
**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): March 14, 2019 (March 8, 2019)

PROFESSIONAL DIVERSITY NETWORK, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State of other Jurisdiction
of Incorporation)

001-35824

(Commission
File Number)

80-0900177

(IRS Employer
Identification Number)

801 W. Adams Street, Sixth Floor, Chicago, Illinois

(Address of Principal Executive Offices)

60607

(Zip Code)

Registrant's telephone number, including area code: **(312) 614-0950**

(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:

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

Emerging growth company

If an emerging growth company, indicate by 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 8, 2019, the Board of Directors (the “**Board**”) of Professional Diversity Network, Inc. (the “**Company**”) appointed Mr. Xin (Adam) He to replace Mr. Gary Xiao and to serve as the Company’s new Chief Financial Officer, effective March 11, 2019.

Xin (Adam) He, age 46, has been a member of the Board since January 2018. Mr. He has served as Chief Financial Officer of Wanda America Investment Holding Co. since May 2012, and majorly managed two projects - a 99-story landmark building development in downtown Chicago since February 2015, and NYSE traded AMC Entertainment Holdings, Inc. from August 2012 to February 2015, principally involved in the theatrical exhibition business by owning and operating 660 theatres primarily located in the United States. He also served as an independent board director at iFresh Inc. and Energy Focus Inc., both are Nasdaq listed companies. From December 2010 to May 2012, he served as Financial Controller of a NYSE listed company, Xinyuan Real Estate Co., a top developer of large scale, high quality residential real estate projects. Previously, Mr. He served as an auditor at Ernst & Young, LLP in New York, and held various roles at Chinatex Corporation and an architecture company. He is a member of the Financial Executives International and vice chair of the China General Chamber of Commerce Chicago. Mr. He obtained a Master of Science in Taxation from Central University of Finance and Economics in Beijing, and a Master of Science in Accounting from Seton Hall University in New Jersey. He is a Certified Public Accountant, both in China and in US.

On March 11, 2019 (the “**Effective Date**”), the Company entered into an employment agreement (the “**Employment Agreement**”) with Mr. He, which Employment Agreement continues until terminated in writing by either party or earlier terminated pursuant to the provisions of the Employment Agreement. Under the Employment Agreement, Mr. He will receive an annual base salary of \$200,000, subject to adjustment in the sole discretion of the Board or the Compensation Committee of the Board (the “**Compensation Committee**”); provided however, that such annual base salary may not be decreased during Mr. He’s employment period. Mr. He will be eligible to receive an annual incentive bonus in an amount equal to up to fifty percent (50%) of his base salary, based upon the achievement of one or more performance goals, targets, measurements and other factors, established for such year by the Compensation Committee. Mr. He will also participate in all benefit plans and programs, subject to certain conditions and exceptions, as are generally provided by the Company to its other senior executive employees. Under the terms of the Employment Agreement, Mr. He is subject to non-solicitation, non-competition and non-interference restrictive covenants during his employment and for the 12-month period following his last day of employment with the Company. The Employment Agreement also contains customary confidentiality, work product and return of Company property covenants. In addition, Mr. He is entitled to severance pay if he is terminated without “cause” or resigns for “good reason,” each as defined in the Employment Agreement. Upon such termination, Mr. He will be entitled to receive an amount equal to 30 days of his base salary, any earned but unpaid bonus for the year prior to the year of termination, and the pro rata portion of any bonus earned for the year in which termination occurs, as well as continuation of applicable benefits for a period of six months following his termination. In connection with the approval of the Employment Agreement, Mr. He also received a non-qualified stock option to purchase 30,000 shares of the Company’s common stock. The option will vest in accordance with the following schedule: (i) 1/3 of the shares underlying the option will vest immediately upon award, (ii) 1/3 of the shares underlying the option will vest on the first anniversary of the Effective Date, and (iii) 1/3 of the shares underlying the option will vest on the second anniversary of the Effective Date.

On March 11, 2019, Mr. He resigned from the Board and all committees of the Board. The Board is currently interviewing other candidates and will fill Mr. He’s vacancy as soon as possible.

The description of the Employment Agreement is qualified in its entirety by reference to the Employment Agreement filed herewith as Exhibit 10.1. Mr. He has no family relationships with any of the Company’s directors or executive officers, and there are no arrangements or understandings pursuant to which Mr. He was appointed to his position. There are no related party transactions between the Company and Mr. He reportable under Item 404(a) of Regulation S-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 [Employment Agreement between the Company and Xin \(Adam\) He, dated March 11, 2019.](#)

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.

Date: March 14, 2019

PROFESSIONAL DIVERSITY NETWORK, INC.

By: /s/ Xin (Adam) He

Xin (Adam) He

Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is dated and effective as of March 11, 2019 (the "Effective Date"), by and between PROFESSIONAL DIVERSITY NETWORK, INC., a Delaware corporation (the "Company"), and Xin He (Adam) ("Executive").

RECITALS:

Executive has been offered the position of Chief Financial Officer ("CFO") of the Company, which is engaged in the business of developing and operating online networks dedicated to serving diverse professionals in the United States and designing, developing, and hosting online job boards for clients. The Executive, by virtue of his CFO position, shall be the Company's "principal financial officer" and a Section 16 officer for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

The Company, through its Board of Directors, has provided its recommendation regarding appropriate compensation and incentive levels for the CFO position.

The Company and Executive now wish to execute this Agreement, which shall reflect the recommendations and set forth the terms and conditions of Executive's employment with the Company.

NOW THEREFORE, in consideration of the covenants, representations, and warranties contained herein. The parties hereto agree as follows:

1. Employment. The Company hereby employs Executive, and Executive hereby accepts such employment and agrees to serve the Company upon the terms and conditions set forth in this Agreement.

2. Employment-at-Will. Subject to the remainder of this Agreement, including the provisions of Section 15 below. Executive's employment shall be at-will and not subject to a particular timeframe. Executive specifically recognizes and agrees that this Agreement does not abrogate the at-will employment doctrine or create a right to employment for a specific period of time.

3. Duties and Responsibilities. Executive shall serve as Chief Financial Officer of the Company and shall have such normal and customary duties and responsibilities commensurate with his position, subject to the general supervision of the Chief Executive Officer of the Company and oversight by the Audit Committee of the Board of Directors of the Company. Executive shall devote his best efforts and attention to the business and affairs of the Company and shall diligently, faithfully and competently perform his duties and responsibilities hereunder; provided however that the foregoing shall not preclude Executive from engaging in other business endeavors and from spending time and attention with respect thereto and other endeavors, whether business, charitable, philanthropic or otherwise. A list of permitted activities in which Executive is currently engaged is attached as Exhibit A hereto. Executive recognizes that his primary responsibility is to the Company, however, Executive shall be permitted to work remotely.

4. Compensation and Related Matters.

(a) Base Salary. The Company shall pay Executive an annual base salary ("Base Salary") of Two Hundred Thousand Dollars (\$200,000), payable in substantially equal monthly or more frequent installments in accordance with the Company's normal and customary payroll practices. The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") shall review and further adjust Executive's Base Salary on at least an annual basis in its sole and absolute discretion, provided that during the Employment Period the Company may not decrease Executive's Base Salary below the amount set forth in this section. Any such increased Base Salary shall be and become the "Base Salary" for purposes of this Agreement.

(b) Expense Reimbursement. The Company shall pay or reimburse Executive for all reasonable business expenses properly incurred by Executive in the ordinary course of performing his duties and responsibilities hereunder, subject to the Company's normal and customary practices and policies as are in effect from time to time with respect to travel. Entertainment and other business expenses (including the Company's reasonable requirements with respect to prior approval, reporting and documentation of such expenses).

(c) Benefits. The Company will provide or offer for Executive's participation such benefits as are generally provided or offered by the Company to its other senior executive officers. Including, without limitation, health/major medical insurance, life insurance, disability insurance and welfare benefits, Paid Time Off (sick days, holiday, etc.) and other fringe benefits (collectively, "Benefits"), if and to the extent that Executive is eligible to participate in accordance with the terms of the applicable Benefit plan or program generally and subject to any required contributions.

(d) Bonus. Executive shall be eligible for an annual bonus of up to fifty-percent (50%) of his base salary, according to the terms and conditions of a bonus plan that is based upon the financial results achieved by the Company for the fiscal year or such other performance goals established by the Compensation Committee, in its sole discretion. Such a bonus plan shall be established within ninety (90) days of the Effective Date of this Agreement.

(e) Options. Executive is hereby granted 30,000 options (the "Options") to purchase shares of the Company's Common Stock pursuant to the terms and conditions set forth in the Non-Qualified Stock Option Agreement attached hereto as Exhibit B (the Option Agreement). The options shall vest 1 /3 immediately upon award, 1 /3 on the first anniversary of the Effective Date, and the final 1 /3 on the second anniversary of the Effective Date. Subject to Executive's continued employment with the company, The Options shall be granted with an exercise price equal to the Fair Market Value (as defined in the Company's 2013 Equity Compensation Plan as Amended) of a share of Common Stock on the date of the grant and shall expire on the tenth anniversary of the date of the grantor, if earlier, at the time set forth in the Equity Award Agreement relating to Executive's termination of employment.

(f) Withholding. All Base Salary, bonus, and other compensation described in this Agreement shall be subject to withholding for federal state or local taxes, amounts withheld under applicable benefit policies or programs, and any other amounts that may be required to be withheld by law, judicial order or otherwise.

(g) Paid Time Off. Executive shall receive twenty-five (25) days of Paid Time Off (PTO) per year, and all paid Company holidays in accordance with Company policy. PTO days shall be used for sick leave, appointments, personal needs, or pre-planned holidays.

5. Executive Work Product and Inventions. Executive agrees that Inventions (as defined below) shall be deemed “work made for hire” and shall be the property of the Company. Executive shall promptly disclose to the Company all such Inventions and hereby irrevocably assigns to Company all such Inventions and all such worldwide right title and interest therein. Executive hereby waives and agrees not to assert any moral rights or similar rights under the laws of any jurisdiction with respect to any Inventions. Executive further agrees to execute or cause to be executed any and all assignment documents or other documents that may be necessary to perfect the ownership rights of the Company in such Inventions or to secure the Company’s statutory protection (including, without limitation, patent trademark, trade secret or copyright protection) throughout the world for any and all such Inventions. For purposes here “invention” means all work product including, without limitation, any and all creative works, discoveries, ideas, inventions, designs, devices, models, prototypes, processes, works, know how, documentation, files, information, manuals, materials, input materials and output materials, software programs or packages (together with any related documentation, source code or codes, object codes, upgrades, revisions, modifications and any related materials) and other information and materials, and the media upon which they are located (including cards, tapes, discs and other storage facilities), which are conceived, created, developed, reduced to practice, fixed in a tangible medium of expression or otherwise made by Executive solely or jointly with others in connection with or arising from Executive’s employment hereunder (whether or not during regular business hours).

6. Confidential Information.

(a) Executive covenants and agrees that, except to the extent the use or disclosure of any Confidential Information is required to carry out Executive's assigned duties with the Company, during Executive's employment with the Company and thereafter: (i) Executive shall keep strictly confidential and not disclose to any person not employed by the Company any Confidential Information and (ii) Executive shall not use for Executive or for any other person or entity any Confidential Information. However, this provision shall not preclude Executive from the use or disclosure of information known generally to the public (other than information known generally to the public as a result of Executive's violation of this Section), or any disclosure required by law or court order so long as Executive provides the Company immediate written notice of any potential disclosure under this subsection and cooperates with the Company to prevent or limit such disclosure to the extent lawful, "Confidential Information" means all confidential, proprietary or business information related to the Company's business that is furnished to, obtained by, or created by Executive during Executive's employment with the Company and which could be used to harm or compete against the Company. Confidential Information includes, by way of illustration, such information relating to: (A) the Company's customers and suppliers, including customer lists, supplier lists, contact information, contractual terms, prices, and billing histories; (B) the Company's finances, including financial statements, balance sheets, sales data, forecasts, profit margins and cost analyses; (C) the Company's plans and projections for new and developing business opportunities and for maintaining existing business; and (D) the Company's operating methods, business processes and techniques, services, products, prices, costs, service performance, and operating results.

All property, documents, data, and Confidential Information prepared or collected by Executive as part of Executive's employment with the Company, in whatever form, are and shall remain the property of the Company. Executive agrees that Employee shall return upon the Company's request at any time (and in any event before Executive's employment with the Company ends) all documents, data, Confidential Information, and other property belonging to the Company in Executive's possession or control, regardless of how stored or maintained and including all originals, copies and compilations.

(b) Executive acknowledges that he is aware that federal and state securities laws prohibit any person or entity who has material, non-public information about a publicly-traded company such as the Company from purchasing or selling securities of such company, or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to purchase or sell such securities. Executive affirms that he has been presented with a copy of the Company's Insider Trading Policy as well as its Code of Ethics and that he agrees to abide by the rules and principles set forth therein.

7. Non-compete.

(a) During the Restricted Period (as defined below), Executive shall not: (i) engage in Competitive Activity (as defined below) within the Prohibited Territory (as defined below); or (ii) assist any entity or person to engage in Competitive Activity within the Prohibited Territory, whether as an owner, franchisee, franchisor, investor, consultant agent or otherwise.

(b) The “Restricted Period” means: (i) the period that Executive is employed by the Company; and (ii) a period of 12 months following Executive’s last day of employment with the Company and its affiliates (the “Separation Date”). Notwithstanding the foregoing, in the event that Executive’s employment is terminated by the Company (other than for “Cause”) (as hereinafter defined) or Executive terminates his employment for “Good Reason” (as hereinafter defined, the Restricted Period shall not extend beyond the period for which Severance Pay is calculated pursuant to Section 15 hereof. In addition, nothing herein restricts Executive from continuing the non-Company work she engaged in during the course of this Agreement provided that such work is not a Competitive Activity.

(c) “Competitive Activity” means competing against the Company by:

(i) engaging in work for a competitor of the Company that is the same as or substantially similar to the work Executive performed on behalf of the Company at any time; (ii) engaging in an aspect of the business of the Company that Executive was involved with on behalf of the Company at any time; and/or (iii) engaging in an aspect of the business of the Company about which Executive received Confidential Information in the course of employment with the Company at any time. Notwithstanding the preceding, owning less than 5% of the outstanding shares in a public company shall not constitute by itself Competitive Activity or assisting others to engage in Competitive Activity.

(d) “Prohibited Territory” means: (i) Executive’s assigned territory or geographic area of responsibility for the Company at any time; (ii) each city in which Executive performed services for the Company at any time; (iii) each state in which Executive performed services for the Company at any time; and (iv) the United States. Executive’s initial assigned territory for the Company will be: New York, California, and Illinois.

8. Non-Interference.

(a) During the Restricted Period. Executive shall not: (i) solicit, encourage, or cause any Restricted Customer (as defined below) to purchase any services or products from anyone other than the Company that are competitive with or a substitute for the services or products offered by the Company; (ii) sell or provide any services or products to any Restricted Customer that are competitive with or a substitute for the Company’s services or products. (iii) solicit, encourage, or cause any Restricted Customer not to do business with or to reduce any part of its business with the Company; (iv) solicit, encourage, or cause any supplier of goods or services to the Company not to do business with or to reduce any part of its business with the Company; (v) make any disparaging remarks about the Company or its business, services, affiliates, officers, managers, directors or employees, whether in writing, verbally, or on any online forum; or (vi) assist anyone else to engage in the conduct prohibited by this Section.

(b) “Restricted Customer” means during the restricted period: (i) any Company customer with whom Executive had business contact or communications at any time; (ii) any Company customer for whom Executive supervised or assisted with the Company’s dealings at any time; (iii) any Company customer about whom Executive received Confidential Information in the course of employment with the Company at any time; any prospective Company customer for whom Executive assisted with a proposal at any time; and/or (iv) any prospective Company customer for whom Executive supervised the Company’s dealings at any time.

9. Non-Raiding. During the Restricted Period, Executive shall not, directly or indirectly: (a) hire as an employee or engage as an independent contractor any person employed by the Company with whom Executive worked while employed by the Company or about whose abilities Executive became aware while employed by the Company (each, a “Restricted Employee”); or (b) solicit any Restricted Employee to leave the Company (other than by the use of non-targeted general solicitation in media).

10. Reasonableness. Executive has carefully read and considered the provisions of this Agreement and, having done so, agrees that the restrictions set forth herein are fair, reasonable, and necessary to protect the Company’s legitimate business interests, including its goodwill with its customers, suppliers and employees and its confidential and trade secret. In addition, Executive acknowledges and agrees that the foregoing restrictions do not unreasonably restrict Executive with respect to earning a living should Executive’s employment with the Company end. As such, Executive agrees not to contest the general validity or enforceability of this Agreement in any forum. The post-employment covenants in this Agreement shall survive Executive’s last day of employment with the Company and its affiliates and shall be in addition to any restrictions imposed upon Executive by statute, at common law, or other written agreements. Executive agrees that the Company may share the terms of this Agreement with any business with which Executive becomes associated while any of the post-employment restrictions in this Agreement remain in effect.

11. Remedies. Executive acknowledges and agrees that Executive’s breach of this Agreement would result in irreparable damage and continuing injury to the Company. Therefore, in the event of any breach or threatened breach of this Agreement the Company shall be entitled to an injunction enjoining Executive from committing any violation or threatened violation of this Agreement without limiting the Company’s other remedies. The Company shall be required to post a bond of no more than \$500 to obtain such an injunction.

12. Protections for Certain Affiliates. For purposes of the restrictions in Section 5 (Executive Work Product and Inventions), 6 (Confidential Information), 7 (Non-Compete), 8 (Non-Interference), 9 (Non-Raiding), 10 (Reasonableness) 11 (Remedies) and 15(e) (Return of Property), the “Company” shall mean: (a) Professional Diversity Network, Inc.; (b) any parent, subsidiary, affiliate or successor (each, an “Affiliate”) of Professional Diversity Network, Inc. for or with whom Executive performed any services or had any work responsibilities at any time; and (c) any Affiliate of Professional Diversity Network, Inc. whose Confidential Information was disclosed to Executive at any time during the restricted period.

13. Prior Employer's Information. While employed by the Company and its affiliates, Executive shall not: (a) breach any obligation of confidentiality that Executive may owe to a third party; or (b) disclose or use any trade secrets belonging to a third party. In order to ensure compliance with the foregoing, Executive agrees not to refer to, use or disclose in the course of employment with the Company any information, documents or data belonging to a competitor or former employer that are not readily available to the public. Executive shall immediately notify the Company's human resources department if Executive receives any communication from a third party regarding Executive's confidentiality or similar obligations to them. The terms in this section shall be in addition to, and not limit, Executive's obligations to the Company and its affiliates under other agreements and policies related to this issue.

14. Notice to Future Employers. Executive agrees that during the Restricted Period, Executive will notify the Company in writing of any subsequent occupation whether as owner, employee, officer, director, agent consultant independent contractor, or the like, and his duties and responsibilities in that position. Further, Executive agrees that during said period, he will inform each new employer, prior to accepting employment of the existence of this Agreement and the terms of the restrictive covenants and confidentiality restrictions contained herein. Executive acknowledges that during said period the Company shall have the right to contact independently, any potential or actual future employer of Executive to notify it of Executive's obligations under this Agreement and provide such employer with a copy of this Agreement. The Company shall also be entitled, at its election, to notify any such actual or potential employer of the Company's understanding of the requirements of this Agreement and what steps, if any, the Company intends to take to ensure compliance with or enforcement of this Agreement. Failure of the Company to avail itself of the benefits of this subsection shall not in any way affect its right to obtain enforcement of any provision of this Agreement.

15. Termination.

(a) Termination by the Company for Cause. The Company shall have the right to terminate Executive's employment hereunder for Cause, which shall be communicated by a "Notice of Termination" (as defined below), effective immediately. Notwithstanding anything to the contrary contained herein, if Executive's employment is terminated other than pursuant to this Section 15(a), after which the Company determines that Executive's acts or omissions would have constituted grounds to terminate Executive for Cause, then Executive shall be deemed to have been terminated for Cause pursuant to this Section 15(a); provided that, such determination shall be made following the procedure contemplated by the Notice of Termination procedures set forth below. In the event of such termination, then the Company shall pay to Executive his then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination, Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 15(a). For purposes hereof, "Cause" means the occurrence of any one of the following on the part of Executive: (i) conviction of or a plea of *nolo contendere* to a felony or act of moral turpitude which affects or reflects on the Company or any Affiliate in a material and negative manner; (ii) attempted or actual theft, fraud or embezzlement of money or tangible or intangible assets or property of the Company or any Affiliate; (iii) gross negligence or willful misconduct in respect of Executive's performance of his duties and responsibilities to the Company or any Affiliate; or (vi) breach of any material term, covenant, representation or warranty contained in this Agreement, which such breach (if susceptible to cure) remains uncured or is repeated following fifteen (15) days written notice from the Company to Executive thereof.

For purposes of this Agreement, a “Notice of Termination” shall mean delivery to Executive of a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board (excluding the Executive) at a meeting of the Board called and held for the purpose (after reasonable notice to Executive and reasonable opportunity for Executive, together with Executive’s counsel, to be heard before the Board prior to such vote), finding that in the good faith opinion of the Board Executive was guilty of conduct set forth in this Section 15(a) and specifying the particulars thereof in reasonable detail. For purposes of clarity, the Notice of Termination may occur after Executive’s employment has been terminated in the event the Company determines that Executive’s acts or omissions would have constituted grounds to terminate Executive for Cause, as contemplated above.

(b) Termination as a Result of Executive’s Disability or Death. The Company shall have the right to terminate Executive’s employment hereunder in the event of Executive’s Disability or death, effective immediately. In the event of such termination, then the Company shall pay to Executive (or his legal representative) Executive’s then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 15(b). For purposes hereof, “Disability” means the inability of Executive to substantially perform his duties and responsibilities to the Company by reason of a physical or mental disability or infirmity (i) for a continuous period of ninety (90) days or for at least 180 days in any consecutive twelve (12) month period or (ii) at such earlier time as Executive submits or the Company receives satisfactory medical evidence that Executive has a physical or mental disability or infirmity which will likely prevent him from returning to the performance of his work duties for ninety (90) days or longer. In the event of any dispute regarding the determination of Executive’s Disability, such determination shall be made by a physician selected by the Company and reasonably acceptable to Executive, at the Company’s sole expense; provided, however, that Executive’s Disability shall be conclusively presumed if such determination is made by an insurer providing disability insurance coverage to Executive or the Company in respect of Executive.

(c) Termination by the Company Without Cause. The Company or Employee may terminate Executive's employment hereunder for any reason (or for no reason) whatsoever, effective upon 30 days advance written notice and payment to Executive of Executive's then current Base Salary for such 30-day period as a Severance. In the event of such termination by the Company (i.e., other than by reason of death, Disability or for Cause), then the Company shall pay to Executive his then current Base Salary (but not in such a manner that any payment for Base Salary during the notice period would result in a duplicative payment) and Benefits accrued, Bonus Payout (as defined in and subject to Section 15(d) below) and any expenses for which Executive is entitled to be reimbursed. up to and including the effective date of such termination. Total compensation in this scenario is thus 30 days of Base Salary plus an additional 30 days as Severance for a total compensation payout of 60 days compensation payable within forty-five days of the Notice.

(d) Removal From Positions. Any termination of Executive's employment with the Company shall automatically effectuate Executive's removal from any and all officer and other positions that Executive then holds with the Company or any of its Affiliates as of the effective termination date.

In addition, Executive shall receive any portion of the bonus attributable to any completed fiscal year which has accrued, but has not yet been paid, payable at the same time and in the same manner as the Severance Pay. Executive shall also be entitled to payment of a pro rata bonus for the fiscal year in which Executive incurs a termination without Cause or Resignation for Good Reason, based on the Company's actual performance during the applicable performance period and payable within 2 ½ months following the conclusion of the performance period.

(i) Provided Executive timely elects continued coverage for Executive and Executive's spouse and dependents who are then covered under the Company's group health plan under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") pay to Executive a single cash lump sum payment within 15 days following the 60th day following the effective date of Executive's termination an amount equal to the employer portion of the costs of continued health coverage for Executive, such spouse and dependents at their then-current level under the Company's health plan for the six-month period following the effective date of Executive's termination. Executive and Executive's spouse and dependents in the Company's post termination participation in the Company's health plan shall be in the sole discretion of Executive and at such participant's sole expense in accordance with COBRA.

In the event of Executive's death during but prior to the payment of any amounts described under this Section 15, the Company will pay such unpaid amounts to Executive's estate in accordance with the provisions of this Agreement and the Release Agreement.

(e) Return of Property. Immediately upon the Company's request or on the termination date of Executive's employment—whichever occurs first. Executive shall return to the Company all Confidential Information and any other property of the Company, its Affiliates, or any third parties which is in Executive's possession or control by virtue of his employment with the Company. Property to be returned to the Company shall include without limitation, all documents and things (whether in tangible or electronic format and whether such documents or things contain any Confidential Information) in Executive's possession or control, further including without limitation, all computer programs, files and diskettes, and all written or printed files, manuals, contracts, memoranda, forms, notes, records and charts, and any and all copies of or extracts from, any of the foregoing.

16. Assignment. The parties acknowledge and agree that the covenants, terms and provisions contained in this Agreement constitute a personal employment contract and the rights and obligations of the parties hereunder cannot be transferred, sold, assigned, pledged or hypothecated, excepting that the Company may assign this Agreement in connection with a sale of the business, merger, consolidation, share exchange, sale of substantially all of the Company's assets, or other reorganization, whether or not the Company is the continuing entity, provided that the assignee is the successor to the business and all or substantially all of the assets of the Company.

17. Severability. If any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect (a) any other provision or part of a provision of this Agreement nor (b) this Agreement's validity, legality and enforceability in any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.

18. Governing Law; Venue. This Agreement shall be covered by, construed, applied and reinforced in accordance with the internal laws of the State of Illinois, without regard to conflicts of law provisions. The parties agree that any action or proceeding to enforce or arising out of this Agreement shall be commenced in the state courts, or in the United States District Court in Chicago, Illinois. The parties consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections based upon Forum Non Conveniens. The choice of forum set forth in this section shall not be deemed to preclude the enforcement of any action under this Agreement in any other jurisdiction.

19. Continuing Obligation. The covenants, obligations, duties and liabilities of Executive pursuant to this Agreement (including, and without limitation, the covenants set forth in Sections 5 through 9 of this Agreement) are continuing, absolute and unconditional and shall remain in full force and effect as provided herein.

20. Indemnification. The Company shall include Executive in the coverage provided by its executive director and officer (D&O) indemnity insurance policy. In addition, the Company shall indemnify Executive to the fullest extent permitted by Delaware law, consistent with the Company's Certificate of Incorporation and By-laws.

21. Attorneys' Fees. If any party brings any suit, action or claim to enforce the provisions of this Agreement, the prevailing party shall be entitled to seek reasonable attorneys' fees and litigation expenses in addition to court costs.

22. Waiver. The waiver by the Company or Executive of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition hereof.

23. Notices. Any notice, request consent or communication under this Agreement shall be effective only if it is in writing and shall be deemed to have been given when personally delivered or three (3) days after being deposited in the United States mail, certified or registered, postage prepaid, return receipt requested and addressed to the party at its or his last known address. The address of any party may be changed by notice in writing to the other party duly served in accordance with this Section.

24. Section 409A. The intent of the parties is that payments and benefits under this Agreement be exempt from, and to the extent not exempt from, comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance with such intent. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A. Without limiting the generality of the foregoing, the Company and the Executive agree as follows:

- a) Reimbursements payable to Executive hereunder shall be paid in no event later than the end of the calendar year following the year in which the reimbursable expense is incurred. In addition, such reimbursements shall be made in a manner that complies with all the requirements of Treasury Regulation Section 1.409A-3(i)(1)(iv). In no event shall reimbursements and payments provided under the Agreement be subject to liquidation or exchange in a manner which violates Treasury Regulation Section 1.409A-3(i)(1)(iv).

- b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”
- c) Notwithstanding any other payment schedule provided herein to the contrary, if Executive is deemed on the date of termination to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then each of the following shall apply:
- i. With regard to any payment that is considered “nonqualified deferred compensation” under Code Section 409A payable on account of a “separation from service,” such payment shall be made on the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) the date of Executive’s death (the “Delay Period”) to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein; and
 - ii. To the extent that benefits to be provided during the Delay Period are considered “nonqualified deferred compensation” under Code Section 409A provided on account of a “separation from service” and such benefits are not otherwise exempt from Code Section 409A. Executive shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse Executive, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, the Company’s share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.
- d) To the extent that severance payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by Executive of a release of claims. Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of Executive’s termination of employment. If the foregoing release is timely executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

- i. To the extent that any such cash payment or continuing benefit to be provided is not “nonqualified deferred compensation” for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately following the date that the release is executed, delivered and no longer subject to revocation (the “Release Effective Date”) The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon Executive’s termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive’s termination of employment.
- ii. Subject to Section 24(c)(i). to the extent that any such cash payment or continuing benefit to be provided is “nonqualified deferred compensation” for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60th) day following Executive’s termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon Executive’s termination of employment and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive’s termination of employment.
 - A. The Company may provide, in its sole discretion. that Executive may continue to participate in any benefits delayed pursuant to this Section 24(d) during the period of such delay, provided that Executive shall bear the full cost of such benefits during such delay period. Upon the date such benefits would otherwise commence pursuant to this Section 22(d). the Company may reimburse Executive the Company share of the cost of such benefits, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, in each case, had such benefits commenced immediately upon Executive’s termination of employment. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the schedule and procedures specified herein.

- e) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.
- f) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

25. Miscellaneous. This Agreement may be executed in two or more counterparts (including via facsimile), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

26. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter herein and supersedes any prior written or oral agreements or understandings between the parties with respect to the subject matter herein, including any employment agreements or offer letters.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have made and entered into this Employment Agreement this date first hereinabove set forth.

THE COMPANY

PROFESSIONAL DIVERSITY NETWORK, INC.

By: /s/ Michael Wang

Name: Michael Wang

Its: CEO

EXECUTIVE

/s/ Xin He (Adam)

Xin He (Adam)

EXHIBIT A
Permitted Activities

- Providing leadership, direction and management of the finance and accounting team
- Providing strategic recommendations to the CEO/president and members of the executive management team
- Managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting
- Advising on long-term business and financial planning
- Establishing and developing relations with senior management and external partners and stakeholders
- Reviewing all formal finance, HR and IT related procedures Personally review and approve all Form 8-K, 10-K, and 10-Q filings with the Securities and Exchange Commission
- Report risk issues to the audit committee of the board of directors

