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HGL Limited  
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## JSB Lighting - Confidential settlement of Legal Action



In announcements on 27 June 2018, and in the commentary in the HGL Ltd 2018 Annual Report, HGL Limited (ASX: HNG) advised that its 100% owned subsidiary, Baker & McAuliffe Holdings Pty Ltd, trading as JSB Lighting (JSB), had commenced legal proceedings in the Federal Court against Mathew Carey, a former senior sales representative, and his associated company, BFD Lighting.

The former CEO of JSB, Dudley Hewitt, and the former CFO of HGL, Andrew Whittles were joined as respondents, at which time Mr Hewitt consented to injunctions enforcing his contractual restraints and preventing him from having any direct or indirect involvement with a business competitive with JSB, including BFD Lighting.

The proceedings related to the respondents' individual and collective conduct in establishing a competing business in circumstances where, it was alleged, they acted in breach of fiduciary duties to JSB, tortious interference with contractual relations, breaches of employment contracts and of duties under the Corporations Act 2001, and JSB sought relief in the form of supply and delivery restraints against the respondents, an account of profits, damages, compensation and costs.

By consent, the parties agreed to participate in mediation, and have entered into a deed of settlement and release with the respondents.

While the terms of the settlement are confidential, the settlement is expected to contribute approximately \$0.6 million to HGL's non-underlying earnings. Settlement payments will be received in stages under the terms of the settlement deed.

HGL Chief Executive Officer, Henrik Thorup said "HGL was disappointed to have to take action against former Group employees, however we had an obligation to vigorously defend JSB Lighting, and the outcome we have obtained is satisfactory and appropriate.

"We can now, without distraction, continue building the strength of JSB Lighting as a market leader in architectural lighting under the capable leadership of CEO Justin Penhall and his management team, supported by our longstanding suppliers and dedicated employees".

For further information  
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