



ASX Announcement

28 March 2023

Megaport Limited

Appointment of Chief Executive Officer and Management Update

Megaport Limited ACN 607 301 959 (**Megaport or Company**) (ASX:MP1), the industry-leading Network as a Service platform, today announces that its Board of Directors has appointed Michael Reid as the Company's Chief Executive Officer, effective 15 May 2023.

Mr Reid joins Megaport from Cisco, where he currently serves as Chief Revenue Officer for ThousandEyes, one of Cisco's fastest growing SaaS businesses.

Mr Reid brings over 19 years of industry expertise and experience to Megaport. During his time with ThousandEyes, Mr Reid transformed the organisation's go-to-market efforts and helped grow ThousandEyes into the largest cloud, SaaS and internet visibility platform in the world. In addition, Mr Reid expanded the team from 150 personnel to nearly 400, grew ARR by 2.4 times and extended the business into new regions across the globe. Mr Reid is known for his passionate and transformative sales and global go-to-market leadership focusing on culture, people and execution. Prior to ThousandEyes, Mr Reid's experience with Cisco includes serving as head of global sales for multiple Cisco acquisitions, leading sales for the northern region of Australia, and leading sales for the country's largest financial services customers.

Bevan Slattery, interim CEO and Chairman of the Board, said, "We are thrilled to welcome Michael as the new CEO of Megaport. Michael is a proven technology growth leader with deep experience in developing and leading multiple global recurring revenue SaaS businesses. His expertise and drive will be pivotal to strengthening Megaport's go-to-market strategy and product roadmap and leading the Company into its next stage of growth."

Mr Reid holds a Degree in Aerospace Engineering from QUT and was CEO Magazine Sales Executive of the Year 2019. Mr Reid will initially commence his role in San Francisco where he is currently based, but will relocate to Brisbane by July 2023. The key terms of Mr Reid's employment agreement are attached to this announcement. Further details of the remuneration paid to Mr Reid each year will be disclosed in the Company's annual remuneration reports.

Mr Reid will succeed interim CEO Bevan Slattery, who will continue in his role as Chairman of the Board. The Company advises that it has signed an interim CEO appointment letter with Mr Slattery. The key terms of Mr Slattery's appointment are attached to this announcement.

The Company also advises that Sean Cassidy is leaving the position of Chief Financial Officer, effective today. Ms Leticia Dorman will be appointed as interim Chief Financial Officer while the Company undertakes a global executive search. Ms Dorman has worked for the Company since October 2021 in the role of Head of Finance and, prior to joining Megaport, was Head of Commercial Revenue at Brisbane

Airport Corporation. Ms Dorman has over 15 years' finance experience, including external audit experience at KPMG, and is a member of Chartered Accountants Australia and New Zealand (CA ANZ).

Authorised by the Board.

Supporting Resources

- Visit Megaport: <https://megaport.com>
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- For definitions refer to the [Glossary for Investors](#) in our [Business Overview](#)

About Megaport

Megaport is the global leading provider of Elastic Interconnection services. Using Software Defined Networking (SDN), the Company's global platform enables customers to rapidly connect their network to other services across the Megaport Network. Services can be directly controlled by customers via mobile devices, their computer, or our open API. Megaport connects more than 2,700 customers in over 800 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Cloudflare Network Interconnect Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, Microsoft Azure ExpressRoute Partner, Nutanix Direct Connect Partner, Oracle Cloud Partner, OVHcloud Partner, Rackspace RackConnect Partner, Salesforce Express Connect Partner, and SAP PartnerEdge Open Ecosystem Partner.

Investor enquiries

Helen Coghill
Investor Relations Associate
investor@megaport.com

Media enquiries

media@megaport.com

Megaport Limited

Level 3, 825 Ann Street
Fortitude Valley QLD 4006
Australia

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Summary of key terms of CEO Employment Agreement

Commencement date: 15 May 2023

Term: Mr Reid's employment agreement has no fixed term and continues until either the Company or Mr Reid terminates the employment agreement.

Notice: Megaport or Mr Reid may terminate the employment agreement by providing three months' written notice. Megaport may, at its own election, make payment in lieu of notice. Megaport may terminate Mr Reid's employment immediately without notice or payment in lieu of notice for serious misconduct or other specific circumstances warranting summary dismissal.

Base Salary: Mr Reid will be paid a fixed salary of AUD\$1,000,000 per annum (including superannuation).

PRSUs (Short-Term Incentive): Mr Reid is eligible to receive short-term incentives (**STI**) in the form of performance restricted stock units (**PRSUs**) administered under the Company's Employee Share Plan (**ESP**), subject to achievement of certain key performance targets to be determined by the Board, and subject to shareholder approval. A summary of the STI PRSUs is set out below:

Maximum quantum	AUD\$2,000,000 worth of STI PRSUs
Performance Period	Tranche 1: 1 July 2023 – 30 June 2024 Tranche 2: 1 July 2024 – 30 June 2025 Tranche 3: 1 July 2025 – 30 June 2026
Vesting schedule	PRSUs will vest (subject to achievement of performance conditions in each Performance Period) as follows: <ul style="list-style-type: none">• Tranche 1: 50% (AUD\$1,000,000)• Tranche 2: 25% (AUD\$500,000)• Tranche 3: 25% (AUD\$500,000)
Allocation price	The lower of: <ul style="list-style-type: none">• the volume weighted average price (VWAP) for the 10 trading days prior to (and excluding) 28 March 2023 (being the date of execution of Mr Reid's employment agreement); and• the VWAP for the 10 trading days after (and excluding) the date of release to ASX of Megaport's FY23 Full Year results.
Instrument	Rights to fully paid ordinary shares in the Company (Megaport Shares) that are subject to performance hurdles (and convert to Megaport Shares at the end of the relevant Performance Period).

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Vesting / performance conditions	<ul style="list-style-type: none"> • EBITDA target (25%); • Customer growth (25%); • Revenue growth (25%); and • Relative total shareholder return against the S&P/ASX All Technology Index (XTX) (25%).
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The STI PRSUs are subject to the ESP rules and other terms and conditions set out in the relevant offer document (including as to automatic vesting in the event of a change of control in respect of Megaport).

PRSUs (Long-Term Incentive)

Mr Reid is entitled to receive long-term incentives (**LTI**) in the form of PRSUs administered under the Company’s ESP, subject to achievement of certain key performance targets to be determined by the Board, and subject to shareholder approval. A summary of the LTI PRSUs is set out below:

Maximum quantum	\$2,250,000 worth of LTI PRSUs
Performance Period	1 July 2023 - 30 June 2026
Vesting schedule	PRSUs will vest (subject to achievement of performance conditions in the Performance Period) at the end of the Performance Period
Allocation price	<p>The lower of:</p> <ul style="list-style-type: none"> • the VWAP for the 10 trading days prior to (and excluding) 28 March 2023 (being the date of execution of Mr Reid’s employment agreement); and • the VWAP for the 10 trading days after (and excluding) the date of release to ASX of Megaport’s FY23 Full Year results.
Instrument	Rights to Megaport Shares that are subject to performance hurdles (and convert to Megaport Shares at the end of the Performance Period).
Vesting / performance conditions	<ul style="list-style-type: none"> • EBITDA target (25%); • Customer growth (25%); • Revenue growth (25%); and • Relative total shareholder return against the S&P/ASX All Technology Index (XTX) (25%).

The LTI PRSUs are subject to the ESP rules and other terms and conditions set out in the relevant offer document (including as to automatic vesting in the event of a change of control in respect of Megaport).

Payments on Termination:

Termination by Megaport without cause entitles Mr Reid to a severance payment equal to nine months Base Salary. No severance benefits are

payable if Mr Reid's employment is terminated by Megaport with cause or if he resigns.

Restraint:

Under the employment agreement, Mr Reid is subject to certain post-employment restrictive covenants, including a 9 month non-compete restriction and a 12 month non-solicitation restriction. The latter prevents Mr Reid from soliciting Megaport employees or persuading people who do business with Megaport to cease or reduce their business with Megaport during the period of the restraint.

Other terms:

Mr Reid's employment agreement otherwise contains standard terms and conditions for agreements of its nature, including in respect of confidentiality, retention of intellectual property, and leave.

Summary of key terms of Interim CEO Appointment

Commencement date: 7 March 2023

Term: Mr Slattery's interim CEO appointment will terminate on 15 May 2023, upon Mr Reid's commencement as CEO.

Notice: Megaport or Mr Slattery may terminate the interim CEO appointment on written notice.

Base Salary: Mr Slattery will be paid a fixed salary of AUD\$82,500 per month (including superannuation) during his appointment.

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