

ASX ANNOUNCEMENT (ASX:CVT)

23 December 2016

Appointment of new MD/CEO and Board Changes

Sydney, Australia – Covata Limited (ASX: CVT) would like to announce the appointment of Mr Ted Pretty as the Managing Director and CEO of Covata, effective 23 January 2017. Mr Pretty will also purchase shares in the Company, subject to approvals as outlined in the employment terms.

Existing CEO Mr Trent Telford will be appointed as Chairman of the Board, replacing Charles (Chuck) Archer. In addition to his role as Chairman, Telford will perform an advisory and consulting role for a period of 12 months (terms subject to formalisation). Mr Archer will step down as Chair, but will remain on the Board as a Non-Executive Director.

Ted is a recognised technology and telecommunications executive and director with significant experience in complex networks, data hosting and security. His career has included relevant roles such as Telstra Group MD Technology Innovation and Product, Chairman of Fujitsu Limited, Chairman of ASX listed NEXTDC and RP Data Limited, Advisory Chairman of Tech Mahindra and MD/CEO of Hills Limited.

He is currently a Senior Adviser at a major international investment bank, supporting principal investments in emerging companies covering information governance, big data and analytics, security and encryption. Mr Pretty is also on the Advisory Board of Lighthouse Accelerator located at Barangaroo.

Outgoing Covata Chairman, Mr Chuck Archer said: "It has been a pleasure to work with Trent for the past six years. He has forged strategic partnerships, driven the government market for Safe Share in the UK and created the Covata Delta platform offering in San Francisco. He has delivered a strong balance sheet underpinned by a reputable investor base, and we are pleased he will offer continued support to the Company.

"I am delighted to welcome Ted who brings vast industry knowledge and experience to the leadership team. His extensive industry and business connections and networks will be invaluable in helping to focus on the Company's revenue base. We see his personal investment as a strong sign of confidence."

Mr Pretty said: " I am excited to join Covata at such a key point in the Company's journey. I have been motivated to accept the role as MD and CEO of Covata and also invest in the Company for a number of reasons. The global market for cyber security and encryption is strong and growing, Covata has unique IP, and it presents a sound base from which to grow both organically, and by acquisition.

"My initial focus will be on the revenue potential from existing proofs of concepts, followed closely by developing the sales pipeline, new product development, and exploring other near term growth opportunities."

A summary of Mr Pretty's employment terms is set out below. The engagement contains terms typical to similar agreements including provisions regarding confidentiality, privacy, and post-employment restraints.

The Board will call an EGM around the time when half year results are released, to approve the package.

Annual remuneration	\$430,000 base salary with the potential to earn short-term incentive of up to 100% subject to Board discretion.
Commencement date	23 January 2017
Initial term	12 months
Notice period applicable at the end of the term	3 months
Loan plan shares	Subject to shareholder approval, the Company has agreed to issue 10 million loan plan shares issued under the terms of the Company's Loan Share Plan and subject to a range of milestones. Full details will be set out in a forthcoming Notice of Meeting.
Ordinary shares	Subject to shareholder approval of loan plan shares, Mr Pretty has agreed to purchase ordinary shares having a total subscription cost of \$215,000, at an issue price calculated by reference to the 5-day VWAP prior to the date of this announcement. This is also subject to shareholder approval. Full details will be set out in a forthcoming Notice of Meeting.

- Ends -

About Covata

Covata Limited (ASX:CVT) enables true ownership and control over your data in the cloud and over mobile services. We deliver data-centric security solutions without compromising simple usability, providing true end-to-end security. Your data is always protected wherever it may travel – inside your network, beyond the domain, to mobile devices and to the cloud – with granular access controls that extend to external users, view-only restrictions, real-time revocation and complete visibility and auditability. Own Your Data, control your data and choose where it is stored – with complete assurance that it is protected and secure. For further information, please visit Covata.com.



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