
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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): June 25, 2018

AVIAT NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33278
(Commission File
Number)

20-5961564
(I.R.S. Employer
Identification No.)

Address of principal executive offices: 860 N. McCarthy Blvd., Suite 200, Milpitas, CA 95035

Registrant's telephone number, including area code: (408) 941-7100

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:

- Written communications 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))

Indicate by the check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Security Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Security Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by the check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On June 20, 2018, the Board of Directors (the "Board") of Aviat Networks, Inc. (the "Company") approved a realignment plan (the "Realignment Plan") to effect the internal transition of functions, job roles and responsibilities in order to reduce its operating costs and improve profitability as part of its transformational initiative to optimize its business model and increase efficiencies. The Realignment Plan is anticipated to entail a reduction in force of approximately 34 employees to be implemented during the Company's 2019 fiscal year (the "Reduction in Force"). The Company also anticipates adding certain employees in key areas. The Company will incur material charges as a result of the Realignment Plan, the majority of which are expected to be incurred in the fiscal 2018 fourth quarter and first half of fiscal 2019, with costs to recruit replacements and transition tasks expensed in the period incurred (as ordinary expense). The Company estimates that Realignment Plan charges will be approximately \$3.0 million and approximately \$0.5 million in share-based compensation and will be recorded as restructuring expenses. Of the \$3.0 million charges, approximately \$2.0 million of these expenses will be one-time severance charges with the remainder covering continuation of health benefits and outplacement services. The foregoing estimated charges will be cash expenditures. The Company anticipates it will generate approximately \$1.2 million in savings in fiscal 2019, the majority of which will be allocated to support growth-related initiatives. In addition to net headcount reductions, savings and efficiencies will be realized through increased use of automation and aggregating and consolidating back-office support functions. In fiscal 2020, the Company expects to generate annual savings of \$3.2 million, while being in a stronger position to drive both top- and bottom-line performance.

Management continues to analyze the Company's cost structure and evaluate other potential restructuring and cost reduction opportunities in light of the Company's strategic priorities. While no definitive determination has been made yet, the Company may undertake and implement additional realignment and cost reduction measures and incur additional charges, which the Company would record as restructuring charges in the appropriate period as they are determined.

This Item 2.05 contains forward-looking statements, including, but not limited to, statements related to the expected costs associated with termination benefits and the financial impact of the Reduction in Force. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. The Company's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to cost reduction efforts. In addition, the Company's workforce reduction costs may be greater than anticipated and the workforce reduction may have an adverse impact on the Company's development activities. A further description of the risks and uncertainties relating to the business of the Company is contained in the Company's Annual Report on Form 10-K for the year ended June 30, 2017, filed with the Securities and Exchange Commission (the "SEC") on September 6, 2017, and the Company's subsequent current reports filed with the SEC. The Company undertakes no duty or obligation to update any forward-looking statements contained in this Item 2.05 as a result of new information, future events or changes in its expectations.

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

Appointment of Chief Operating Officer

On June 20, 2018, the Company appointed Stan Gallagher to the position of Vice President and Chief Operating Officer of the Company and entered into an employment agreement (the "Employment Agreement") with Mr. Gallagher. Mr. Gallagher's employment will commence on June 25, 2018.

Before joining the Company, Mr. Gallagher, age 55, was a Director and Operational Excellence/Supply Chain Management Lead at Synergetics Installations Worldwide, Inc. since 2012, and a Senior Consultant with LeadFirst Leadership Development Consultants since 2010. From 2007 to 2010, Mr. Gallagher held the position of Vice President - Global Strategic Sourcing at Masonite International, Inc. Earlier in his career, Mr. Gallagher held a number of leadership positions with various subsidiaries of General Electric. Mr. Gallagher has a Bachelor of Science degree in Mechanical Engineering from North Carolina State University.

The Employment Agreement provides, among other things, that Mr. Gallagher's compensation will consist of an annual base salary of \$300,000 per year, subject to annual review and adjustment by the Board. In addition, for as long as Mr. Gallagher is employed at the Company's Milpitas location, he will receive a cost of living supplement of \$3,000 per month. Starting in fiscal year 2019, subject to the approval of an annual incentive plan ("AIP") by the Board, Mr. Gallagher will be eligible to participate in AIP with a target bonus of 50% of his annual base salary, based upon achievement of the same performance objectives, floors, cap and valuations determined by the Board for the than annual incentive plan for executives generally. In addition, subject to Board approval of a long-term incentive plan, Mr. Gallagher will be eligible to participate in such plans, starting in fiscal year 2019, with a target bonus of 50% of his annual base salary as determined by

the Board. The structure of such long-term incentive plan for future periods is subject to determination by the Board each year. Mr. Gallagher will also receive a one-time award of 5,000 restricted stock units, with 100% of the grant vesting on the third anniversary of Mr. Gallagher's start date. Mr. Gallagher will participate in the Company's employee benefit plans on the same basis as other employees of the Company.

In the event that Mr. Gallagher resigns from the Company without "good reason" or Mr. Gallagher's employment is terminated by the Company for "cause," each as defined in the Employment Agreement, he will not be entitled to any compensation or benefits from the Company other than those earned through the date of termination of employment. If Mr. Gallagher's employment is terminated by reason of death, he will not be entitled to any compensation or benefits from the Company other than those earned through the date of such termination, except that his estate will receive a pro rata portion of any short-term incentive bonus that he would have earned during the incentive bonus period in which his employment terminates.

If Mr. Gallagher's employment is terminated by the Company without cause or in connection with a long-term disability, or if Mr. Gallagher resigns from his employment for good reason, Mr. Gallagher will be entitled to the following severance benefits, as long as he signs a general release in favor of the Company:

- all compensation and benefits that are earned but unpaid through the date of termination;
- monthly severance payments at Mr. Gallagher's final base salary rate for a period of twelve months following such termination;
- payment of premiums necessary to continue group health insurance under COBRA for a period of up to twelve months following such termination;
- the prorated portion of any incentive bonus that Mr. Gallagher would have earned, if any, during the incentive bonus period in which Mr. Gallagher's employment terminates;
- with respect to any stock options or other equity-related awards, vesting will cease upon Mr. Gallagher's termination date, but he will be entitled to purchase any vested shares of stock that are subject to options until the earlier of (1) 12 months following the termination date or (2) the date on which the applicable options expire; and
- reasonable outplacement assistance selected and paid for by the Company.

If, within 18 months following any "change of control" (as defined in the Employment Agreement), Mr. Gallagher is terminated by the Company without cause or if he resigns from his employment for good reason and signs a release in favor of the Company, he will be entitled to the severance benefits and payments described above.

In addition, Mr. Gallagher will receive a payment (in lieu of the payment described in the fourth bullet above) equal to the greater of (1) the average of the annual incentive bonus payments received by him, if any, for the previous three years; and (2) his target incentive bonus for the year in which his employment terminates. The Company will also accelerate the vesting of all unvested stock options and all other then-unvested equity-related awards that vest based solely on continued employment (unless the terms of such other equity-related awards expressly provide that there is not to be any such acceleration).

Mr. Gallagher is subject to non-compete provisions during the term of the Employment Agreement and non-solicitation covenants during the term of his Employment Agreement and for 12 months after his employment terminates.

There are no arrangements or understandings between Mr. Gallagher and any other persons pursuant to which he was selected as Chief Operating Officer. There are also no family relationships between Mr. Gallagher and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

Amendment to Employment Agreement

On June 20, 2018, the Company and Eric Chang, a Vice President and Principal Accounting Officer of the Company, entered into an amendment (the "Amendment") to his previously disclosed Employment Agreement pursuant to which (i) Mr. Chang's annual base salary was increased to \$260,000 per year from \$240,000 per year, (ii) severance

payments to be paid to Mr. Chang following a qualifying termination were increased to 12 months of his final annual base salary from 6 months and (iii) payment of premiums necessary to continue group health insurance under COBRA following a qualifying termination were increased to 12 months from 6 months.

The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is attached as Exhibit 10.2 hereto and incorporated herein by reference.

Departure of Chief Financial Officer

Ralph Marimon, a Senior Vice President and the Chief Financial Officer of the Company, will leave his position effective July 6, 2018 (the “Effective Date”). Mr. Marimon will receive severance payments and other amounts pursuant to his previously disclosed Employment Agreement. These amounts are included in the charges described in Item 2.05 above.

Mr. Gallagher will assume the role of Principal Financial Officer of the Company on the Effective Date.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement, dated June 20, 2018, between Aviat Networks, Inc. and Stan Gallagher.
10.2	Amendment to Employment Agreement, dated June 20, 2018, between Aviat Networks, Inc. and Eric Chang.
99.1	Press Release

EXHIBIT INDEX

Exhibit No.	Description
10.1	<u>Employment Agreement, dated June 20, 2018, between Aviat Networks, Inc. and Stan Gallagher.</u>
10.2	<u>Amendment to Employment Agreement, dated June 20, 2018, between Aviat Networks, Inc. and Eric Chang.</u>
99.1	<u>Press Release</u>

SIGNATURE

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.

AVIAT NETWORKS, INC.

Date: June 25, 2018

By: /s/ Michael Pangia

Name: Michael Pangia

Title: President and Chief Executive Officer



Dear Stan:

This letter agreement sets forth the terms of your employment with Aviat Networks, Inc. (the “Company”), as well as our understanding with respect to any termination of that employment relationship. This Agreement will become effective on your first day of employment, which is anticipated to be June 25, 2018.

1. Position and Duties. You will be employed by the Company as Senior Vice President and Chief Operating Officer reporting to the Chief Executive Officer. This position will initially be based at our location in Milpitas, California. Within 18 months of your hire date, you may be relocated to Austin, Texas or San Antonio, Texas. You accept full-time employment with the Company on the terms and conditions set forth in this Agreement, and you agree during your employment not to engage in any business, other employment or other activities which would conflict with your obligations to the Company or create an actual or the appearance of a conflict of interest with the Company’s interests or your employment relationship with the Company.

2. Term of Employment. Your employment with the Company is at will, which means that your employment is for no specified term, and may be terminated, by you or the Company at any time, with or without cause or notice, subject to the provisions of Paragraphs 4 and 5 below.

3. Compensation. You will be compensated by the Company for your services as follows:

(a) Salary: You will be paid a monthly base salary of \$25,000 (\$300,000 per year), less applicable withholding, in accordance with the Company’s normal payroll procedures and applicable law. In conjunction with your annual performance review, which will occur at or about the start of each fiscal year (currently July 1st, 2019) your base salary will be reviewed by the Board, and may be subject to adjustment based upon various factors including, but not limited to, your performance and the Company’s profitability. Your base salary will not be reduced except as part of a salary reduction program that similarly affects all members of the executive staff reporting to the Chief Executive Officer of the Company. In addition to your base salary, while you are employed at our Milpitas location, you will receive a cost of living supplement of \$3,000 per month (“COL”). The COL supplement will also be subject to withholding taxes. In the event of a salary reduction program for the members of the executive team, the basis for calculating the reduction will be the base salary plus the COL supplement if such reduction occurs while you are in Milpitas collecting the supplement.

(b) Annual Short-Term Incentive Plan: Subject to the Board's approval of such a plan for Company employees each year, starting in FY2019, you will be eligible to participate in the Company's Annual Incentive Plan with a target bonus of 50% of your annual base salary, based upon achievement of the same performance objectives, floors, cap and valuations determined by the Board for the Annual Incentive Plan for executives generally.

(c) Long-Term Incentive Program: Subject to Board approval of such a plan for the Company employees each year starting with FY 2019, you will be eligible to participate in a Long-Term Incentive Plan with a target value of 50% of your base salary as determined by the Board. The structure for future periods is subject to determination by the Board each year.

(d) New Hire One-Time Equity Awards: You will also receive an award of 5,000 restricted stock units with, 100% of the grant vesting on the third anniversary of your start date. Such awards shall be made within thirty (30) days of your start date.

(e) Benefits: You will have the right, on the same basis as other employees of the Company, to participate in and to receive benefits under any Company group medical, dental, life, disability or other group insurance plans, as well as under the Company's business expense reimbursement, educational assistance, holiday, and other benefit plans and policies. You will also be eligible to participate in the Company's 401(k) plan.

(f) Vacation: Once your employment begins, you will accrue paid vacation at the rate of 4 weeks per year. Maximum accrued vacation will be in accordance with the Company's vacation policy.

(g) Earned Compensation: For purposes of those Paragraphs of this Agreement pertaining to termination of the employment relationship, whether involuntary or voluntary, unless otherwise expressly provided herein, no part of (i) the Annual Incentive Plan for the year in which the termination occurs, (ii) any performance-vesting equity or other awards for any period in which the termination occurs and (iii) any time-vesting equity or other awards that are not vested as of the termination date will be deemed earned as of the date of termination.

4. Voluntary Termination or Death. In the event that you voluntarily resign from your employment with the Company (other than for Good Reason or Good Reason Following a Change of Control as defined in Paragraphs 5(d) and 6(b)), or in the event that your employment terminates as a result of your death, you will be entitled to no compensation or benefits from the Company other than those earned under Paragraph 3 through the date of termination. However, if your employment terminates as a result of your death, the Company will pay your estate the prorated portion of any short-term incentive bonus that you would have earned during the incentive bonus period in which your employment terminates (the pro-ration shall be equal to the percentage of that bonus period that you are actually employed by the Company); such prorated bonus will be paid at the time that such incentive bonuses are paid to other Company employees. You agree that if you voluntarily terminate your employment with the Company for any reason, you will provide the Company with at least 10 business days' written notice of your resignation. The Company shall have the option, in its sole discretion, to make your resignation effective at any time prior to the end of such notice period, provided the Company pays you an amount equal to the base salary and benefits you would have earned through the end of the notice period.

5. Other Termination. Your employment may be terminated under the circumstances set forth below.

(a) Termination by Disability: If, by reason of any physical or mental incapacity, you have been or will be prevented from performing your then-current duties under this Agreement with reasonable accommodation, then, to the extent permitted by law, the Company may terminate your employment without any advance notice. Upon such termination, if you sign a general release of known and unknown claims in a form satisfactory to the Company which becomes valid and irrevocable within 60 days of your termination, and you fully comply with your obligations under Paragraphs 7, 8, and 10, the Company will provide you with the severance payments and benefits described in Paragraph 5(c). Nothing in this paragraph shall affect your rights under any applicable Company disability plan; provided, however, that your severance payments will be offset by any disability income payments received by you so that the total monthly severance and disability income payments during your severance period shall not exceed your then-current base salary.

(b) Termination for Cause: The Company may terminate your employment at any time for cause (as described below) without providing any notice (except to the extent expressly provided below). If your employment is terminated by the Company for cause, you shall be entitled to no compensation or benefits from the Company other than those earned under Paragraph 3 through the date of termination. For purposes of this Agreement, a termination for "cause" occurs if you are terminated for any of the following reasons: (i) theft, dishonesty, misconduct or falsification of any employment or Company records; (ii) improper disclosure of the Company's confidential or proprietary information; (iii) any action by you which has a material detrimental effect on the Company's reputation or business; (iv) your refusal or inability to perform any assigned duties (other than as a result of a disability), after written notice from the Company to you of, and a 30-day opportunity to cure, such refusal or inability; (v) your material breach of this Agreement or of the employee proprietary information/confidentiality/assignment of inventions agreement not otherwise described in this paragraph, after written notice from the Company to you of, and a 30-day opportunity to cure, such breach; or (vi) your conviction (including any plea of guilty or no contest) for any criminal act that impairs your ability to perform your duties under this Agreement.

(c) Termination Without Cause: The Company may terminate your employment without cause at any time with or without advance notice. If your employment is terminated by the Company without cause, and you sign a general release of known and unknown claims in a form satisfactory to the Company within the applicable review period which thereupon is (or, if any revocation period is required by law, following expiration of such period becomes) valid and irrevocable within 60 days of your termination, and you fully comply with your obligations under Paragraphs 7, 8, and 10, you will receive the following severance benefits:

(i) payments at your final base salary rate for a period of twelve (12) months following your termination; such payments will be subject to applicable withholding and made in accordance with the Company's normal payroll practices; provided, however, that any such payments that would have been paid in accordance with the Company's normal payroll practices before your release becomes valid and irrevocable will accumulate and be paid only if and when both (x) your release becomes valid and irrevocable and (y) such validity and irrevocability in no event occurs more than 60 days after your termination;

(ii) payment of the premiums necessary to continue your group health insurance under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") provided you have timely elected COBRA coverage until the earlier of (x) twelve (12) months following your termination date; or (y) the date you first became eligible to participate in another employer's group health insurance plan; or (z) the date on which you are no longer eligible for COBRA coverage;

(iii) the Company will pay you the prorated portion of any incentive bonus that you would have earned, if any, during the incentive bonus period in which your employment terminates (the pro-ration shall be equal to the percentage of that bonus period that you are actually employed by the Company), and such prorated bonus will be paid to you at the time that such incentive bonuses are paid to other Company employees, or at any earlier time required by applicable law;

(iv) with respect to any stock options or other equity-related awards granted to you by the Company, you will cease vesting upon your termination date; however, you will be entitled to purchase any vested shares of stock that are subject to those options until the earlier of (x) twelve (12) months following your termination date, or (y) the date on which the applicable option(s) expire(s); except as set forth in this subparagraph, your Company stock options and other equity-related awards will continue to be subject to and governed by the Company's Stock Equity Plan (as amended from time to time, the "Plan") and the applicable agreements between you and the Company; and

(v) reasonable outplacement assistance selected and paid for by the Company.

(d) Resignation for Good Reason: If you resign from your employment with the Company for Good Reason (as defined in this paragraph), and such resignation does not qualify as a resignation for Good Reason Following a Change of Control (as defined in Paragraph 6(b)), and you sign a general release of known and unknown claims in a form satisfactory to the Company within the applicable review period which thereupon is (or, if any revocation period is required by law, following expiration of such period becomes) valid and irrevocable within 60 days of your termination, and you fully comply with your obligations under Paragraphs 7, 8, and 10, you shall receive the severance benefits described in Paragraph 5(c). For purposes of this Paragraph, "Good Reason" means any of the following conditions, which condition(s) remain in effect 60 days after written notice from you to the Chief Executive Officer of said condition(s):

(i) a reduction in your base salary of 20% or more, other than a reduction that is similarly applicable to all members of the Company's executive staff; or

(ii) a material reduction in your employee benefits, other than a reduction that is similarly applicable to all of the members of the Company's executive staff; or

(iii) a material breach by the Company of any material provision of this Agreement; or

(iv) the relocation of your role by more than 75 miles from the Company's workplace in either Milpitas, California, Austin, Texas or San Antonio, Texas, whichever is your primary work location. It will not be deemed "Good Reason" if you move from Milpitas, CA work location to San Antonio, TX or Austin, TX within the first eighteen months of your employment.

The foregoing condition(s) shall not constitute “Good Reason” if you do not provide the Chief Executive Officer with the written notice described above within 45 days after you first become aware of the condition(s).

(e) Termination or Resignation For Good Reason Following a Change of Control: If, within 18 months following any Change of Control (as defined below), your employment is terminated by the Company without cause, or if you resign from your employment with the Company for Good Reason Following a Change of Control (as defined below), and you sign a general release of known and unknown claims in a form satisfactory to the Company within the applicable review period which thereupon is (or, if any revocation period is required by law, following expiration of such period becomes) valid and irrevocable within 60 days of your termination, and you fully comply with your obligations under Paragraphs 7, 8, and 10, you shall receive the severance benefits described in Paragraph 5(c).; in addition, you shall receive a payment (in lieu of any payment under subparagraph 5(c)(iii)) equal to the greater of (i) the average of the annual incentive bonus payments received by you, if any, for the previous three years, or (ii) your target incentive bonus for the year in which your employment terminates. Such payment will be made to you within 15 days following the date on which the general release of claims described above becomes irrevocable. The Company will also accelerate the vesting of all unvested stock options granted to you by the Company, and all other then-unvested equity-related awards that vest based solely on continued employment by the Company or its affiliates (unless the terms of such other equity-related awards expressly provide that there is not to be any such acceleration).

6. Change of Control/Good Reason.

(a) For purposes of this Agreement, a “Change of Control” of the Company shall mean the occurrence of any of the following:

(i) any merger, consolidation, share exchange or Acquisition, unless, immediately following such merger, consolidation, share exchange or Acquisition, at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such merger, consolidation or share exchange, or the entity which has acquired all or substantially all of the assets of the Company (in the case of an asset sale that satisfies the criteria of an Acquisition) (in either case, the “Surviving Entity”), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity is represented by Company securities that were outstanding immediately prior to such merger, consolidation, share exchange or Acquisition (or, if applicable, is represented by shares into which such Company securities were converted pursuant to such merger, consolidation, share exchange or Acquisition); or

(ii) any person or group of persons (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended and in effect from time to time) directly or indirectly acquires beneficial ownership (determined pursuant to Securities and Exchange Commission Rule 13d-3 promulgated under the said Exchange Act) other than through a merger, consolidation, share exchange, or Acquisition, of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities other than (A) an employee benefit plan of the Company or any of its Affiliates, (B) a trustee or other fiduciary holding securities under

an employee benefit plan of the Company or any of its Affiliates, or (C) an underwriter temporarily holding securities pursuant to an offering of such securities; or

(iii) over a period of 36 consecutive months or less, there is a change in the composition of the Board such that a majority of the Board members (rounded up to the next whole number, if a fraction) ceases, by reason of one or more proxy contests for the election of Board members, to be composed of individuals each of whom meet one of the following criteria: (A) has been a Board member continuously since the date of this Agreement or the beginning of such 36 month period or (B) has been elected or nominated during such 36 month period by at least a majority of the Board members that satisfied the criteria of this subparagraph (iii) when they were elected or nominated; or

(iv) a majority of the Board determines that a Change of Control has occurred; or

(v) the complete liquidation or dissolution of the Company.

For the purposes of this Agreement, the term "Affiliate" means any corporation, partnership, limited liability company, business trust, or other entity controlling, controlled by or under common control with the Company, and "Acquisition" means a merger or consolidation of the Company into another person (*i.e.*, which merger or consolidation the Company does not survive) or the sale, transfer, or other disposition of all or substantially all of the Company's assets to one or more persons in a single transaction or series of related transactions.

(b) For purposes of this Agreement, "Good Reason Following a Change of Control" means any of the following conditions, which condition(s) remain in effect 60 days after written notice from you to the Chief Executive Officer of said condition(s):

(i) a material and adverse change in your position, duties or responsibilities for the Company, as measured against your position, duties or responsibilities immediately prior to the Change of Control; or

(ii) a reduction in your base salary as measured against your base salary immediately prior to the Change in Control; or

(iii) a material reduction in your employee benefits, other than a reduction that is similarly applicable to a majority of the members of the Company's executive staff; or

(iv) the relocation of your role by more than 75 miles from the Company's workplace in either Milpitas, California, Austin, Texas or San Antonio, Texas, whichever is your primary work location.

7. Confidential and Proprietary Information: As a condition of your employment, you agree to sign and abide by the Company's standard form of employee proprietary information/confidentiality/assignment of inventions agreement.

8. Termination Obligations.

(a) You agree that all property, including, without limitation, all equipment, proprietary information, documents, books, records, reports, notes, contracts, lists and computer files and data, and copies thereof, created on any medium and furnished to, obtained by, or prepared by

you in the course of or incident to your employment, belongs to the Company and shall be returned to the Company promptly upon any termination of your employment.

(b) Upon your termination for any reason, and as a condition of your receipt of any severance benefits hereunder, you will promptly resign in writing from all offices and directorships then held with the Company or any affiliate of the Company.

(c) Following the termination of your employment with the Company for any reason, you shall fully cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company and the orderly transfer of work to other employees of the Company. You shall also cooperate in the defense of any action brought by any third party against the Company.

9. Limitation of Payments and Benefits.

To the extent that any of the payments and benefits provided for in this Agreement or otherwise payable to you (the "Payments") constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of such Payments shall be either:

(a) the full amount of the Payments, or

(b) a reduced amount that would result in no portion of the Payments being subject to the excise tax imposed pursuant to Section 4999 of the Code (the "Excise Tax"), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by you, on an after-tax basis, of the greatest amount of benefit. In the event that any Excise Tax is imposed on the Payments, you will be fully responsible for the payment of any and all Excise Tax, and the Company will not be obligated to pay all or any portion of any Excise Tax.

10. Other Activities. In order to protect the Company's valuable proprietary information, you agree that during your employment you will not, as a compensated or uncompensated officer, director, consultant, advisor, partner, joint venturer, investor, independent contractor, employee or otherwise, provide any labor, services, advice or assistance to any entity or its successor involved in the design, manufacture, distribution (directly or indirectly), or integration of any digital microwave products and used in terrestrial microwave point-to-point telecommunications networks anywhere in the world. You acknowledge and agree that the restrictions contained in the preceding sentence are reasonable and necessary. You also agree that for a period of twelve (12) months after your employment terminates, you will not solicit any employee of the Company directly or indirectly to leave employment with the Company for any purpose, including but not limited to for purposes of providing labor, services, advice or assistance to any entity or individual. In the event of your breach of this Paragraph, the Company shall not be obligated to provide you with any further severance payments or benefits subsequent to such breach, in addition to other remedies available under applicable laws.

11. Dispute Resolution. The parties agree that any suit, action, or proceeding arising out of or relating to this Agreement, the parties' employment relationship, or the termination of that relationship for any reason, shall be brought in the appropriate state or federal court appropriate for disputes arising in your work location which will be either Milpitas, California, Austin, Texas, or San Antonio, Texas, and you agree to submit to the personal jurisdiction of such court. The parties

irrevocably waive, to the fullest extent permitted by law, any objection they may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Paragraph 11 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

12. Compliance with Section 409A of the Internal Revenue Code. This Agreement is intended to comply with, or otherwise be exempt from, Section 409A of the Code and the rules and regulations promulgated thereunder (collectively, "Section 409A"). However, the Company has not made and is making no representation to you relating to the tax treatment of any payment pursuant to this Agreement under Section 409A and the corresponding provisions of any applicable State income tax laws.

Notwithstanding anything to the contrary in this Agreement, any payments or benefits due hereunder upon a termination of employment which are a "deferral of compensation" within the meaning of Section 409A shall only be payable or provided to you upon a "separation from service" as defined for purposes of Section 409A. In addition, if you are a "specified employee" as determined pursuant to Section 409A as of the date of your separation from service, as so defined, and if any payments or entitlements provided for in this Agreement constitute a "deferral of compensation" within the meaning of Section 409A and cannot be paid or provided in the manner provided herein without subjecting you to additional tax, interest or penalties under Section 409A, then any such payment or entitlement which is otherwise payable during the first six months following your separation from service shall be paid or provided to you in a lump sum on the earlier of (i) the first business day of the seventh calendar month immediately following the month in which your separation from service occurs or (ii) the date of your death. To the extent required to satisfy the provisions of the foregoing sentence with respect to any benefit to be provided in-kind, the Company shall bill you, and you shall promptly pay, the value for tax purposes of any such benefit and the Company shall therefore promptly refund the amount so paid by you as soon as allowed by the foregoing sentence.

For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. With respect to any reimbursement of your expenses, or any provision of in-kind benefits to you, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (1) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code; (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

13. Severability. If any provision of this Agreement is deemed invalid, illegal or unenforceable, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected.

14. Confirmation of Rights which Are not Dependent Upon Signing a Release. Whether or not you sign a release as provided in certain provisions of this Agreement, (a) you will be paid all wages due, including any unused accrued vacation, as of your last day of work, (b) your health care coverage as a primary insured under the Company's health plan will continue through the end of the month in which your last day of work falls, (c) thereafter, you will be eligible for continuation of health insurance at your own expense if you timely elect coverage under COBRA, and (d) you will receive information regarding your right to continue health insurance under COBRA.

15. Applicable Withholding. All salary, bonus, severance and other payments identified in this Agreement are subject to applicable withholding by the Company.

16. Assignment. In view of the personal nature of the services to be performed under this Agreement by you, you cannot assign or transfer any of your obligations under this Agreement.

17. Entire Agreement. This Agreement and the agreements referred to above constitute the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior negotiations, representations or agreements between you and the Company regarding your employment, whether written or oral. This Agreement sets forth our entire agreement regarding the Company's obligation to provide you with severance benefits upon any termination of your employment, and you shall not be entitled to receive any other severance benefits from the Company pursuant to any Company severance plan, policy or practice.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California.

19. Modification. This Agreement may only be modified or amended by a supplemental written agreement signed by you and an authorized representative of the Board.

Stan, we look forward to having you join us at Aviat Networks, Inc. Please sign and date this letter on the spaces provided below to acknowledge your acceptance of the terms of this Agreement.

Sincerely,

Aviat Networks, Inc.

By: /s/ Michael Pangia
Name: Michael Pangia
Title: President & CEO

I agree to and accept employment with Aviat Networks, Inc. on the terms and conditions set forth in this Agreement.

Date: June 20, 2018 /s/ Walter Stanley Gallagher, Jr.
Stan Gallagher

Amendment to Employment Agreement

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is made and entered into effective as of June 20, 2018 (the "Amendment Effective Date"), by and between Aviat Networks, Inc. (the "Company"), and Eric Chang (the "Executive" and, together with the Company, the "Parties").

Whereas, the Company and Executive entered into an Employment Agreement (the "**Agreement**") dated as of January 19, 2016,

Whereas, the Executive's Fiscal Year 2018 AIP ("Annual Incentive Plan") and LTIP ("Long Term Incentive Plan) percentages increased by the Compensation Committee of the Company's Board of Directors from 30% to 40% on August 23, 2017, and

Whereas, the Parties desire to amend Paragraphs 3(a), 5(c)(i), and 5(c)(ii) of the Agreement in the manner reflected herein, and

Now Therefore, in consideration of the premises and mutual covenants and conditions herein, the Parties, intending to be legally bound, hereby agree as follows, effective as of the Amendment Effective Date:

1. **Compensation.** Paragraph 3(a) of the Agreement is hereby deleted and replaced in its entirety with the following (with all capitalized terms having the meaning originally ascribed thereto in the Agreement):

"(a) Salary. You will be paid a monthly base salary to \$21,666.67 (\$260,000.00 per year), less applicable withholding, in accordance with the Company's normal payroll procedures and applicable law. In conjunction with your annual performance review, which will occur at or about the start of each fiscal year (currently July 1st) your base salary will be reviewed by the Board, and may be subject to adjustment based upon various factors including, but not limited to, your performance and the Company's profitability. Your base salary will not be reduced except as par tof a salary reduction program that similarly affects all members of the executive staff reporting to the Chief Executive Officer of the Company."

2. **Other Termination.** Paragraphs 5(c)(i) and 5(c)(2) of the Agreement is hereby deleted and replaced in its entirety with the following (with all capitalized terms having the meaning originally ascribed thereto in the Agreement):

"(i) payments at your final base salary rate for a period of twelve (12) months following your termination; such payments will be subject to applicable withholding and made in accordance with the Company's normal payroll practices; provided, however, that any such payments that would have been paid in accordance with the Company's normal payroll practiced before your release becomes valid and irrevocable will accumulate and be paid only if and when both (x) your release becomes valid and irrevocable and (y) such validity and irrevocability in no event occurs more than 60 days after your termination;"

"(ii) payment of the premiums necessary to continue your group health insurance under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") provided you have timely elected COBRA coverage until the earlier of (x) twelve (12) months following your termination date; or (y) the date you first become eligible to participate in another employer's group health insurance plan; or (z) the date on which you are no longer eligible for COBRA coverage;"

3. **Ratification.** All terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment, all references to the term "Agreement" in this Amendment or the original Agreement shall include the terms contained in this Amendment.

IN WITNESS WHEREOF, the parties have entered into this Amendment.

Aviat Networks, Inc.

By: /s/ Michael Pangia

/s/ Eric Chang

Name: Michael Pangia

Name of Officer

Title: President and Chief Executive Officer

News Release

www.aviatnetworks.com

Aviat Networks Appoints Stan Gallagher as Chief Operating Officer

Company unveils new organizational structure to enhance platform for growth,
improve efficiencies and drive bottom-line performance to maximize returns

MILPITAS, Calif., June 25, 2018 -- Aviat Networks, Inc. (NASDAQ: AVNW), (“Aviat Networks” or the “Company”), the leading expert in microwave networking solutions, today announced the appointment of Stan Gallagher as Chief Operating Officer, a newly created executive leadership position. Mr. Gallagher will also assume the role of Principal Financial Officer of the Company. The Company also unveiled today its new organizational structure which coincides with this appointment, along with some of the anticipated financial and operational benefits. Aviat will be centralizing back-office functions and aligning resources by geography to both lower its expense structure and capitalize on the anticipated growth in the coming years both in North America and internationally.

Mr. Gallagher joins Aviat with over 30 years of experience in various aspects of operations leadership and management consulting. For the past three years, as Director of Operational Excellence and Supply Chain Management with a leading management consulting firm, Synergetics Installations Worldwide, Inc. (“Synergetics”), he was heavily engaged in the Company’s turnaround, developing strategies to drive efficiencies throughout the Company’s global footprint. Over this period, through operational excellence, Lean Six Sigma and various programs to enhance sourcing and supply chain management, Aviat Networks has seen its non-GAAP operating expenses decline by over 25%, its non-GAAP gross margins improve by over 650 basis points, and a return to profitability. Much of the Company’s success has been driven by a commitment to and successful execution of process excellence activities.

Commenting on today’s appointment, Michael Pangia, President and Chief Executive Officer of Aviat Networks stated, “We are very excited to have Stan formally join our team, especially now as we move into growth mode and drive further enhancements to our business. We approach fiscal 2019 with an improving market outlook, significant opportunities to grow with our existing customers and expand into new accounts and improve our bottom-line performance.”

In conjunction with its realignment, the Company anticipates it will incur one-time restructuring charges of approximately \$3.0 million and approximately \$0.5 million in share-based compensation, the majority of which are expected to be incurred in the fiscal 2018 fourth quarter and first half of fiscal 2019. Additionally, the Company anticipates it will generate approximately \$1.2 million in savings in fiscal 2019, the majority of which will be allocated to support growth-related initiatives. In addition to net headcount reductions, savings and efficiencies will be realized through increased use of automation and aggregating and consolidating back-office support functions. In fiscal 2020, the Company expects to generate annual savings of \$3.2 million, while being in a stronger position to drive both top- and bottom-line performance.

Since 2010, Mr. Gallagher has served as a management consultant, leveraging his past expertise to support companies across various industries and in several operational and financial capacities. In recent years, he has specialized in the technology sector, working with a \$16 billion IT services company, a \$3.4 billion security services company and, most recently, with Aviat Networks. Throughout these multi-year engagements, with a clear focus on operational excellence, he helped to enhance financial performance and reporting capabilities, driven organizational redesign and change management programs, overseen Lean Six Sigma programs, and helped redesign operational footprints, including facilities management, IT and automation, sourcing, procurement, and overall supply chain management.

Mr. Gallagher began his career with General Electric (“GE”), where he held executive operational and leadership positions for several GE divisions. During his tenure at GE, he developed a broad portfolio of experience including supply chain management, strategic sourcing, supplier and business development, facilities management, import/export logistics, compliance, quality, global tax strategy, and Six Sigma program management. He left GE in 2007 and became Vice President &

Corporate Officer - Global Strategic Sourcing for Masonite International, Inc. Mr. Gallagher received his BSME in Mechanical Engineering from North Carolina State University.

Coinciding with Mr. Gallagher's appointment, the Company also announced today that it has begun executing the next phase of its corporate realignment. Aviat Networks will be centralizing operations, finance, IT, and business process engineering under the stewardship of the COO. These departments will come together to provide shared services on a geographic basis to enhance its market focus and effectiveness. Additionally, the Company announced today that its Chief Financial Officer Ralph Marimon will leave the Company in July 2018. The Company does not intend to conduct a search for a new CFO as the finance team will report into the COO and all SEC reporting functions will remain intact.

Mr. Pangia continued, "First, I would like to extend my sincere appreciation to Ralph for his significant contributions throughout the past few years. He has been a valuable member of our team and I wish him nothing but the best as he begins the next chapter in his life. With the growth prospects ahead of us, we are realigning resources geographically to be in a stronger position to support our customers and grow market share. This new geographic focus should enable us to solidify growth prospects, strengthen core business competencies, and lower fixed costs. Simultaneously, we will be accelerating technology innovation, strengthening and expanding global partnerships, and building out our global services capabilities. We remain well positioned to drive shareholder value in both the near- and long-term."

Additional information can be found in the Company's Form 8-K which was filed with the Securities and Exchange Commission.

About Aviat Networks

Aviat Networks, Inc. works to provide dependable products, services and support to our customers. With more than one million systems sold into 170 countries worldwide, communications service providers and private network operators including state/local government, utility, federal government and defense organizations trust Aviat Networks with their critical applications. Coupled with a long history of microwave innovations, Aviat Networks provides a comprehensive suite of localized professional and support services enabling customers to drastically simplify both their networks and their lives. For more than 50 years, the experts at Aviat Networks have delivered high performance products, simplified operations and the best overall customer experience. Aviat Networks is headquartered in Milpitas, California. For more information, visit www.aviatnetworks.com or connect with Aviat Networks on Twitter, Facebook and LinkedIn.

Forward-Looking Statements

The information contained in this document includes forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933 including Aviat Networks' beliefs and expectations regarding business conditions, new product solutions, customer positioning, revenue, future orders, bookings, new contracts, cost structure, operating income, profitability in fiscal 2018, process improvements, realignment plans and review of strategic alternatives. All statements, trend analyses and other information contained herein regarding the foregoing beliefs and expectations, as well as about the markets for the services and products of Aviat Networks and trends in revenue, and other statements identified by the use of forward-looking terminology, including "anticipate," "believe," "plan," "estimate," "expect," "goal," "will," "see," "continue," "delivering," "view," and "intend," or the negative of these terms or other similar expressions, constitute forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, forward-looking statements are based on estimates reflecting the current beliefs, expectations and assumptions of the senior management of Aviat Networks regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should therefore be considered in light of various important factors, including those set forth in this document. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include the following:

- continued price and margin erosion as a result of increased competition in the microwave transmission industry;
- the impact of the volume, timing and customer, product and geographic mix of our product orders;
- our ability to meet financial covenant requirements which could impact, among other things, our liquidity;
- the timing of our receipt of payment for products or services from our customers;
- our ability to meet projected new product development dates or anticipated cost reductions of new products;
- our suppliers' inability to perform and deliver on time as a result of their financial condition, component shortages, or other supply chain constraints;
- customer acceptance of new products;

- the ability of our subcontractors to timely perform;
- continued weakness in the global economy affecting customer spending;
- retention of our key personnel;
- our ability to manage and maintain key customer relationships;
- uncertain economic conditions in the telecommunications sector combined with operator and supplier consolidation;
- our failure to protect our intellectual property rights or defend against intellectual property infringement claims by others;
- the results of restructuring efforts;
- the ability to preserve and use our net operating loss carryforwards;
- the effects of currency and interest rate risks;
- the conduct of unethical business practices in developing countries; and
- the impact of political turmoil in countries where we have significant business.

For more information regarding the risks and uncertainties for our business, see "Risk Factors" in our Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on September 6, 2017 as well as other reports filed by Aviat Networks, Inc. with the SEC from time to time. Aviat Networks undertakes no obligation to update publicly any forward-looking statement, whether written or oral, for any reason, except as required by law, even as new information becomes available or other events occur in the future.