we have appointed an executive of David's calibre, with such a strong record in strategic, financial and operational leadership. David's experience and business skills provide Hills with significant capability to deliver on the Health division's growth strategy and return the Distribution division to sustained profitability. His relationships with government and other business influencers will be invaluable as we focus on generating consistent returns for shareholders."

Mr Clarke said: "I'm excited to be taking on this leadership role at Hills. I look forward to working with the Board and the entire Hills team, supporting the success of our customers and suppliers, and generating growth that provides a sustainable return for our shareholders."

Mr Clarke will work with the departing CEO, David Lenz, to ensure a seamless transition until Mr Lenz's retirement on 1 July 2021. The Board thanks Mr Lenz for his dedication to Hills over the past six years and wishes him well in his retirement.

This ASX release was authorised on behalf of the Board.



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Summary of material terms of Mr Clarke's employment agreement

Term:

No fixed term. Ongoing unless terminated by either party on providing not less than 4 months' prior written notice.

Remuneration:

Base Remuneration

\$350,000 per annum (inclusive of compulsory superannuation)

Short Term Incentive (STI)

\$150,000 per annum subject to achievement of annual performance targets determined by the Hills Limited Board. STI will be paid 50% in cash and 50% as a grant of Performance Rights that vest after one year.

Long Term Incentive (LTI)

\$125,000 per annum.

The LTI award will be delivered as rights to receive Hills Limited securities subject to performance against annual financial targets and service conditions. The performance conditions will include an absolute test based on earnings per share growth and a relative test based on total shareholder return.

The first three years' Performance Rights (PRs) will be granted to Mr Clarke on his commencement as CEO and vest in three equal tranches on achievement of annual performance conditions being satisfied and a further service period of two years. The first testing period is the end of the 2022 financial year.

The number of PR granted will be calculated based on the VWAP of Hills Limited shares traded on the ASX over the 30 trading days immediately prior to Mr Clarke's appointment.

Restraints:

Mr Clarke is subject to a post-employment non-solicit and non-compete restraint of up to 12 months.

Other:

The other terms of Mr Clarke's employment contract are standard under Australian law for a position of this nature.



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About Hills Limited

Hills is a majority Australian-owned publicly listed company (ASX: HIL) that is a value-added distributor of integrated technology solutions that connect, entertain and secure people in the environments they trust the most: their homes, schools and universities, hospitals and aged care facilities, workplaces and government institutions. For more information, visit www.hills.com.au

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