



ASX RELEASE

10 January 2019

Director changes

Scout Security Limited ("Company") (ASX: SCT) advises that Chairman and Non-executive Director Mr. John Strong has provided a notice of resignation effective immediately. Mr. Strong has recently recovered from a severe illness that has resulted in substantial ongoing medical costs and has requested permission from the Company to sell a portion of his shares under a 'Severe Financial Hardship circumstance' in accordance with the Company's Share Trading Policy.

CEO, Mr. Dan Roberts, has reviewed the circumstances and has agreed to allow the sale to occur within the next 5 business days. 465,000 ordinary shares will be sold by off-market transfer, leaving 764,911 ordinary shares to be sold in subsequent transfers or sold on market. Mr. Strong has 1,229,911 non-escrowed, ordinary shares in total at this time. An appendix 3Y change of Director's interest notice will be lodged with ASX at the time of sale.

The company advises that there is no current closed trading period and has followed best practice corporate governance practices to ensure the market is fully aware of the Director intentions, reasons and procedure followed by the company.

Mr. Strong will be retained as a special advisor to the Board to assist with strategic decision making and ongoing business development efforts. Remuneration will be USD1,562 per month with retainment of the 'Director Options', that were issued on 22 August 2017 that require a vesting period of 2 years to 22 August 2019, are exercisable at \$0.30 and expire on 22 August 2020. The options lapse by virtue of resignation and therefore must be approved by shareholders at the next general meeting of shareholders.

For and on behalf of Scout Security Limited

Stuart Usher
Company Secretary

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