

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) **October 8, 2018**

**ADVANTAGE TECHNOLOGIES GROUP, INC.**  
(Exact name of Registrant as specified in its Charter)

**Oklahoma**  
(State or other Jurisdiction of Incorporation)

<b>1-10799</b>	<b>73-1351610</b>
(Commission file Number)	(IRS Employer Identification No.)

<b>1221 E. Houston, Broken Arrow Oklahoma</b>	<b>74012</b>
(Address of Principal Executive Offices)	(Zip Code)

**(918) 251-9121**  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written Communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement.**

*Non-Executive Chairman Agreement with James McGill*

On October 8, 2018, the Company entered into an agreement with director James McGill providing for his position as Non-Executive Chairman of the Board of Directors (the "Chairman Agreement").

Pursuant to the Chairman Agreement, in exchange for his services as Chairman of the Board of Directors, Mr. McGill will receive annual compensation of \$75,000 in cash and \$75,000 in shares of restricted stock (the "Shares") under the Company's 2015 Incentive Stock Plan. The Shares will be granted annually and the amount of Shares granted will be based on the fair market value of the shares of common stock on the grant date. The Shares will vest 20% per year with the first installment vesting on the first anniversary of each grant. The unvested shares will immediately vest upon a change in control.

The Shares will continue to vest each year, even if Mr. McGill ceases to be Chairman, unless Mr. McGill is terminated for cause or resigns prior to all the Shares vesting, in which event Mr. McGill will retain all vested shares and forfeit any rights to any unvested shares.

The compensation provided to Mr. McGill under the Chairman Agreement is in lieu of all other board compensation.

A copy of the Chairman Agreement is filed herewith as Exhibit 10.1 and is incorporated by reference into this Item 1.01 as though fully set forth herein. The foregoing description of the agreement with Mr. McGill is qualified in its entirety by reference to the full text of the Chairman Agreement.

*Employment Agreement with Joseph Hart*

On October 8 2018, the Company entered into an employment agreement with Joseph Hart providing for his employment as Chief Executive Officer (the "Employment Agreement").

The term of the Employment Agreement commenced as of September 1, 2018 and continues until terminated in accordance with its terms. Pursuant to the Employment Agreement, Mr. Hart will earn an annual base salary of \$300,000 (the "Base Salary"), and will be eligible for increases in the Base Salary as determined by the Company's Board and its Compensation Committee. The Employment Agreement also provides that Mr. Hart shall be eligible to receive an annual bonus with a target level of 70% of his base salary based on meeting certain performance metrics and stock performance as determined by the Board of Directors. In addition to participating in all employee benefit programs of the Company, Mr. Hart is entitled to a monthly allowance of \$1,000 for gas expense and mileage in recognition of his commute from Dallas, Texas.

The Employment Agreement provides for an initial award to Mr. Hart of an option to purchase 200,000 shares of the Company's common stock, which is described more fully below.

If Mr. Hart's employment is terminated without cause or due to the Company terminating his employment subsequent to a change in control of the Company, the Employment Agreement provides that he, subject to executing a release, will receive an amount equal to his Base Salary, payable in a lump sum within 30 days of termination in connection with a change in control or in monthly installments over a one year period in connection with a termination without cause

A copy of the Employment Agreement is filed herewith as Exhibit 10.2 and is incorporated by reference into this Item 1.01 as though fully set forth herein. The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement.

*Non-Qualified Stock Option Agreement with Joseph Hart*

On October 8, 2018, the Company entered into a Non-Qualified Stock Option Agreement with Joseph Hart under which Mr. Hart was granted an option to purchase 200,000 shares of the Company's common stock under the Company's 2015 Incentive Stock Plan. Subject to certain termination provisions discussed below, the option is exercisable at any time until

September 13, 2028 (the "Expiration Date") at an exercise price equal to the closing price of the Company's common stock on October 8, 2018 or \$1.36 per share. The option terminates when Mr. Hart ceases to be an employee of the Company except that it continues for one year after his death and continues until the Expiration Date if he ceases to be an employee by reason of disability or in the event he retires after September 1, 2021.

A copy of the Non-Qualified Stock Option Agreement is filed herewith as Exhibit 10.3 and is incorporated by reference into this Item 1.01 as though fully set forth herein. The foregoing description of the Non-Qualified Stock Option Agreement is qualified in its entirety by reference to the full text of the Non-Qualified Stock Option Agreement.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The information included or incorporated by reference in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this item 5.02.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

The following exhibit is furnished herewith:

Exhibit 10.1	Chairman Agreement with James McGill
Exhibit 10.2	Employment Agreement with Joseph Hart
Exhibit 10.3	Non-Qualified Stock Option Agreement with Joseph Hart
Exhibit 99.1	Press Release dated October 10, 2018, issued by the Company

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ADDVANTAGE TECHNOLOGIES GROUP, INC.

Date: October 10, 2018

By: /s/ Scott Francis

Scott Francis

Vice-President & Chief Financial Officer

**Exhibit Index**

Exhibit Number	Description
10.1	Chairman Agreement with James McGill
10.2	Employment Agreement with Joseph Hart
10.3	Non-Qualified Stock Option Agreement with Joseph Hart
99.1	Press Release dated October 10, 2018, issued by the Company

October 8, 2018

James C. McGill  
2121 S Yorktown, Suite 1103  
Tulsa, OK 74114

Re: Terms of Service

Dear Jim:

The purpose of this letter agreement is to set forth the terms upon which we have agreed that you will serve as non-executive chairman of the board of directors ("Chairman") of ADDvantage Technologies Group, Inc. (the "Company"). As long as you serve as Chairman, you will be paid base annual compensation of \$75,000 to be paid in cash and \$75,000 to be in the form of shares of restricted stock granted under the Company's 2015 Incentive Stock Plan (the "Plan"). The cash portion of your compensation will be paid in monthly installments. The first restricted stock grant is being made as of the date of this letter agreement.

The number of shares of each annual restricted stock grant will be based on the "Fair Market Value" (as defined in the Plan) of the common stock as of the close of business on each annual grant date. The shares will vest 20% per year with the first installment vesting on the first anniversary of each grant; provided, that any unvested shares will immediately vest upon a "Change in Control" (as such term is defined in the executive employment agreement between the Company and Joseph E. Hart). Share certificates for each vested installment will be delivered to you at the time of vesting. The shares will continue to vest each year even if you have ceased to be Chairman unless you are terminated as Chairman for Cause (as defined below) or you resign your position as Chairman before all the restricted shares have vested, in either of which events you will retain any restricted shares which have vested as of the termination date but will forfeit any rights to any additional shares. Neither death nor disability nor termination without cause nor your failure to be re-elected to the board of directors of the Company nor any other event (other than your termination for Cause or resignation as noted in the preceding sentence) shall cause your restricted shares to cease to vest.

The compensation set forth above is in lieu of all other Board compensation, including without limitation any compensation you were granted upon your re-election as a director this year and any compensation for serving on any Board committees. This is not an employment agreement and you can be terminated as Chairman at any time in accordance with the governing documents of the Company and applicable law. Your termination for any reason, whether by reason of death, disability, or termination with or without Cause, shall terminate your right to receive compensation after the date of termination except as stated above with respect to the continued vesting of restricted stock granted prior to the date of termination. You shall, however, be paid any amounts owed to you through the date of termination.

The term "Cause" as used herein means your (1) conviction of, or guilty plea or no contest plea, to a felony charge or any crime involving moral turpitude, the entry of a consent decree with a governmental body or the commission of any other act or omission involving dishonesty or fraud with respect to the Company or any of its subsidiaries, (2) misappropriation of any funds or assets of the Company or its subsidiaries for personal use, (3) willful noncompliance in any material respect with any laws or regulations, foreign or domestic, if such noncompliance could be reasonably expected to have a material adverse effect on the Company, (4) willful violation of any express direction or rule, regulation or policy established by the Company of which you are aware, or (5) willful material breach of your fiduciary duties to the Company.

You are not an employee of the Company and are not entitled to participate in any of the benefit programs provided to employees of the Company.

Very truly yours

ADDVANTAGE TECHNOLOGIES GROUP, INC.

By: \_\_\_\_\_  
Thomas J. Franz, Chairman of the Compensation Committee

Agreed and accepted as of the  
date first set forth above:

\_\_\_\_\_  
James C. McGill

## EXECUTIVE EMPLOYMENT AGREEMENT

**THIS EXECUTIVE EMPLOYMENT AGREEMENT** (the “**Agreement**”) is made the 8<sup>th</sup> day of October, 2018, between ADDvantage Technologies Group, Inc. (“**Company**”) and Joseph E. Hart (“**Executive**”).

**WHEREAS**, the Company and Executive desire to memorialize the terms and conditions under which Executive will be employed by the Company as its President and Chief Executive Officer;

**NOW, THEREFORE**, intending to be legally bound, the Company agrees to employ Executive, and Executive hereby agrees to be employed by the Company, upon the following terms and conditions:

**1. Term of Agreement.** The Company hereby employs Executive to serve as President and Chief Executive Officer of the Company and Executive accepts such employment, subject to all of the terms and conditions of this Agreement. Except as otherwise expressly provided herein, the term of this Agreement and of Executive’s employment under this Agreement will commence on September 1, 2018 (the “**Effective Date**”) and continue in effect until Executive ceases to be employed by the Company pursuant to Section 4 (the “**Term**”).

**2. Duties.** Executive will serve as President and Chief Executive Officer of the Company with such duties assigned to Executive under the Bylaws of the Company and by the Board of Directors of the Company. Executive shall report to the Board of Directors. Executive agrees to use his best efforts to promote the interests of the Company, and to devote his full productive time and working attention to the business and affairs of the Company.

**3. Compensation, Benefits and Expenses.**

3.1. Base Salary. Commencing on the Effective Date, the Company shall pay to Executive an annual base salary (“**Annual Base Salary**”) of three hundred thousand dollars (\$300,000.00) for all services to be rendered by Executive hereunder. The Annual Base Salary shall be payable in accordance with the Company’s normal payroll practices for employees, and the Company shall deduct or cause to be deducted from the Annual Base Salary all taxes and amounts required by law to be withheld. Executive’s performance and base salary will be reviewed annually by the compensation committee of the Board of Directors. Future increases of the Annual Base Salary, if any, shall be determined by the Board of Directors of the Company in their sole and absolute discretion.

3.2. Performance Bonus. The Executive shall be eligible to receive an annual bonus with a target level of 70% of Executive’s Annual Base Salary based on meeting certain performance metrics and stock performance as determined in the sole and absolute discretion of the Board of Directors of the Company. The Board of Directors may, in its sole and absolute discretion, establish a bonus plan. There is no guarantee of a bonus in any year and under no circumstances shall a bonus be considered a required part of Executive’s annual compensation.

3.3. Benefits. During the Term of this Agreement, Executive shall be entitled to participate in all savings and retirement plans, health, dental, life, accident and short and long term disability, and policies and other programs maintained by the Company for the benefit of its full-time employees.

3.4. Reimbursement of Expenses. Executive shall be reimbursed for all reasonable out-of-pocket expenses paid to third parties incurred by Executive in connection with the performance of his duties hereunder within thirty (30) days of presentation of expense statements and vouchers and other supporting documentation and such other information as the Company may reasonably require.

3.5. Personal Leave. During the Term, Executive shall be entitled to four weeks paid personal time off (“**PTO**”) during each calendar year (pro rated for partial years) in accordance with the Company’s policies in effect from time to time.

3.6 Car Expenses. The Company shall pay Executive an allowance of \$1,000 monthly for gas expense and mileage. Executive shall not be entitled to receive any other amounts related to car usage.

3.7 Stock Options. Executive shall be granted an option to purchase 200,000 shares of the Company’s common stock pursuant to the Company’s incentive stock plan, as amended, and that certain Non-Qualified Stock Option Agreement of even date herewith.

**4. Termination of Employment.**

4.1. Events of Termination. Executive’s employment with the Company shall cease upon:

(i) Executive’s death.

(ii) Executive’s disability, which means his incapacity due to physical or mental illness such that he is unable to perform his previously assigned duties where (1) such incapacity has been determined to exist by either (x) the Company’s disability insurance carrier or (y) by the concurring opinions of two licensed physicians (one selected by the Company and one by Executive), and (2) the Company has determined, that such incapacity will continue for such period of time of at least ninety (90) days, whether or not consecutive, in any twelve (12) month period.

(iii) Termination by the Company. Such termination will require delivery to Executive of a written notice that Executive has been terminated with or without Cause.

(iv) Executive’s voluntary resignation or retirement upon thirty (30) days’ prior written notice to the Company that Executive has resigned or retired.

(v) By mutual written consent of the Company and Executive.

(vi) Termination by the Company or the Executive within ninety (90) days of the occurrence of a Change in Control.

4.2. Benefits Payable Upon Termination.

(i) Within thirty (30) days following the termination of Executive's employment with the Company pursuant to any manner described in Section 4.1 hereof, the Company shall pay to Executive: (a) any Annual Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date of termination, (b) any unreimbursed expenses reimbursable to Executive pursuant to Section 3.4 hereof for expenses incurred on or prior to the date of termination, and (c) any accrued and unpaid PTO pursuant to Section 3.5 hereof.

(ii) In the event that Executive's employment is terminated by the Company without Cause or is terminated by the Company or the Executive under Section 4.1(vi) above, contingent upon Executive's execution and delivery of a Release Agreement substantially in the form attached hereto as Exhibit A with such changes to such form as the Company shall reasonably request (the "**Release Agreement**"), the Company will pay to Executive an amount equal to Executive's Annual Base Salary at the time of termination, payable in a lump sum within 30 days of termination under Section 4.1(vi) and payable in installments over one year at such times as the Company routinely pays its employees in the case of termination without Cause (the "**Severance Payments**"); provided, however, that in the event of Executive's breach of Sections 5, 6 or 7 of this Agreement then if Severance Payments are being paid through installments, the Company's obligation to pay additional Severance Payments after the breach occurs shall terminate and be of no further force or effect and if Severance Payments have been made in a lump sum, the Executive shall be obligated to pay to the Company upon written demand that portion of the Severance Payments equal to the portion of the Non-Solicitation Period remaining at the time of the breach. The Company shall deduct, or cause to be deducted, from the Severance Payments all taxes and amounts required by law to be withheld. If Employee fails to execute the Release Agreement, or revokes his acceptance of such release following its execution, Executive shall not be entitled to any Severance Payments.

(iii) If Executive's employment with the Company ends for any reason set forth in Section 4.1 hereof other than termination by the Company without Cause or termination by the Company or the Executive under Section 4.1(vi), the Company's obligations to pay any compensation or benefits under this Agreement will cease effective on the date of termination and Executive will receive no Severance Payments. Executive's right to receive any other benefits will be determined under the provisions of applicable plans, programs or other coverages.

## 5. **Non-solicitation and Non-disparagement.**

5.1. **Non-solicitation.** Executive acknowledges that in the course of his employment with the Company he will become familiar with the Company's and Affiliated Companies' trade secrets and with other confidential information concerning the Company and its Affiliated Companies and that his services will be of special, unique and extraordinary value to the Company and its Affiliated Companies. Therefore, Executive agrees that during the Non-solicitation Period he shall not, singly, jointly, or as a partner, member, employee, agent, officer, director, stockholder, equity holder, lender, consultant, independent contractor, or joint venturer of any other person, or in any other capacity, directly or indirectly (i) employ, retain, engage, induce or attempt to employ, retain, engage or induce any employee, consultant or independent contractor of the Company or any Affiliated Companies to leave the employ of the Company or such Affiliated Companies, or in any way interfere with the relationship between the Company or any Affiliated Companies and any employee thereof, or (ii) induce or attempt to induce any Customer, dealer, supplier, licensee or other business relation of the Company or any Affiliated Companies to cease doing business with, or modify its business relationship with, the Company or such Affiliated Companies, or in any way interfere with the relationship or understanding between any such Customer, dealer, supplier, licensee or business relation and the Company or any Affiliated Companies. The Company shall have the right to assign the benefits of this Section 5 to any entity that acquires the Company's business while the Executive is still employed by the Company and assumes the Company's obligations to Executive, which assumption shall not release the Company.

5.2. **Non-disparagement by Executive.** Following termination, Executive and the Company agree not to make to any person, including but not limited to customers, dealers, suppliers or licensees of the Company or its Affiliated Companies, any statement that disparages the other or which reflects negatively upon the other, including but not limited to statements regarding the Company's financial condition, the financial condition of its Affiliated Companies, its officers, directors, stockholders, employees and Affiliates, but excepting any statement required by law, or made in response to an order or subpoena of a court or government agency of competent jurisdiction.

5.3. **Enforcement.** If, at the time of enforcement of Section 5 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration and scope reasonable under such circumstances shall be substituted for the stated period or scope and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration and scope permitted by law.

6. **Confidential Information.** Executive acknowledges that the information, observations and data obtained by him during the course of his performance under this Agreement concerning the business and affairs of the Company and its Affiliate Companies are the property of the Company and Affiliated Companies, including information concerning acquisition opportunities in or reasonably related to the Company's or its Affiliate Companies' business or industry of which Executive becomes aware during the Term and any Severance Period. Therefore, Executive agrees that he will not disclose to any unauthorized person or use for his own account any of such information, observations or data without the Company's written consent unless and to the extent that the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions. Executive agrees to deliver to the Company on the date of termination, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Company and its Affiliated Companies (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control. This Section 6 does not apply to personal contacts Executive had prior to his employment with the Company, provided that no Company confidential information is disclosed to those contacts.

7. **Executive's Representations and Warranties.** Executive represents and warrants that Executive is not a party to any other employment, non-competition, or other agreement or restriction which could interfere with Executive's employment with the Company or Executive's or the Company's rights and obligations hereunder and that Executive's acceptance of employment with the Company and the performance of Executive's duties hereunder will not breach the provisions of any contract, agreement, or understanding to which Executive is party or any duty owed by Executive to any other person or organization.

## 8. **Definitions.**

(i) "**Affiliated Companies**" shall mean any subsidiary of the Company.

(ii) "**Cause**" shall mean Executive's (1) conviction of, or guilty plea or no contest plea, to a felony charge or any crime involving moral turpitude, the entry of a consent decree with a governmental body or the commission of any other act or omission involving dishonesty or fraud with respect to the Company or any of its Affiliated Companies or any of their customers, dealers or suppliers, (2) misappropriation of any funds or assets of the Company for

personal use (including, but not limited to, theft or embezzlement of Company or Affiliated Companies' funds or assets), (3) willful noncompliance in any material respect with any laws or regulations, foreign or domestic, if such noncompliance could be reasonably expected to have a material adverse effect on the Company or any of its Affiliated Companies, (4) willful violation of any express direction or rule, regulation or policy established by the Company of which the Executive has been notified, advised or informed of and is aware of, or (5) willful material breach of this Agreement or material breach of Executive's fiduciary duties to the Company or any of its Affiliated Companies.

(iii) "**Change in Control**" shall mean any one of the following events or transactions:

(1) Any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the Exchange Act ) after the date of this Agreement becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, of securities representing 50% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor to the Company; provided, however, the following transactions shall not constitute a Change in Control hereunder (A) any acquisition of such securities by the Company, (B) any acquisition of such securities by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (C) any acquisition of such securities by any person who, immediately before such acquisition, had beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of 20% or more of (i) the fair market value of then then outstanding securities of the Company or (ii) the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors to the Board or (D) any acquisition by any person or entity, including without limitation, any corporation pursuant to a transaction which satisfies the requirements of clauses (A), (B) or (C) of this paragraph;

(2) During any period of two consecutive years or less, individuals who at the beginning of such period constitute the Board cease for any reason (whether beginning on or after the date of this Agreement) to constitute at least a majority of the Board, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors as of the beginning of the period;

(3) The shareholders of the Company after the date of this Agreement approve any dissolution or liquidation of the Company or any sale or other disposition of 50% or more of the assets or business of the Company, provided that a transfer of assets comprising only the cable segment of the Company shall not constitute a Change in Control if approved by shareholders of the Company before December 31, 2019; or

(4) Shareholders of the Company after the date of this Agreement approve any reorganization, merger, consolidation or share exchange unless (A) the persons who were the beneficial owners of the outstanding shares of the common stock of the Company immediately before the consummation of such transaction beneficially own more than 60% of the outstanding shares of the common stock of the successor or survivor corporation in such transaction immediately following the consummation of such transaction and (B) the number of shares of the common stock of such successor or survivor corporation beneficially owned by the persons described in clause (A) immediately following the consummation of such transaction is beneficially owned by each such person in substantially the same proportion that each such person had beneficially owned shares of the Company common stock immediately before the consummation of such transaction, provided (C) the percentage described in clause (A) of this paragraph of the beneficially owned shares of the successor or survivor corporation and the number described in clause (B) of this paragraph of the beneficially owned shares of the successor or survivor corporation shall be determined exclusively by reference to the shares of the successor or survivor corporation which result from the beneficial ownership of shares of common stock of the Company by the persons described in clause (A) of this paragraph immediately before the consummation of such transaction.

(iv) "**Customer**" shall mean any and all persons, business, or other legal entities that received goods or services provided by the Company, or that the Company marketed to for goods or services provided by the Company, within two (2) years prior to the termination of his employment with the Company.

(v) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(vi) "**Non-solicitation Period**" shall mean twelve (12) months following termination of Executive's employment with the Company.

(vii) "**Severance Period**" shall mean the time period when Executive is receiving Severance Payments from the Company under Section 4.2(ii) hereof.

9. **Notices.** All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by facsimile machine (with a confirmation copy sent by one of the other methods authorized in this Section), reputable commercial overnight delivery service (including Federal Express and U.S. Postal Service overnight delivery service) or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, as set forth below:

If to the Company, addressed to:

ADDvantage Technologies Group, Inc.  
1221 East Houston  
Broken Arrow, OK 74012  
Facsimile: (918) 251-0792

If to Executive, addressed to:

Joseph E. Hart  
3916 Fall Wheat Dr.  
Plano, TX 75075

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

10. **Entire Agreement.** This Agreement constitutes the full and entire understanding and agreement between the parties with respect to the subject hereof and supersede all prior agreements and understandings, whether written or oral, among the parties with respect thereto.

11. **Assignment.** This Agreement, being for the personal services of Executive, shall not be assignable by him. The provisions hereof shall inure to the benefit of, and be binding upon, the Company's successors and assigns. The Company may assign this Employment Agreement and its rights, together with its obligations hereunder, in connection with any sale, transfer or other disposition of all or substantially all of its assets or business, whether by merger, consolidation or otherwise.

12. **Waivers and Amendments.** The respective rights and obligations of the Company and Executive under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely) or amended only with the written consent of a duly authorized representative of the Company and Executive.

13. **Controlling Law and Consent to Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma without giving effect to any choice of law or conflicting provision or rule.

14. **Equitable Remedies.** The parties hereto agree that irreparable harm would occur in the event that any of the agreements and provisions of this Agreement were not performed fully by the parties hereto in accordance with their specific terms or conditions or were otherwise breached, and that money damages are an inadequate remedy for breach of this Agreement because of the difficulty of ascertaining and quantifying the amount of damage that will be suffered by the parties hereto in the event that this Agreement is not performed in accordance with its terms or conditions or is otherwise breached. It is accordingly hereby agreed that the parties hereto shall be entitled to an injunction or injunctions or other equitable relief to restrain, enjoin and prevent breaches of this Agreement by the other parties and to enforce specifically such terms and provisions of this Agreement (without posting a bond or other security), such remedy being in addition to and not in lieu of, any other rights and remedies to which the other parties are entitled to at law or in equity. The Company and Executive agree that the covenants set forth in this Agreement shall be enforced to the fullest extent permitted by law. Accordingly, if, in any judicial proceedings, a court shall determine that such covenant is unenforceable for any reason, including without limitation because it survives too long, then the parties intend that such covenant shall be deemed to cover only the maximum period of time, if applicable, and/or shall otherwise be deemed to be limited in such manner as will permit enforceability by such court. In the event that any one or more of such covenants shall, either by itself or together with other covenants be adjudged to go beyond what is reasonable in all the circumstances for the protection of the interests of the Company, but would be adjudged reasonable if any particular covenant or covenants or parts thereof were deleted, restricted, or limited in a particular manner, then the said covenants shall apply with such deletions, restrictions, or limitations, as the case may be. The Company and Executive further agree that the covenants set forth in this Agreement are reasonable in all circumstances for the protection of the legitimate interests of the Company.

15. **Survival.** Sections 4-16 of this Agreement shall survive termination of this Agreement for the period of duration specified in such Section, and if no period of duration is specified, then the provision shall survive termination indefinitely.

16. **Severability; Titles and Subtitles; Gender; Singular and Plural; Counterparts; Facsimile.**

(i) In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

(ii) The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

(iii) The use of any gender in this Agreement shall be deemed to include the other genders, and the use of the singular in this Agreement shall be deemed to include the plural (and vice versa), wherever appropriate.

(iv) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together constitute one instrument.

(v) Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by facsimile transmission shall be deemed to constitute signed original counterparts hereof and shall bind the parties signing and delivering in such manner.

17. **Section 409A Compliance.**

(i) **Compliance.** This Agreement shall be construed to avoid the imposition of additional taxes, interest and penalties pursuant to Section 409A of the Internal Revenue Code ("**Section 409A**"). The parties acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. In no event whatsoever shall the Company be liable for any tax, interest or penalties that may be imposed on the Executive by Section 409A or any damages for failing to comply with Section 409A; provided, however, that if the failure to comply results from the Company's negligence or willful acts, the Company will reimburse the Executive so that, on an after-tax basis, he is in the same position he would have been in had the failure to comply not occurred.

(ii) **Termination as a Separation From Service.** A termination of employment shall not be deemed to have occurred for purposes of this Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of employment, unless such termination is also a "separation from service" within the meaning of Section 409A and the payment thereof prior to a "separation from service" would violate Section 409A. For purposes of such provision in this Agreement relating to any such payments or benefits, references to "termination," "termination of employment" or like terms shall mean "separation from service."

(iii) **Six Month Delay for Specified Employees.** If any payment, compensation or other benefit provided to the Executive in connection with a termination of employment is determined, in whole or in part, to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is a specified employee as defined in Section 409A(2)(B)(i), no part of such payments shall be paid before the earlier of (i) the day that is six months plus one day after the Executive's date of termination and (ii) the date of Executive's death (the "**New Payment Date**"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

(iv) Reimbursements and In-Kind Benefits. All reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(v) Payments within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within such period shall be within the sole discretion of the Company.

(vi) Installments as Separate Payment. If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

*[remainder of page intentionally left blank]*

**WITNESS THE DUE EXECUTION AND DELIVERY HEREOF** on the date first above written.

**COMPANY:**

**ADDvantage Technologies Group, Inc.**

By: \_\_\_\_\_  
James McGill, Chairman of the Board

**EXECUTIVE:**

\_\_\_\_\_  
Joseph E. Hart

---

**EXHIBIT A**

**CONFIDENTIAL SEVERANCE AND RELEASE AGREEMENT**

This Confidential Severance and Release Agreement (the “**Agreement**”) is made and entered into by and between Joseph E. Hart (“**Executive**”) and ADDvantage Technologies Group, Inc. (the “**Company**”) (collectively referred to as the “**Parties**”).

**WITNESSETH:**

**WHEREAS**, Executive has been employed by the Company as its President and Chief Executive Officer;

**WHEREAS**, Company has terminated Executive’s employment without Cause, as set forth and defined in Sections 4.2(ii) and 8(ii) of the Executive Employment Agreement between the Parties, or the Company or Executive have terminated Executive’s employment pursuant to Section 4.1(vi) of said Executive Employment Agreement; and

**WHEREAS**, in accordance with and subject to Section 4.2(ii) of the Executive Employment Agreement between the Parties, in exchange for a release of claims, the Company will pay Executive severance payments for a period of one year after termination (the “**Severance Payments**”).

**NOW, THEREFORE**, in consideration of the premises, the mutual promises herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. **Release.** Executive, for himself, his spouse, heirs, executors, administrators and assigns, hereby unconditionally releases and forever discharges the Company and its related entities, successors, assigns, agents, directors, officers, employees, representatives, and all persons acting by, through, under or in concert with any of them from any and all causes of action whether known or unknown, with respect to or arising out of all those claims asserted or which could have been asserted by Executive and/or arising out of, or alleged to have been suffered by him in or as a consequence of his employment, contact or relationship to date with the Company, including rights or claims arising under any agreement with the Company or under any federal, state or local laws, including, but not limited to Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Equal Pay Act, the Age Discrimination in Employment Act of 1967 and the Older Worker’s Benefit Protection Act of 1990, the Civil Rights Act of 1866, as amended, the Family Medical Leave Act, the Employee Retirement Income Security Act of 1974, the Oklahoma Workers’ Compensation Act, the Fair Labor Standards Act, the Americans With Disabilities Act, as amended, the Rehabilitation Act of 1973, the Vietnam Era Veterans’ Readjustment Assistance Act, the Genetic Information Nondiscrimination Act, the Oklahoma Anti-Discrimination Act, Oklahoma public policy, and all other federal, state or local laws. This release also applies to any claims or rights Executive may have arising out of any legal or equitable restrictions on Executive’s right not to continue an employment (or other) relationship with the Company, including any express or implied employment contracts, and to any claims Executive may have against the Company for fraudulent inducement or misrepresentation, tortious interference with business/contractual relations, defamation, wrongful termination, public policy tort, or other retaliation claims in connection with workers’ compensation or alleged “whistleblower” status or on any other basis whatsoever. Executive does not, however, waive any rights or claims that may arise and accrue after the date this Agreement is executed by him. Further, Executive understands and agrees that this Agreement does not cover, affect, or alter any rights that cannot, by law, be released by private agreement.

2. **Consideration.** In consideration for Executive agreeing to the terms of this Agreement, the Company shall pay or provide to Executive the Severance Payments as set forth in the Executive Employment Agreement between the Parties. Executive agrees that he will be responsible for satisfying any tax obligation that he may have or incur with regard to the Severance Payments received from the Company.

3. **Compliance with ADEA and OWBPA.** To comply with the Age Discrimination in Employment Act (“**ADEA**”) and the Older Worker’s Benefit Protection Act (“**OWBPA**”), the Company has advised Executive of the legal requirements of the OWBPA and fully incorporates the legal requirements by reference into this Agreement as follows:

- a. This Agreement is written in layman’s terms, and Executive understands and comprehends its terms;
- b. Executive has been advised of his right to consult an attorney to review this Agreement;
- c. Executive does not waive any rights or claims that may arise after this Agreement is executed;
- d. Executive is receiving consideration beyond anything of value to which he is already entitled; and
- e. Executive acknowledges that he has had a reasonable period of time within which to consider this Agreement.

Executive acknowledges that he has been given a period of twenty-one (21) calendar days during which to consider whether to enter into this Agreement. Executive further acknowledges that he will have seven (7) calendar days from the date he signs and delivers a copy of the Agreement to the Company, during which time Executive may revoke the Agreement as to his release of claims under the ADEA and OWBPA only, by delivering a signed and dated notice of revocation to the Company. This Agreement becomes immediately effective and enforceable as to all claims, except those arising under the ADEA and OWBPA. This Agreement becomes effective and enforceable as to claims under the ADEA and OWBPA when the seven (7) day revocation period has expired if Executive has not delivered a written revocation to the Company before that time. Executive acknowledges that he is giving up any rights to receive any benefits or remedial relief (such as reinstatement, back pay or front pay) as a consequence of any charge or complaint filed with the courts or any other governmental entity. If Executive does file a charge or complaint with the court or any other governmental entity, then Executive agrees to forfeit any future benefits or payments that he may receive as enhanced severance pay and that Executive must repay the Company for any benefits or payments that he has already received as enhanced severance pay.

4. **Confidentiality.** Executive will not, unless required by law, disclose to others the terms of this Agreement, the benefits being paid under it or the fact of its payment, except that Executive may disclose this information to his attorney, accountant or other professional advisor to whom he must make the disclosure in order for them to render professional services to him. Executive will instruct them, however, to maintain the confidentiality of this information just as he must.

5. **Voluntary Nature of Agreement.** Executive represents and agrees that he fully understands his right to discuss all aspects of this Agreement with an attorney and that he has had adequate opportunity to seek counsel regarding the legal and binding effect of this Agreement. Executive acknowledges that

he has carefully read and fully understands all the provisions of this Agreement. Executive further acknowledges that he is voluntarily entering into this Agreement and is not under any duress or coercion whatsoever. Executive agrees that the Company and its counsel have not made any additional promises to him, and he does not expect to receive anything more than what is reflected in this Agreement and the Executive Employment Agreement, pursuant to the conditions outlined within.

6. **Agreement Not to be Used as Evidence.** This Agreement shall not be admissible as evidence in any proceeding except one in which a party to this Agreement seeks to enforce this Agreement or alleges this Agreement has been breached, or one in which a court or administrative agency of competent jurisdiction orders Executive or the Company to produce this Agreement. If a court or administrative agency orders production of this Agreement or disclosure of the terms of this Agreement is sought, Executive or the Company shall immediately notify the other party of same and shall cooperate with any efforts to obtain a protective order from that court or agency preventing such production or requiring that this Agreement be produced or filed only under seal and that other parties to any such proceedings and their counsel shall not disclose the existence or terms of this Agreement for purposes not related to the proceeding in which this Agreement was ordered to be produced.

7. **Assignment; Binding Effect.** This Agreement may not be assigned by Executive. This Agreement is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, assigns, personal representatives, officers, directors, agents, attorneys, parents, subsidiaries, partners, principals, and affiliates.

8. **Controlling Law and Consent to Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma without giving effect to any choice of law or conflicting provision or rule.

*[remainder of page intentionally left blank]*

**PLEASE READ CAREFULLY. THIS CONFIDENTIAL SEVERANCE AND RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

\_\_\_\_\_  
Joseph E. Hart Date \_\_\_\_\_

ADDvantage Technologies Group, Inc.

By: \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title:

## NON-QUALIFIED STOCK OPTION AGREEMENT

Under The ADDvantage Technologies Group, Inc.  
2015 Incentive Stock Plan

This NON-QUALIFIED STOCK OPTION AGREEMENT (the "Agreement"), made and entered into as of October 8, 2018, by and between ADDvantage Technologies Group, Inc., an Oklahoma corporation (the "Company"), and the below named employee of the Company (the "Optionee");

WITNESSETH:

WHEREAS, in consideration of the presently existing relationship between the Company and the Optionee, and as an additional inducement to Optionee to maintain his relationship with the Company and in order to provide a means for Optionee to acquire a proprietary interest in the Company, it is agreed between the Company and Optionee as follows:

1. Defined Terms. As used herein, the following terms shall have the following meanings:
  - (a) "Board" shall mean the Board of Directors of the Company.
  - (b) "Disability" shall mean being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.
  - (c) "Exercise Price" shall mean \$1.36 per share.
  - (d) "Expiration Date" shall mean September 13, 2028.
  - (e) "Optionee" shall mean Joseph E. Hart.
  - (f) "Option Shares" shall mean 200,000 shares of the \$.01 par value Common Stock of the Company.
  - (g) "Plan" shall mean the ADDvantage Technologies Group, Inc. 2015 Incentive Stock Plan, including any amendments thereto.

Capitalized terms not otherwise defined in this Agreement shall have the meaning attributed to them in the Plan.

2. Option Grant. The Company hereby grants to Optionee, subject to the terms hereof and the terms of the Plan, the right and option to purchase all or any part of the Option Shares on or before the Expiration Date (the "Option"). No exercise as to a portion of the Option Shares shall preclude a later exercise or exercises as to additional portions. The Option shall be exercisable only (a) as provided in paragraph 3(b) hereof, (b) subject to clauses (c), (d) and (e) of this Section 2, during such time as Optionee remains in the employ of the Company, (c) in the event of Disability during employment, until the Expiration Date, (d) in the event of death during employment, until the earlier of the Expiration Date or one year after Optionee's death or (e) in the event that the Optionee retires from the Company at any time after September 1, 2021, until the Expiration Date.

3. Terms and Conditions of the Option. The Option shall be subject to the following terms and conditions:
  - (a) Exercise Price. The price to be paid for each of the Option Shares with respect to which the Option is exercised shall be the Exercise Price.
  - (b) Exercise of Option. The Option shall be exercisable as specified herein and in the Plan. Payment of the Exercise Price for the number of shares as to which the Option is being exercised may be (i) in cash, (ii) in shares of Common Stock held by the Optionee having an aggregate Fair Market Value, as determined as of the close of business on the day on which such Option is exercised, equal to the Exercise Price, (iii) if permitted by the Board, by delivery of Optionee's promissory note in the amount of the Exercise Price, which note shall provide for full personal liability of the maker and shall contain such other terms and provisions as the Board may determine, (iv) by delivery of irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds necessary to pay for all Common Stock acquired through such exercise and any tax withholding obligations resulting from such exercise, (v) by the withholding by the Company, pursuant to a written election delivered by the Optionee to the administrator of the Plan on or prior to the date of exercise, from the shares of Common Stock issuable upon any exercise of the Option that number of shares having a Fair Market Value as of the close of business on the day on which such Option is exercised equal to such Exercise Price, (vi) by constructive delivery of shares of Common Stock held by the Optionee having an aggregate Fair Market Value, as determined as of the close of business on the day of exercise, equal to the Exercise Price effected through providing the Company with a notarized statement on or before the day of exercise attesting to the number of shares owned by the Optionee that will serve as the Exercise Price payment shares, or (vii) by a combination of such methods. The Option shall not be exercisable with respect to fractions of a share.
  - (c) Notice of Exercise. Each exercise of the Option shall be by written notice to the Company. Each such notice shall state the number of Option Shares with respect to which the Option is being exercised and shall specify a date, not less than five nor more than ten days after the date of such notice, as the date on which the shares will be delivered and payment made therefor at the principal offices of the Company. If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, then the date for delivery of such shares against payment therefor shall be extended for the period necessary to take such action. In the event of any failure to pay for the number of shares specified in such notice on the date set forth therein, subject to such date being extended as provided above, the Option shall terminate with respect to such number of shares, but shall continue with respect to the remaining shares covered by this Agreement and not yet acquired by exercise of the Option or any portion thereof.
  - (d) Investment Representation. If shares of stock issued pursuant to exercise of the Option have not been registered under the Securities Act of 1933, as amended, and in the opinion of counsel for the Company such stock can be issued without such registration only in a so-called "private placement" (i.e., "transactions by an issuer not involving any public offering" exempted by Section 4(a) of said Act, so that such stock constitutes so-called

“investment stock”), Optionee agrees to represent and warrant in writing at the time of any exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares, and further agrees that shares so acquired may be appropriately legended and will be sold or transferred only in accordance with the rules and regulations of the Securities and Exchange Commission or any applicable law, regulation, or rule of any governmental agency.

(e) Taxes. Optionee shall pay all original issue or transfer taxes and all other fees and expenses incident to the issue, transfer, or delivery of Option Shares.

(f) No Rights Until Issue. No right to vote or receive dividends or any other rights as a stockholder of the Company shall exist with respect to the Option Shares, notwithstanding the exercise of the Option, until the issuance to the Optionee of a stock certificate or certificates representing such shares.

(g) Anti-Dilution. In the event of a merger, consolidation, reorganization, recapitalization, stock dividend, “split-up” or other change in the corporate structure or capitalization of the Company, the number of Option Shares and the Exercise Price shall be subject to appropriate adjustments as described in the Plan.

The Option is also subject to, and, by accepting and executing this Agreement, Optionee agrees to be bound by, all of the terms, provisions, limitations and conditions of the Plan.

4. The Plan; Tax Withholding. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof and hereby accepts the Option subject to all such terms and provisions. Optionee hereby authorizes the Company to withhold in accordance with applicable law from any compensation payable to Optionee any income taxes required to be withheld by federal, state or local law as a result of the exercise of the Option and agrees that payment of such withholding taxes shall be a condition precedent to the exercise of any option hereunder.

5. Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, trustees, successors and assigns.

EXECUTED as of the day and year first above written.

ADVANTAGE TECHNOLOGIES GROUP, INC.

\_\_\_\_\_  
Name: Scott A. Francis  
Title: Chief Financial Officer and Secretary

Optionee

\_\_\_\_\_  
Name: Joseph E. Hart

**ADDvantage Technologies Group, Inc.**

1221 E. Houston

Broken Arrow, Oklahoma 74012

For further information	KCSA Strategic Communications
Company Contact:	Elizabeth Barker
Scott Francis (918) 251-9121	(212) 896-1203
	<a href="mailto:ebarker@kcsa.com">ebarker@kcsa.com</a>

**ADDvantage Technologies Group Appoints Joseph Hart as Permanent CEO; Names James McGill Chairman of the Board of Directors**

**BROKEN ARROW, Oklahoma, October 10, 2018** –ADDvantage Technologies Group, Inc. (NASDAQ: AEY) today announced that its Board of Directors has appointed Joseph Hart as permanent Chief Executive Officer and President of the Company. In addition, James ‘Jim’ McGill, has been named Non-Executive Chairman of the Board of Directors, replacing David Chymiak, who is stepping down from his Chairman of the Board position but will remain on the board of directors and in his role of Chief Technology Officer at the Company. Both new appointments are effective October 8, 2018.

Mr. Hart has been a member of the Board of Directors at the Company since August, 2015, and became interim CEO and President of the Company in July 2018. He has extensive experience in both turning around and building businesses in the wireless, broadband and cable television space, and a strong technical background. He has over 30 years of experience in the telecommunications industry holding various executive level positions at various companies. From 2006 to 2014, Joe served in various executive level positions at Goodman Networks, Inc., which design, build, optimize and maintain wireless networks. Prior to that, Joe served in various executive positions at several telecommunications companies including AT&T, Fluor Daniel Telecom, IP Wireless and NorthStar Communications. Joe holds a masters degree in systems management from the University of Southern California and a B.S. degree in business administration from Baldwin Wallace University.

Joe Hart, CEO, said, “Together with the Board, I have spent the past several months assessing all of the Company’s business units and how they align with our overall strategy. As we look at the opportunities to drive forward ADDvantage Technologies’ growth, I am encouraged by the Company’s prospects. I am pleased to become permanent CEO at this time, which will enable me to advance the Company’s strategic growth plans and build value for shareholders.”

Jim McGill has served as a director of ADDvantage Technologies since 2007. Jim is currently the President of McGill Resources, which is a venture capital investment company, and has served in that capacity since 1987. Jim also served in various executive leadership and board of director positions of MacroSolve, Inc., which was a high technology company focused on wireless data collection, from 2002-2013. In addition, he is a board member of numerous organizations in the Tulsa, Oklahoma area. During his career, McGill has received 25 U.S. and foreign patents in the field of pollution control and has extensive experience in helping to develop early-state and emerging companies. Jim is a registered professional engineer with a B.S. in chemical engineering from The University of Tulsa, where he graduated cum laude. He is a member of the University’s College of Engineering and Applied Sciences Hall of Fame.

Jim McGill, Chairman of the Board of Directors, commented, “As ADDvantage Technologies enters a period of change, the Board is committed to supporting the Company in its mission to grow revenues and drive shareholder value. Having been a director at the Company since 2007, I am keenly aware of the market dynamics and opportunities in the Cable TV and Telecommunications sectors and it is a real pleasure for me to take up the responsibility of Chairman at the Company as we navigate our expansion strategy. I would like to thank Dave Chymiak for his service, dedication and guidance over the past several years as Chairman.”

**About ADDvantage Technologies Group, Inc.**

ADDvantage Technologies Group, Inc. (NASDAQ: AEY) supplies the cable television (Cable TV) and telecommunications industries with a comprehensive line of new and used system-critical network equipment and hardware from a broad range of leading manufacturers. The equipment and hardware ADDvantage distributes is used to acquire, distribute, and protect the communications signals carried on fiber optic, coaxial cable and wireless distribution systems, including television programming, high-speed data (Internet) and telephony. In addition, ADDvantage operates a national network of technical repair centers focused primarily on Cable TV equipment and recycles surplus and obsolete Cable TV and telecommunications equipment.

ADDvantage operates through its subsidiaries, Tulsat, Tulsat-Atlanta, Tulsat-Texas, NCS Industries, ComTech Services, Nave Communications and Triton Datacom. For more information, please visit the corporate web site at [www.addvantagetechnologies.com](http://www.addvantagetechnologies.com).

*The information in this announcement may include forward-looking statements. All statements, other than statements of historical facts, which address activities, events or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements. These statements are subject to risks and uncertainties, which could cause actual results and developments to differ materially from these statements. A complete discussion of these risks and uncertainties is contained in the Company’s reports and documents filed from time to time with the Securities and Exchange Commission.*