



Notice of 2021 Annual General Meeting

Harris Technology Group Limited will be holding its 2021 Annual General Meeting at 3.00pm (Melbourne time) on Tuesday, 19 October 2021 (**Meeting**) by virtual means.

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE is given that the 2021 Annual General Meeting of Harris Technology Group Limited ACN 085 545 973 will be held at virtually on Tuesday 19 October 2021 at 3.00 pm (Melbourne time).

BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Financial and related reports

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| Description | To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2021. |
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Resolution 1 - Adoption of Remuneration Report (non-binding resolution)

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| Resolution (Ordinary) | To consider and, if thought fit, pass the following resolution as an ordinary resolution : "THAT the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2021 be adopted." |
| Voting Exclusion | <p>The Company will disregard any votes cast on this resolution:</p> <ul style="list-style-type: none">by or on behalf of a member of Key Management Personnel (KMP) named in the remuneration report for the year ended 30 June 2021, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; andas a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none">A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; orThe chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; orA holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; andThe holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 2 - Re-election of Director

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p>"THAT Mr Alan Sparks, having retired from his office as a Director in accordance with Article 47(b)(i) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director of the Company."</p> |
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Resolution 3 - Re-election of Director

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p>"THAT Mr Guy Polak, having been appointed as a Director during the year, in accordance with Article 47(c) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director of the Company."</p> |
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Resolution 4 - Ratification of issue of shares on 30 April 2021

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p>"THAT, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 40,000,000 shares at an issue price of 12.5c per share on 30 April 2021 to the persons identified and on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved."</p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 4 by Evolution Capital Advisors Pty Ltd, a person who participated in the issue or any associates of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none">• A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or• The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or• A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 5 - Ratification of issue of shares to Evolution on 30 April 2021

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| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p>“THAT, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 2,400,000 shares to Evolution Capital Advisors Pty Ltd on 30 April 2021 on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved.”</p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 5 by Evolution Capital Advisors Pty Ltd, a person who participated in the issue or any associates of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 6 - Approval of Issue of Share Rights to Employees

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| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p>“THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the proposed issue 420,000 share rights pursuant to the Harris Technology Long Term Incentive Plan and on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved.”</p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 6 by the employees to which the share rights are to be issued or any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: |

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| | <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |
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Resolution 7 - Approval of Issue of Options to Employees

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p>"THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue 530,000 options pursuant to the Harris Technology Long Term Incentive Plan and on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved."</p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 7 by the employees to which the options are to be issued or any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 8 - Approval of issue of Shares Rights to a Director under the Harris Technology Long Term Incentive Plan

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p>"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 500,000 share rights to Mr Garrison Huang or his nominee(s) pursuant to the Harris Technology Long Term Incentive Plan and on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved."</p> |
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| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Huang and any other person who will obtain a material benefit as a result of the issue of the share rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |
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Resolution 9 - Approval of issue of Options to a Director under the Harris Technology Long Term Incentive Plan

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| Resolution (Ordinary) | <p><i>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</i></p> <p><i>"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 500,000 options to Mr Garrison Huang or his nominee(s) pursuant to the Harris Technology Long Term Incentive Plan and on the terms described in the Explanatory Statement which forms part of this Notice of Meeting, be approved."</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr Huang and any other person who will obtain a material benefit as a result of the issue of the options (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 10 - Approval of Long Term Incentive Plan

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| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of Exception 13 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, shareholders approve the issue of shares, performance rights or options under the Long Term Incentive Plan described in the Explanatory Statement accompanying this Notice as an exception to ASX Listing Rule 7.1.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast on Resolution 10 by any person who is eligible to participate in the Long Term Incentive Plan, including any Directors, and any associates of those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> • A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or • A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |

Resolution 11 - Approval of 10% Placement Capacity under Listing Rule 7.1A

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| Resolution (Special) | <p>To consider and, if thought fit, pass the following resolution as an special resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10% of its issued Equity Securities by way of placements over a 12-month period, on such terms and conditions more particularly described in the Explanatory Statement accompanying this Notice.”</i></p> |
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**Voting
Exclusion**

The Company will disregard any votes cast in favour of Resolution 11 by any person who is expected to participate in the issue of Equity Securities under this resolution and a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of shares, if the resolution is passed, and any associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 12 - Approval of Acquisition of Property from a Related Party

**Resolution
(Ordinary)**

*To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:*

"THAT, for the purposes of ASX Listing Rule 10.1, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to enter into a lease for the property at 124 Abbott Road, Hallam, Victoria, on the terms and conditions set out in the Explanatory Statement."

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the proposed lease the subject of this Resolution to the non-associated Shareholders of the Company.

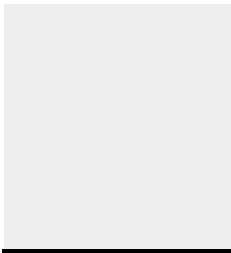
THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE TRANSACTION THE SUBJECT OF THIS RESOLUTION IS FAIR AND REASONABLE TO NON-ASSOCIATED SHAREHOLDERS.

**Voting
Exclusion**

The Company will disregard any votes cast in favour of the resolution by or on behalf of (i) the Lessor and Garrison Huang and any associates of those persons and (ii) any other person who will obtain a material benefit as a result of the Transaction as described in the Explanatory Statement (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:



- The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 13 September 2021

By order of the Board of Harris Technology Group Limited

Brett Crowley
Company Secretary

VOTING INFORMATION

Entitlement to vote at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at **7.00 pm (Melbourne time) on 17 October 2021**, subject to any applicable voting exclusion.

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the Meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this Notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority **by 3.00 pm (Melbourne time) on 17 October 2021**:

Online <https://www.votingonline.com.au/ht8octAGM2021>

by post Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

by personal delivery Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

by facsimile +61 9290 9655

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then

you will be taken to have expressly authorised the Chairman to exercise your proxy on the Resolutions. In accordance with this express authority provided by you, the Chairman will vote in favour of the Resolutions. If you wish to appoint the Chairman of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on the Resolutions, he will not vote your proxy on that item of business.

EXPLANATORY STATEMENT TO NOTICE OF 2021 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

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| Explanation | <p><i>Section 317 of the Corporations Act requires the Company's financial report, Directors' report and auditor's report for the financial year ended 30 June 2021 to be laid before the Company's 2021 Annual General Meeting. There is no requirement for a formal resolution on this item. The financial report contains the financial statements of the consolidated entity consisting of Harris Technology Group and its controlled entities.</i></p> <p><i>As permitted by the Corporations Act, a printed copy of the Company's 2021 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2021 Annual Report is available from the Company's website (www.ht8.com.au).</i></p> <p><i>The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor ShineWing Australia questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2021, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of RSM Australia in relation to the conduct of the audit.</i></p> |
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2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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| Explanation | <p><i>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2021 Annual Report and is available from the Company's website (www.ht8.com.au). The Remuneration Report:</i></p> <ul style="list-style-type: none"> ▪ <i>describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</i> ▪ <i>sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and</i> ▪ <i>explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the Managing Director.</i> <p><i>The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</i></p> |
| Voting Exclusion | <i>A voting exclusion statement applies to this resolution, as set out in the Notice.</i> |
| Chairman's available proxies | <i>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.</i> |

3. RESOLUTION 2 - RE-ELECTION OF MR SPARKS AS DIRECTOR

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| Explanation | <p>Article 47(b) of the Constitution requires that the Director who has held office for the longest period of time since his or her last election or appointment to that office must retire at each annual general meeting of the Company. Article 47(b) provides that a Director so retiring is eligible for re-election at that annual general meeting.</p> <p>Mr Alan Sparks was last elected to office at the Company's 2020 Annual General Meeting. Mr Sparks will retire as a Director at the Company's 2021 Annual General Meeting in accordance with Article 47(b) of the Constitution.</p> <p>Mr Sparks, being eligible under Article 47(b), offers himself for re-election as a Director.</p> |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2. |

4. RESOLUTION 3 - RE-ELECTION OF MR POLAK AS DIRECTOR

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| Explanation | <p>Article 47(c) of the Constitution requires that the Director who has been appointed as a director during the year, must retire at the next annual general meeting of the Company. Article 47(c) provides that a Director so retiring is eligible for re-election at that annual general meeting.</p> <p>Mr Polak was appointed as a director on 1 April 2021 in accordance with Article 47(c) of the Constitution.</p> <p>Mr Polak, being eligible under Article 47(c), offers himself for re-election as a Director.</p> |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 3. |

5. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES ON 30 APRIL 2021

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| Explanation | <p>Under Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its ordinary securities.</p> <p>ASX Listing Rule 7.4 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been issued with approval for the purpose of Listing Rule 7.1.</p> <p>On 30 April 2021, the Company completed a placement of 40,000,000 shares ("Placement Shares") at an issue price of 12.5c per share (the "Placement"). The manager of the Placement was Evolution Capital Advisors Pty Ltd ("Evolution").</p> <p>The Shares were issued in accordance with Listing Rules 7.1 and 7.1A. The participants in the Placement were investors who were identified by Evolution.</p> <p>The Shares were issued in accordance with Listing Rule 7.1 and Listing Rule 7.1A. Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12-month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12-month period, in addition to its ability to issue securities under Listing Rule 7.1 (10% Placement Capacity).</p> |
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| | <p>The number of Placement Shares issued under Listing Rule 7.1 was 31,891,602. The number of Placement Shares issued under Listing Rule 7.1A was 8,108,398.</p> <p>The Company is seeking approval for the issue of the Placement Shares for the purposes of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.</p> <p>If Resolution 4 is passed, the Placement Shares will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 4 is not passed, the Placement Shares will reduce the Company's capacity to issue shares under Listing Rule 7.1.</p> | | | | | | | | |
| Specific information required by ASX Listing Rule 7.5 | <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <p>Identification of recipients of Placement Shares Investors who were identified by the lead manager to the placement, Evolution. The investors included the following entities associated with Evolution or its advisors and the number of Placement Shares allotted to each:</p> <table> <tr> <td>Chelsea Lane Capital Pty Ltd</td><td>107,080</td></tr> <tr> <td>Level I Pty Ltd</td><td>11,200</td></tr> <tr> <td>LTL Capital Pty Ltd</td><td>1,800,000</td></tr> <tr> <td>Mishtalem Pty Ltd</td><td>366,683</td></tr> </table> <p>No Placement Shares were allotted to any key management personnel (KMP), substantial shareholders of the company or any associates of KMP or substantial shareholders.</p> <p>Number of Shares issued 40,000,000 fully paid ordinary shares.</p> <p>Date of issue of Shares The Placement Shares were issued on 30 April 2021.</p> <p>Issue price The Placement Shares were issued at 12.5c per share.</p> <p>Use of funds raised The funds raised from the issue of the Placement Shares were used for repayment of debt and for the purchase of inventory.</p> | Chelsea Lane Capital Pty Ltd | 107,080 | Level I Pty Ltd | 11,200 | LTL Capital Pty Ltd | 1,800,000 | Mishtalem Pty Ltd | 366,683 |
| Chelsea Lane Capital Pty Ltd | 107,080 | | | | | | | | |
| Level I Pty Ltd | 11,200 | | | | | | | | |
| LTL Capital Pty Ltd | 1,800,000 | | | | | | | | |
| Mishtalem Pty Ltd | 366,683 | | | | | | | | |
| Voting Exclusion | A voting exclusion statement applies to Resolution 4 as set out in the Notice. | | | | | | | | |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 4. | | | | | | | | |

6. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO EVOLUTION

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| Explanation | <p><i>Under Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its ordinary securities.</i></p> <p><i>ASX Listing Rule 7.4 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been issued with approval for the purpose of Listing Rule 7.1.</i></p> <p><i>As set out above in relation to Resolution 4, Evolution was appointed the manager of the Placement pursuant to a management agreement. The material terms of the management agreement with Evolution were as follows:</i></p> <ul style="list-style-type: none"> <i>Evolution was appointed lead manager to raise up to \$5 million pursuant to a private placement.</i> | | | | | | | | | | |
| | <ul style="list-style-type: none"> <i>Fees payable to Evolution to be 6% of amount raised payable in shares at an issue price of 12.5c per share.</i> <p><i>On 30 April 2021, the Company issued 2,400,000 shares ("Manager Shares") at an issue price of 12.5c to Evolution pursuant to the management agreement.</i></p> <p><i>The Manager Shares were issued in accordance with Listing Rule 7.1.</i></p> <p><i>The Company is seeking approval for the issue of the Manager Shares for the purposes of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.</i></p> <p><i>If Resolution 5 is passed, the Manager Shares will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 5 is not passed, the Manager Shares will reduce the Company's capacity to issue shares under Listing Rule 7.1.</i></p> | | | | | | | | | | |
| Specific information required by ASX Listing Rule 7.3 | <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <table> <tr> <td>Identification of recipients of the Shares</td><td>Evolution</td></tr> <tr> <td>Number of Shares issued</td><td>2,400,000</td></tr> <tr> <td>Date of issue of Shares</td><td>The Manager Shares were issued on 30 April 2021.</td></tr> <tr> <td>Issue price</td><td>The Manager Shares were issued at 12.5c per Share.</td></tr> <tr> <td>Use of funds raised</td><td>No funds were raised from the issue of the Manager Shares.</td></tr> </table> | Identification of recipients of the Shares | Evolution | Number of Shares issued | 2,400,000 | Date of issue of Shares | The Manager Shares were issued on 30 April 2021. | Issue price | The Manager Shares were issued at 12.5c per Share. | Use of funds raised | No funds were raised from the issue of the Manager Shares. |
| Identification of recipients of the Shares | Evolution | | | | | | | | | | |
| Number of Shares issued | 2,400,000 | | | | | | | | | | |
| Date of issue of Shares | The Manager Shares were issued on 30 April 2021. | | | | | | | | | | |
| Issue price | The Manager Shares were issued at 12.5c per Share. | | | | | | | | | | |
| Use of funds raised | No funds were raised from the issue of the Manager Shares. | | | | | | | | | | |
| Voting Exclusion | A voting exclusion statement applies to Resolution 5 as set out in the Notice. | | | | | | | | | | |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 5. | | | | | | | | | | |

7. Resolution 6 - Approval of Issue of Share Rights to Employees

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|--|---|---|---|--------------------------------------|---------|-------------------------------------|---|------------------------------|--|-------------------------------------|--|-------------------------|--|----------------------------|---|
| Explanation | <p>On 23 July 2021, the Company proposed to issue, subject to shareholder approval, 420,000 Performance Share Rights (Rights) to 16 employees of the Company pursuant to the Harris Technology Group Limited Long Term Incentive Plan (Plan).</p> <p>The Company is seeking approval for the issue of the Rights for the purposes of ASX Listing Rule 7.1 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.</p> <p>If Resolution 6 is passed, the Rights may be issued and will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 6 is not passed, the Rights will not be issued.</p> | | | | | | | | | | | | | | |
| Specific information required by ASX Listing Rule 7.3 | <p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, is the following information provided to shareholders:</p> <table border="0"> <tr> <td data-bbox="445 725 703 819">Identification of recipients of the Rights</td><td data-bbox="746 725 1422 1003">The Rights are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Rights. None of the employees are directors or related parties of the Company. The 16 employees to whom the Rights are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders.</td></tr> <tr> <td data-bbox="445 1032 703 1093">Number of Rights to be issued</td><td data-bbox="746 1032 1422 1070">420,000</td></tr> <tr> <td data-bbox="445 1126 703 1187">Date for issue of the Rights</td><td data-bbox="746 1126 1422 1187">The Rights will be issued no later than three months after the date of the Meeting.</td></tr> <tr> <td data-bbox="445 1218 703 1256">Issue price per Right</td><td data-bbox="746 1218 1422 1312">The Rights will be issued at nil consideration. The shares issued on conversion of the Rights will have a deemed issue price of 20c per share.</td></tr> <tr> <td data-bbox="445 1344 703 1404">Terms of Issue of the Rights</td><td data-bbox="746 1344 1422 1588">The Rights will automatically convert to 420,000 fully paid ordinary shares in the Company on the condition that the relevant employee continues to be employed by the Company on the date that is 18 months after the date of issue of the Rights. No consideration is payable by the employees on conversion. Other terms of the Rights are contained in the Harris Technology Long Term Incentive Plan-see Resolution 10.</td></tr> <tr> <td data-bbox="445 1619 703 1657">Purpose of issue</td><td data-bbox="746 1619 1422 1680">The purpose of the issue of the Rights is to provide an incentive to employees of the Company.</td></tr> <tr> <td data-bbox="445 1711 703 1749">Use of funds raised</td><td data-bbox="746 1711 1422 1749">No funds will be raised from the issue of the Rights.</td></tr> </table> | Identification of recipients of the Rights | The Rights are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Rights. None of the employees are directors or related parties of the Company. The 16 employees to whom the Rights are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders. | Number of Rights to be issued | 420,000 | Date for issue of the Rights | The Rights will be issued no later than three months after the date of the Meeting. | Issue price per Right | The Rights will be issued at nil consideration. The shares issued on conversion of the Rights will have a deemed issue price of 20c per share. | Terms of Issue of the Rights | The Rights will automatically convert to 420,000 fully paid ordinary shares in the Company on the condition that the relevant employee continues to be employed by the Company on the date that is 18 months after the date of issue of the Rights. No consideration is payable by the employees on conversion. Other terms of the Rights are contained in the Harris Technology Long Term Incentive Plan-see Resolution 10. | Purpose of issue | The purpose of the issue of the Rights is to provide an incentive to employees of the Company. | Use of funds raised | No funds will be raised from the issue of the Rights. |
| Identification of recipients of the Rights | The Rights are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Rights. None of the employees are directors or related parties of the Company. The 16 employees to whom the Rights are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders. | | | | | | | | | | | | | | |
| Number of Rights to be issued | 420,000 | | | | | | | | | | | | | | |
| Date for issue of the Rights | The Rights will be issued no later than three months after the date of the Meeting. | | | | | | | | | | | | | | |
| Issue price per Right | The Rights will be issued at nil consideration. The shares issued on conversion of the Rights will have a deemed issue price of 20c per share. | | | | | | | | | | | | | | |
| Terms of Issue of the Rights | The Rights will automatically convert to 420,000 fully paid ordinary shares in the Company on the condition that the relevant employee continues to be employed by the Company on the date that is 18 months after the date of issue of the Rights. No consideration is payable by the employees on conversion. Other terms of the Rights are contained in the Harris Technology Long Term Incentive Plan-see Resolution 10. | | | | | | | | | | | | | | |
| Purpose of issue | The purpose of the issue of the Rights is to provide an incentive to employees of the Company. | | | | | | | | | | | | | | |
| Use of funds raised | No funds will be raised from the issue of the Rights. | | | | | | | | | | | | | | |
| Voting Exclusion | A voting exclusion statement applies to Resolution 6 as set out in the Notice. | | | | | | | | | | | | | | |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 6. | | | | | | | | | | | | | | |

8. Resolution 7 - Approval of Issue of Options to Employees

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|--|--|--|--|---------------------------------------|---------|--------------------------------------|--|-------------------------------|--|------------------------------------|--|--------------------|--|-------------------------|---|----------------------------|---|----------------------------------|---|
| Explanation | <p>On 23 July 2021, the Company proposed to issue, subject to shareholder approval, 530,000 options (Options) to 16 employees of the Company pursuant to the Harris Technology Group Limited Long Term Incentive Plan (Plan).</p> <p>The Company is seeking approval for the issue of the Options for the purposes of ASX Listing Rule 7.1 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.</p> <p>If Resolution 7 is passed, the Options will be issued and will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 7 is not passed, the Options will not be issued.</p> | | | | | | | | | | | | | | | | | | |
| Specific information required by ASX Listing Rule 7.3 | <p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table> <tr> <td data-bbox="445 824 660 920">Identification of recipients of the Options</td><td data-bbox="746 824 1394 1099">The Options are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Options. None of the employees are directors or related parties of the Company. The 16 employees to whom the Options are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders.</td></tr> <tr> <td data-bbox="445 1133 692 1193">Number of Options to be issued</td><td data-bbox="746 1133 842 1162">530,000</td></tr> <tr> <td data-bbox="445 1227 708 1288">Date for issue of the Options</td><td data-bbox="746 1227 1394 1288">The Options will be issued no later than three months after the date of the Meeting.</td></tr> <tr> <td data-bbox="445 1319 639 1379">Issue price per Option</td><td data-bbox="746 1319 1294 1348">The Options will be issued at nil consideration.</td></tr> <tr> <td data-bbox="445 1413 719 1473">Conversion price per Option</td><td data-bbox="746 1413 1394 1534">The Options can be converted into a fully paid share in the Company upon the payment of 12c on the condition that the relevant employee continues to be employed by the Company at the time of exercise of the Option.</td></tr> <tr> <td data-bbox="445 1565 592 1594">Expiry date</td><td data-bbox="746 1565 1394 1626">The Options will expire 18 months after the date of issue.</td></tr> <tr> <td data-bbox="445 1657 667 1686">Purpose of issue</td><td data-bbox="746 1657 1394 1718">The purpose of the issue of the Options is to provide an incentive to employees of the Company.</td></tr> <tr> <td data-bbox="445 1749 699 1778">Use of funds raised</td><td data-bbox="746 1749 1394 1845">No funds will be raised from the issue of the Options. The funds raised on exercise of the Options will be used for working capital purposes.</td></tr> <tr> <td data-bbox="445 1877 663 1937">Material terms of Options</td><td data-bbox="746 1877 1394 1966">Material terms as set out in Annexure A. The Company will not provide any loans to employees to fund the exercise price of the Options.</td></tr> </table> | Identification of recipients of the Options | The Options are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Options. None of the employees are directors or related parties of the Company. The 16 employees to whom the Options are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders. | Number of Options to be issued | 530,000 | Date for issue of the Options | The Options will be issued no later than three months after the date of the Meeting. | Issue price per Option | The Options will be issued at nil consideration. | Conversion price per Option | The Options can be converted into a fully paid share in the Company upon the payment of 12c on the condition that the relevant employee continues to be employed by the Company at the time of exercise of the Option. | Expiry date | The Options will expire 18 months after the date of issue. | Purpose of issue | The purpose of the issue of the Options is to provide an incentive to employees of the Company. | Use of funds raised | No funds will be raised from the issue of the Options. The funds raised on exercise of the Options will be used for working capital purposes. | Material terms of Options | Material terms as set out in Annexure A. The Company will not provide any loans to employees to fund the exercise price of the Options. |
| Identification of recipients of the Options | The Options are to be issued to 16 employees of the Company who the Directors have identified as being appropriate to be awarded the Options. None of the employees are directors or related parties of the Company. The 16 employees to whom the Options are to be issued do not include any members of Key Management Personnel (KMP), a substantial shareholder of the Company or any associates of KMP's or substantial shareholders. | | | | | | | | | | | | | | | | | | |
| Number of Options to be issued | 530,000 | | | | | | | | | | | | | | | | | | |
| Date for issue of the Options | The Options will be issued no later than three months after the date of the Meeting. | | | | | | | | | | | | | | | | | | |
| Issue price per Option | The Options will be issued at nil consideration. | | | | | | | | | | | | | | | | | | |
| Conversion price per Option | The Options can be converted into a fully paid share in the Company upon the payment of 12c on the condition that the relevant employee continues to be employed by the Company at the time of exercise of the Option. | | | | | | | | | | | | | | | | | | |
| Expiry date | The Options will expire 18 months after the date of issue. | | | | | | | | | | | | | | | | | | |
| Purpose of issue | The purpose of the issue of the Options is to provide an incentive to employees of the Company. | | | | | | | | | | | | | | | | | | |
| Use of funds raised | No funds will be raised from the issue of the Options. The funds raised on exercise of the Options will be used for working capital purposes. | | | | | | | | | | | | | | | | | | |
| Material terms of Options | Material terms as set out in Annexure A. The Company will not provide any loans to employees to fund the exercise price of the Options. | | | | | | | | | | | | | | | | | | |

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| Voting Exclusion | A voting exclusion statement applies to Resolution 7 as set out in the Notice. |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 7. |

9. Resolution 8 - Approval of issue of Shares Rights to a Director under the Harris Technology Long Term Incentive Plan

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| Explanation | <p>On 23 July 2021, the Company proposed to issue, subject to shareholder approval, 500,000 Performance Share Rights (Rights) to the Company's Managing Director, Garrison Huang, pursuant to the Harris Technology Group Limited Long Term Incentive Plan (Plan).</p> <p>The Company seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue the Rights.</p> |
| ASX Listing Rules | <p>ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the company. The Managing Director is a related party of the Company by virtue of section 228(2) of the Corporations Act.</p> <p>Accordingly, Resolution 8 seeks shareholder approval under ASX Listing Rule 10.11 to allow the issue of the Rights to a related party.</p> <p>If Resolution 8 is passed, the Rights will be issued and will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 8 is not passed, the Rights will not be issued.</p> <p>If shareholder approval is given for the purposes of ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the Rights issued pursuant to Resolution 8 will not deplete the Company's 15% Placement Capacity under ASX Listing Rule 7.1.</p> |
| Approval not sought under Chapter 2E of the Corporations Act | <p>For the purposes of Chapter 2E, the Managing Director is a related party of the Company for the reasons described above.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of shareholders, or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.</p> <p>One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company.</p> <p>The issue of Rights proposed under Resolution 8 relates to the amount of remuneration to be paid to the Managing Director.</p> <p>In the view of the Board (excluding Mr Huang who did not participate), the issue of the Rights to the Managing Director constitutes "reasonable remuneration" and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider that the Company is required to seek shareholder approval under Chapter 2E of the Corporations Act in order to give the financial benefit that is inherent in the issue of Rights pursuant to Resolution 8.</p> |

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| Specific information required by ASX Listing Rule 10.13 | <p>In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to shareholders:</p> <p>Identification of recipient of Rights Mr Garrison Huang or his nominee.</p> <p>Number of Rights to be issued 500,000</p> |
| | <p>Date for issue of Rights If shareholder approval is obtained for Resolution 8, the Company will issue the Rights as soon as is practicable after the Meeting, and in any event no later than 1 month after the date of the Meeting.</p> <p>Issue price per Rights The Rights will be issued at nil cash consideration. The shares issued on conversion of the Rights will have a deemed issue price of 20c per share.</p> <p>Terms of Rights The Rights issued under Resolution 8 will automatically convert to 500,000 fully paid ordinary shares in the Company on the condition that the Managing Director continues to be employed by the Company on the date that is 18 months after the date of issue of the Rights. No consideration is payable by the Managing Director on conversion. Other terms of the Rights are contained in the Harris Technology Long Term Incentive Plan-see Resolution 10.</p> <p>Purpose of the issue The purpose of the issue of the Rights is to provide an incentive to the Managing Director of the Company. The Managing Director's total remuneration consists of salary of \$180,000 per annum plus superannuation.</p> <p>Use of funds raised There will be no funds raised either from the issue of the Rights or the conversion of the Rights to shares.</p> |
| Voting Exclusion | <p>A voting exclusion statement applies to Resolution 8.</p> |
| Chairman's available proxies | <p>The Chairman intends to vote all available proxies in favour of Resolution 8.</p> |

10. Resolution 9 - Approval of issue of Options to a Director under the Harris Technology Long Term Incentive Plan

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| Explanation | <p><i>On 23 July 2021, the Company proposed to issue, subject to shareholder approval, 500,000 options (Options) to the Company's Managing Director, Garrison Huang, pursuant to the Harris Technology Group Limited Long Term Incentive Plan (Plan).</i></p> <p><i>The Company seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue the Options.</i></p> |
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| ASX Listing Rules | <p>ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the company. The Managing Director is a related party of the Company by virtue of section 228(2) of the Corporations Act.</p> <p>Accordingly, Resolution 9 seeks shareholder approval under ASX Listing Rule 10.11 to allow the issue of the Options to a related party.</p> <p>If Resolution 9 is passed, the Options will be issued and will not reduce the Company's capacity to issue shares under Listing Rule 7.1. If Resolution 9 is not passed, the Options will not be issued.</p> <p>If shareholder approval is given for the purposes of ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the Options issued pursuant to Resolution 9 will not deplete the Company's 15% Placement Capacity under ASX Listing Rule 7.1</p> |
| Approval not sought under Chapter 2E of the Corporations Act | <p>For the purposes of Chapter 2E, the Managing Director is a related party of the Company for the reasons described above.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of shareholders, or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.</p> <p>One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company.</p> <p>The issue of Options proposed under Resolution 9 relates to the amount of remuneration to be paid to the Managing Director.</p> <p>In the view of the Board, the issue of the Options to the Managing Director constitutes "reasonable remuneration" and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider that the Company is required to seek shareholder approval under Chapter 2E of the Corporations Act in order to give the financial benefit that is inherent in the issue of Options pursuant to Resolution 9.</p> |

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| Specific information required by ASX Listing Rule 10.13 | In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to shareholders: | |
| | Identification of recipient of Options | Mr Garrison Huang or his nominee. |
| | Number of Options to be issued | 500,000 |
| | Date for issue of Options | If shareholder approval is obtained for Resolution 9, the Company will issue the Options as soon as is practicable after the Meeting, and in any event no later than 1 month after the date of the Meeting. |
| | Issue price per Option | The Options will be issued at nil consideration. |
| | Conversion price per Option | The Options can be converted into a fully paid share in the Company upon the payment of 12c on the condition that the Mr Huang continues to be employed by the Company at the time of exercise of the Option. |
| | Expiry date | The Options will expire 18 months after the date of issue. |
| | Purpose of the issue | The purpose of the issue of the Options is to provide an incentive to the Managing Director of the Company. The Managing Director's total remuneration consists of salary of \$180,000 per annum plus superannuation. |
| | Use of funds raised | No funds will be raised from the issue of the Options. |
| | Material terms of Options | The Company will not provide any loans to Mr Huang to fund the exercise price of the Options. Other material terms as set out in Annexure A. |

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| Voting Exclusion | A voting exclusion statement applies to Resolution 9. |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 9. |

11. RESOLUTION 10 - APPROVAL OF LONG TERM INCENTIVE PLAN

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| Explanation | <i>Resolution 10 seeks shareholder approval for the Company's Long Term Incentive Plan (LTIP) for the purposes of the Listing Rules and the Corporations Act.</i> |
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| ASX Listing Rules | <p>ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12-month period (including shares issued on the exercise of any options) exceeds 15% of the issued capital of the company preceding the issue (15% Placement Capacity).</p> <p>ASX Listing Rule 7.2 contains a number of exceptions to the 15% Placement Capacity rule in ASX Listing Rule 7.1. In particular, under Exception 13 in ASX Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those Equity Securities are not deducted from the Company's 15% Placement Capacity for the purposes of ASX Listing Rule 7.1. Resolution 10 is designed to satisfy the requirements of Exception 9 in ASX Listing Rule 7.2.</p> <p>If Resolution 10 is passed, any Equity Securities issued under the LTIP within the three years after the date of the Meeting will not be deducted from the Company's 15% Placement Capacity for the purposes of ASX Listing Rule 7.1. If Resolution 10 is not passed, any Equity Securities issued under the LTIP within the three years after the date of the Meeting will be deducted from the Company's 15% Placement Capacity for the purposes of ASX Listing Rule 7.1.</p> |
| Purpose of LTIP | <p>The purpose of the LTIP is to provide incentives to Directors and employees of the Company who are integral to the operations and ongoing success of the Company. These incentives are designed to encourage greater productivity from Directors and management and to better enable the Company to retain its management personnel in a highly competitive industry.</p> <p>Should Resolution 10 be passed, the Company will have the necessary flexibility to issue securities as an incentive to management personnel, and the issue of securities under the LTIP will not be deducted from the Company's 15% Placement Capacity pursuant to ASX Listing Rule 7.1.</p> <p>A copy of the LTIP rules can be found at the following link: https://ht8.com.au/investor-relations/corporate-governance A summary of the LTIP is provided below.</p> |

Terms of the LTIP

General

The LTIP is intended to retain and motivate the Company's management team. Under the LTIP, the Board has the discretion to offer shares or grant options or performance rights to eligible employees (which includes Directors) of the Company or a related body corporate. An offer of shares may be accompanied by an offer of a loan (acquisition loan) from the Company or a related body corporate to acquire the shares.

Both options and performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of time based and/or performance-based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.

The Board has the discretion to amend the rules of the LTIP (including respectively in respect of previous awards of shares, options or performance rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or where agreed by the participant.

Awards under the LTIP are made at the Board's discretion.

Eligibility

The rules allow for offers under the LTIP to be made to any employee of the Company or a related body corporate, including Directors, or such other person as the Board determines. However, it has been the case and it is currently intended to continue to be the case that participation in the LTIP will only be offered to the Company's senior executive leadership team including Directors.

Issue of shares and grant of options and performance rights

Shares, options and performance rights may be issued under the LTIP subject to vesting conditions, including time and performance-based hurdles.

The Board determines the details of the vesting conditions attaching to shares, options and performance rights under the LTIP prior to offers of participation being made. Shares, options or performance rights will only vest (under normal circumstances) upon satisfaction of the time and performance-based vesting conditions. If those conditions are not met, shares will be bought-back or the options or performance rights will generally expire and not be capable of exercise.

No amount is payable on the grant of options or performance rights offered under the LTIP.

Delivery of shares

Shares in the Company will be delivered to participants upon exercise of vested options or performance rights. On exercise, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

Buy-back of shares

The LTIP provides for the buy-back of shares offered under the LTIP in certain circumstances, including on the forfeiture of the shares. Buy-back proceeds must be applied towards the repayment of any acquisition loan used to acquire the shares.

Change of control

On a change of control of the Company, the Board has discretion to waive the vesting conditions applicable to unvested options and performance rights, subject to such terms and conditions as it determines.

Plan limits

Issues of shares including on exercise of options or performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

Expiry of options and performance rights

Unless otherwise determined by the Board in its discretion, options and performance rights which have not been exercised will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the options or performance rights are to be forfeited.

Restrictions on shares and forfeiture conditions

Shares, options and performance rights, and shares delivered on exercise, may be subject to forfeiture (subject to lifting at the discretion of the Board) if a participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate. In addition, the Board can decide, on the offer of shares or the grant of options or performance rights under the LTIP the circumstances under which the shares, options or performance rights are to be forfeited in additional circumstances, such as the termination or cessation of employment.

Shares delivered on exercise of options or performance rights may be subject to disposal restrictions (subject to removal at the discretion of the Board).

Hedging economic exposure prohibited

Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.

Securities issued under LTIP

Since the date of the last approval by shareholders of the LTIP, being the Company's 2016 Annual General Meeting, the following securities have been issued:

| Date of issue | Securities issued | Expired/converted/issued |
|-----------------------|-------------------------------------|--|
| 5 June 2017 | 1,020,000 performance rights issued | 100,000 performance rights converted to shares on 25 June 2020. 920,000 performance rights lapsed. |
| 12 September 2017 | 50,000 performance rights | Expired, no shares issued |
| 25 June 2020 (Note 1) | 1,060,000 performance shares issued | |
| 25 June 2020 (Note 1) | 1,100,000 options issued | 400,000 options converted to HT8 shares, 700,000 options expired. |

Note 1: The issue of the shares and options on 25 June 2020 took place more than three years after the 2016 approval of the LTIP. Accordingly, those shares and options were issued using the Company's placement capacity under Listing Rule 7.1.

| | |
|--|--|
| Maximum number of securities to be issued | The maximum number of Equity Securities proposed to be issued under the LTIP following approval of shareholders is 5 million. |
| Voting Exclusion | A voting exclusion statement applies to this resolution, as set out in the Notice. |
| Board Recommendation | As the Directors may participate in the LTIP they do not provide any recommendation to shareholders in relation to this Resolution 10. |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of this resolution. |

12. RESOLUTION 11 – APPROVAL OF PLACEMENT CAPACITY

| | |
|--------------------|---|
| General | <p><i>Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12-month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12-month period, in addition to its ability to issue securities under Listing Rule 7.1 (10% Placement Capacity).</i></p> <p><i>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of passing this resolution will be to allow the Company, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</i></p> <p><i>The effect of not passing this resolution will be that the Company can only issue Equity Securities using the Company's 15% placement capacity under ASX Listing Rule 7.1. It cannot issue Equity Securities using the additional placement capacity under ASX Listing Rule 7.1 A.</i></p> <p><i>Resolution 11 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</i></p> |
| Eligibility | <p>ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&P/ASX 300 Index will be considered eligible to seek shareholder approval under ASX Listing Rule 7.1A.</p> <p>As at the date of this Notice, the Company, which has a market capitalisation of less than \$300 million, is not included in the S&P/ASX 300 Index. Accordingly, the Company is considered eligible to seek shareholder approval under ASX Listing Rule 7.1A.</p> |
| Formula | <p>The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out ASX Listing Rule 7.1A.2 as follows:</p> <p style="text-align: center;">$(A \times D) - E$</p> <p>Where:</p> <p>A is the number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> ▪ plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2; |

| | |
|---|--|
| | <ul style="list-style-type: none"> plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company); plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval; and less the number of shares cancelled in the previous 12 months. <p><i>'A' has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity</i></p> <p>D is 10%.</p> <p>E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the "relevant period" where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.</p> <p>"Relevant period" means the 12-month period immediately preceding the date of the issue for the agreement.</p> |
| Conditions of issue under the 10% Placement Capacity | <p>There are a number of conditions applicable to the issue of Equity Securities under ASX Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:</p> <ul style="list-style-type: none"> (a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares. (b) The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (VWAP) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either: <ul style="list-style-type: none"> i. the date on which the price at which the Equity Securities are to be issued is agreed; or ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued. |
| Period of validity of shareholder approval | <p>In the event that the Company obtains shareholder approval for Resolution 11, such approval will cease to be valid upon the earlier of:</p> <ul style="list-style-type: none"> (a) 12 months after the date of this Annual General Meeting; (b) the time and date of the Company's next Annual General Meeting; and (c) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2. <p>(7.1A Placement Period)</p> |
| INFORMATION TO BE PROVIDED TO SHAREHOLDERS UNDER ASX LISTING RULE 7.3A | |
| Minimum issue price | The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated |

| | <p>over the 15 trading days on which trades in that class were recorded immediately before either:</p> <p>i. the date on which the price at which the Equity Securities are to be issued is agreed; or</p> <p>ii. if the Equity Securities are not issued within five trading days of the date in paragraph (i), the date on which the securities are issued.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-----------------------|--|--|--|--|-----------------------|--|--|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|-------------|-------------|--|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|-------------|-------------|---|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|-------------|--------------|
| Risk of dilution to shareholders | <p>If Resolution 11 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:</p> <ul style="list-style-type: none">the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of this Meeting; andthe Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date. <p>The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:</p> <ul style="list-style-type: none">an issue price of \$0.11 per share which was the closing price of the Company's shares on the ASX on 26 August 2021; andthe variable 'A' being calculated as the number of fully paid ordinary shares on issue on the date of this Notice, being 297,795,481. <p>The table also shows:</p> <p>(a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under ASX Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and</p> <p>(b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.</p> <table><tr><th rowspan="2">VARIABLE 'A'</th><th rowspan="2"></th><th colspan="3">Dilution</th></tr><tr><th>50% decrease in issue price \$0.055</th><th>Issue price \$0.11</th><th>100% increase in issue price \$0.22</th></tr><tr><td rowspan="2">Current Variable 'A' 297,795,481 Shares</td><td>10% voting dilution</td><td>29,779,548 Shares</td><td>29,779,548 Shares</td><td>29,779,548 Shares</td></tr><tr><td>Funds raised</td><td>\$1,637,875</td><td>\$3,275,750</td><td>\$6,551,501</td></tr><tr><td rowspan="2">50% increase in current Variable 'A' 446,693,222 Shares</td><td>10% voting dilution</td><td>44,669,322 Shares</td><td>44,669,322 Shares</td><td>44,669,322 Shares</td></tr><tr><td>Funds raised</td><td>\$2,456,813</td><td>\$4,913,625</td><td>\$9,827,251</td></tr><tr><td rowspan="2">100% increase in current Variable 'A' 595,590,962 Shares</td><td>10% voting dilution</td><td>59,559,096 Shares</td><td>59,559,096 Shares</td><td>59,559,096 Shares</td></tr><tr><td>Funds raised</td><td>\$3,275,750</td><td>\$6,551,501</td><td>\$13,103,001</td></tr></table> | VARIABLE 'A' | | Dilution | | | 50% decrease in issue price \$0.055 | Issue price \$0.11 | 100% increase in issue price \$0.22 | Current Variable 'A' 297,795,481 Shares | 10% voting dilution | 29,779,548 Shares | 29,779,548 Shares | 29,779,548 Shares | Funds raised | \$1,637,875 | \$3,275,750 | \$6,551,501 | 50% increase in current Variable 'A' 446,693,222 Shares | 10% voting dilution | 44,669,322 Shares | 44,669,322 Shares | 44,669,322 Shares | Funds raised | \$2,456,813 | \$4,913,625 | \$9,827,251 | 100% increase in current Variable 'A' 595,590,962 Shares | 10% voting dilution | 59,559,096 Shares | 59,559,096 Shares | 59,559,096 Shares | Funds raised | \$3,275,750 | \$6,551,501 | \$13,103,001 |
| VARIABLE 'A' | | | | Dilution | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 50% decrease in issue price \$0.055 | Issue price \$0.11 | 100% increase in issue price \$0.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Variable 'A' 297,795,481 Shares | 10% voting dilution | 29,779,548 Shares | 29,779,548 Shares | 29,779,548 Shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Funds raised | \$1,637,875 | \$3,275,750 | \$6,551,501 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% increase in current Variable 'A' 446,693,222 Shares | 10% voting dilution | 44,669,322 Shares | 44,669,322 Shares | 44,669,322 Shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Funds raised | \$2,456,813 | \$4,913,625 | \$9,827,251 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% increase in current Variable 'A' 595,590,962 Shares | 10% voting dilution | 59,559,096 Shares | 59,559,096 Shares | 59,559,096 Shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Funds raised | \$3,275,750 | \$6,551,501 | \$13,103,001 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>The table has been prepared on the following assumptions:</p> <ul style="list-style-type: none"> (a) the Company issues the maximum number of shares available under the 10% Placement Capacity; (b) no options to acquire shares on issue in the Company are exercised; (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue; (d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting; (e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with ASX Listing Rule 7.1A and not under the 15% placement capacity under ASX Listing Rule 7.1. (f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares and (g) the issue price is \$0.11, being the closing price of the Company's shares on the ASX on 26 August 2021. |
| Period of validity | <p>The Company will only issue and allot the Equity Securities during the 7.1A Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid on the first to occur of:</p> <ul style="list-style-type: none"> (a) 12 months after the date of this Annual General Meeting; (b) the time and date of the Company's next Annual General Meeting; and (c) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2. |
| Reason for issue of shares under 10% Placement Capacity | <p>The Company may seek to issue the Equity Securities for cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, including the acquisition of trading stock and repayment of debt.</p> <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any Equity Securities.</p> |

Allocation policy

The Company may not issue any or all the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as:

1. fund raising options (and their viability) available to the Company at the relevant time;
2. the effect of the issue of the Equity Securities on the control of the Company;
3. the financial situation of the Company and the urgency of the requirement for funds; and
4. advice from the Company's corporate, financial, legal and broking advisers.

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.

The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company. In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.

Previous approval

The Company previously obtained approval under ASX Listing Rule 7.1A on 5 February 2021. As at 19 October 2020, being the date that is 12 months prior to this Meeting, the Company had the following Equity Securities on issue:

| Class of Equity Securities | Number |
|----------------------------|--------------------|
| Fully paid ordinary shares | 254,995,481 |
| Options | 8,100,000 |
| TOTAL | 263,095,481 |

The table below shows the number and type of Equity Securities issued by the Company in the 12 months preceding the Meeting under Listing Rule 7.1A, and the percentage they represent of the total number of Equity Securities on issue at 26 August 2021 (being 297,795,481).

| Item | Date of issue | Class of Equity Securities | No. issued | % represented of total number of Equity Securities |
|------|---------------|----------------------------|------------|--|
| 1. | 30 April 2021 | Shares | 8,108,398 | 3.08% |

Specific information in relation to each issue is as follows:

| Item | Reason for issue | Recipient | Use of funds | Issue price per security | Discount/premium to market price | Total cash consideration (\$) |
|------|-------------------|--------------------------------------|--|--------------------------|----------------------------------|-------------------------------|
| 1. | Private placement | Investors identified by lead manager | Repayment of debt, purchase of inventory | 12.5 cents per share | Nil | \$1,013,550 |

| | |
|-------------------------------------|---|
| | All Shares issued by the Company in the 12 months preceding the Meeting have the same terms and rank equally in all respects with existing shares in the Company. |
| Ranking of shares | Any shares issued under the 10% Placement Capacity will rank equally with all other existing shares on issue in the Company. |
| GENERAL INFORMATION | |
| Voting Exclusion | A voting exclusion statement applies to this resolution, as set out in the Notice. |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of this resolution. |

13. Resolution 12 - Approval of Acquisition of Property from a Related Party

| | |
|----------------------------|---|
| Agreement for Lease | <p>Background</p> <p>Harris Technology Group Limited (Harris) proposes to enter into a lease agreement (Lease Agreement) with Australian PC Accessories Pty Ltd as trustee for the GWH Trust (Lessor) in relation to the lease of the property known as 124 Abbott Road Hallam, VIC (Property).</p> <p>The Lessor is an entity in which the Managing Director of Harris is the sole shareholder and director.</p> <p>Harris is the current lessee of four warehouses in Hallam. Three of those warehouses are leased from unrelated parties, the fourth is leased from the Lessor. All four warehouses are used in the ordinary day-to-day business of Harris. No other properties are used by Harris in its business.</p> <p>The Property is sufficiently large at 2035m² that all Harris operations can be consolidated into the Property providing significant operational efficiencies. The new warehouse will be able to accommodate Harris's medium to long-term warehousing and office space.</p> <p>The four warehouses currently leased by Harris will no longer be required and the leases are anticipated to expire between 5 November 2021 and 31 March 2022.</p> <p>Lease Agreement</p> <p>The material terms of the Lease Agreement are as follows:</p> <ol style="list-style-type: none"> 1. The annual rent payable at commencement is \$170,000 plus GST per annum, payable monthly. 2. The lease will commence on 5 November 2021. 3. The period from 5 November 2021 to 5 February 2022 will be rent-free. 4. The initial term of the Lease Agreement is five years followed by two further three-year extension periods at the option of HT8. 5. Harris to pay 100% of building outgoings. |
|----------------------------|---|

6. Rent will increase by 2% on each anniversary of the commencement of the Lease Agreement.
7. The lease is subject to HT8 obtaining the approval of the shareholders on or before 1 October 2021 or such later date as is otherwise agreed by the parties

Rationale for the Transaction

The Directors consider that the most efficient way to manage the Harris business which includes significant warehousing and logistics is for the business to be housed in one large warehouse. As a result of the significant growth in the Harris business from early 2020, it was necessary to quickly find additional warehouse space which resulted in a number of warehouses being leased. During that time, it had not been possible to secure one large warehouse in which to house the whole of the business.

The opportunity has now arisen to relocate the whole of the Harris business into one warehouse with the result that there will be significant efficiencies and cost reductions.

Prior to agreeing to the proposed lease of the Property, the directors of Harris (excluding Garrison Huang) reviewed written market appraisals by two independent licensed real estate agents and valuers with experience in the Hallam/Dandenong area. The appraisals determined that the "fair rental price" for the new warehouse, being the rental which the owner of the new warehouse could expect to receive on the open market, was equivalent to or greater than the annual rent to be paid by Harris under the Lease Agreement.

It is therefore considered by the directors that it is in the best interests of Harris and its shareholders to secure the Property under a long-term lease.

Details of the Property

The Property is in the industrial area in Hallam, 34 km south-west of Melbourne. Hallam is well serviced with trains and road transport, with the Monash Freeway and South Gippsland Freeway nearby.

The building on the Property consists of an office and warehouse, with a total floor area of approximately 2035 sqm. Suitable parking for service vehicles and employee vehicles are available.

Details of the Lessor

The sole director and shareholder of the Lessor is Garrison Huang.

Advantages of the Harris acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolution:

- a) Harris will achieve security of tenure for a minimum of five years of a property which is highly suitable to the current and future business of Harris; and
- b) Harris will be able to further invest in improvements to the Property to improve the logistics of its business knowing that those improvements will be available for a minimum of five years and up to 11 years if both options to extend are exercised.

Disadvantages of the Harris acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolution:

- a) in the event that the business of Harris changes in the future, the Property may either become no longer suitable or less suitable. This may require Harris to either terminate the lease agreement or sublet the Property on less desirable terms.

Recommendations of the Directors

Each of the directors (excluding Mr Huang) determined that entering into the Lease Agreement is in the best interests of the Company and its Shareholders and each recommend that Shareholders vote in favour of the Resolution.

None of the directors of Harris (other than Mr Huang) has an interest in the outcome of the Resolution, other than as shareholders of Harris.

In arriving at the recommendation, each of the Directors considered and made an assessment of the advantages and disadvantages referred to above and determined that the advantages outweigh the disadvantages. Each of the Directors concluded that entering into the Lease Agreement is far more beneficial to the Shareholders than if the current leasing arrangements continued.

Each of the directors (excluding Mr Huang) agreed with the analysis of the Independent Expert that entering into the Lease Agreement is fair and reasonable to the non-associated Shareholders. In particular the Directors recommend Shareholders vote in favour of the Resolution on the basis that the entering into the Lease Agreement is, based on the analysis of the Independent Expert, fair and reasonable.

Each of the directors (excluding Mr Huang) are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Mr Huang abstained from the directors' resolution to enter into the Lease Agreement as he has an interest in the outcome of the Resolution as a director and shareholder of the Lessor.

Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

Independent Expert's Report

All of the Directors resolved to appoint Hall Chadwick as an Independent Expert and commissioned it to prepare a report to provide an opinion as to whether or not the Transaction is fair and reasonable to the Shareholders not associated with the Lessor.

What is fair and reasonable must be judged by the Independent Expert in all the circumstances of the transaction. This requires taking into account the likely advantages to Shareholders if the transaction is approved and comparing them with the disadvantages to them if the transaction is not approved.

Hall Chadwick has concluded that the proposed transaction is fair and reasonable to the non-associated Shareholders.

The Board strongly recommends that you read the Independent Expert's Report in full, a copy of which is in Annexure A to this Explanatory Statement.

ASX and Corporations Act Requirements

Information required by Listing Rule 14.1A

Harris is proposing to enter into the Lease Agreement with an entity in which the Managing Director of Harris has a shareholding interest.

ASX Listing Rule 10.1 provides that a listed company must not acquire or agree to acquire a "substantial asset" from:

1. a related party;
2. a child entity;
3. a substantial holder of the entity; or
4. an associate of a substantial holder of the entity,

unless it obtains the approval of its shareholders.

An asset is a "substantial asset" for the purposes of Listing Rule 10.1 if its value, or the value of the consideration for it, is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules. Harris's audited financial statements for the year ended 30 June 2021 indicates that its equity interests were approximately \$7,661,113. The consideration for the Property is a minimum of \$850,000, being \$170,000 per annum for five years plus rent increases and outgoings. This amount exceeds 5% of the equity interests in Harris and therefore entering into the lease is the acquisition of a "substantial asset" that requires the approval of Harris's shareholders under ASX Listing Rule 10.1.

The Resolution seeks the required shareholder approval to the entering into of the Lease Agreement for the purposes of ASX Listing Rule 10.1.

If the Resolution is passed, Harris will be able to enter into the Lease Agreement.

If the Resolution is not passed, Harris will not be able to enter into the Lease Agreement and will be required to continue with the current leases or secure additional leases for its business.

Information required by Listing Rule 10.5

The following information is provided in relation to Listing Rule 10.5:

- (a) Harris is entering into the Lease Agreement with Australian PC Accessories Pty Ltd (**Lessor**).
- (b) The Lessor is in the category described in Listing Rule 10.1.1. The Lessor is controlled by Garrison Huang who is a related party of Harris.

- (c) The asset being acquired is the lease over the property at 124 Abbott Road, Hallam.
- (d) The Property is being leased for a period of five years for rent of \$170,000 per annum. The rent will increase by 2% per annum over the term of the lease.
- (e) Harris will fund the rent from its ordinary business operations.
- (f) The lease is to commence on 5 November 2021.
- (g) See above for material conditions of the Lease Agreement.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met.

A Related Party is defined widely in section 228 of the Corporations Act and includes, relevantly, a proposed director of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company. As Mr Huang is a director of Harris, he falls within the definition of Related Party of Harris for the purposes of section 228.

A financial benefit for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate. The Company is seeking Shareholder approval under Chapter 2E of the Corporations Act for the Transaction.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to related parties of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) prior shareholder approval has been obtained for the giving of the financial benefit.

The Transaction will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Transaction constitutes the giving of a financial benefit to Mr Huang who is a related party of Harris. It is the view of Harris that the exceptions set out in section 210 to 216 of the Corporations Act may not apply in the current circumstances. The Resolution therefore requires the approval of the Company's Shareholders under section 208 of the Corporations Act.

Consideration payable for the Property

The Property is being leased for a period of five years for rent of \$170,000 per annum plus outgoings. The rent will increase by 2% per annum over the term of the lease.

Technical information required by Chapter 2E, section 219 of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the Transaction:

- (a) Mr Huang is a related party to whom the Resolution would permit financial benefits to be given.
- (b) The financial benefit is the receipt by the Lessor of the consideration from the Transaction.
- (c) See above for recommendations by and interests of Directors in the Transaction.

Definitions applying for Resolution 12

In this Explanatory Statement and Notice of General Meeting:

Annual General Meeting has the meaning given in the introductory paragraph of the Notice (and any adjournment of that meeting).

ASIC means Australian Securities and Investments Commission.

Associate has the meaning ascribed in the Corporations Act.

ASX means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX.

ASX Listing Rules means the listing rules of ASX.

Board means Directors of the Company.

Business Day means a day on which the ASX is open for trading.

Company or Harris means Harris Technology Group Limited ACN 085 545 973.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement to the Notice.

Hall Chadwick means Hall Chadwick Corporate (NSW) Limited ACN 080 462 488.

Independent Expert means Hall Chadwick.

Lease Agreement means the proposed lease agreement between the Lessor and the company in relation to the Property.

Lessor means Australian PC Accessories Pty Ltd as trustee for the GWH Trust

Property means the property known as 124 Abbott Road Hallam, VIC

Transaction means the entering into of the Lease Agreement.

| | |
|-------------------------------------|--|
| Voting Exclusion | A voting exclusion statement applies to Resolution 12. |
| Chairman's available proxies | The Chairman intends to vote all available proxies in favour of Resolution 12. |

ANNEXURE A

TERMS OF OPTIONS

The Options will be issued at nil cash consideration.

No funds are raised from the issue of the options. Funds raised from the exercise of the options will be utilised for working capital and repayment of debt.

The following specific terms and conditions will apply to the options:

(a) Entitlement

(i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.

(ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

(i) The Options are exercisable at any time from the issue date.

(ii) The final date and time for exercise of the Options is the date specified in the notice of meeting of the 2021 Annual General Meeting of the Company (Expiry Date)

(iii) The exercise price per option is the amount specified in the notice of meeting of the 2021 Annual General Meeting of the Company.

(iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.

(v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.

(vii) All Options will lapse on the earlier of the (A) receipt by the Company of notice from the Optionholder that the Optionholder has elected to surrender the Option; and (B) Expiry Date.

(c) Quotation

The Options will not be listed on the ASX.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

(i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.

(ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

(A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

(B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

(C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;

(D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;

(E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and

(F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

(i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of prorata bonus and cash issues.

(ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula: $O' = O - \frac{E[P - (S + D)]}{N + 1}$

where: O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is Exercisable. P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

DEFINITIONS

| | |
|---|---|
| 10% Placement Capacity | Means the Company's capacity to issue Equity Securities under ASX Listing Rule 7.1A. |
| 15% Placement Capacity | Means the Company's capacity to issue Equity Securities under ASX Listing Rule 7.1. |
| Board | Means the board of Harris Technology Group Limited. |
| Company or Harris Technology Group | Means Harris Technology Group Limited ACN 085 545 973. |
| Constitution | Means the constitution of Harris Technology Group Limited. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Closely Related Party (of a member of KMP of an entity) | Has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> (a) a spouse or child of the member; or (b) a child of the member's spouse; or (c) a dependant of the member or of the member's spouse; or (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or (e) a company the member controls; or (f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage). |
| Director | Means a director of the Board of Harris Technology Group Limited |
| Equity Security | Means: <ul style="list-style-type: none"> a) a share; b) a right to a share or option; c) an option over an issued or unissued security; d) a convertible security; e) any security that ASX decides to classify as an equity security. |
| Key Management Personnel or KMP | Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. |
| Meeting | Means the Company's 2021 Annual General Meeting. |
| Notice | Means this Notice of Meeting. |

25 August 2021

The Directors
Harris Technology Group Limited
6/9 Abbott Road
Hallam, MELBOURNE, VIC 3803

Dear Sirs,

Independent Expert's Report on related party transaction

1. INTRODUCTION

Background

- 1.1 Harris Technology Group Limited ("Harris" or "the Company") is an Australian public company listed on the Australian Securities Exchange ("ASX"). The Company engages in online retailing and technology distribution businesses in Australia.
- 1.2 Harris has proposed to enter into an agreement to lease warehouse premises owned by a related entity of the Company's managing director and main shareholder, Garrison Huang ("Mr Huang") ("Lease Agreement").
- 1.3 The Lease Agreement and underlying terms detailed at section 2 are referred to in this report as the "Transaction".

Opinion

- 1.4 In our opinion, the Transaction is *fair and reasonable* to the Non-Associated Shareholders of Harris.
- 1.5 The ultimate decision however on whether to accept the Transaction should be based on shareholders own assessment of their circumstances.

Purpose of Report

- 1.6 You have requested Hall Chadwick Corporate (NSW) Limited ("HCC") to prepare an Independent Expert's Report to advise the shareholders of Harris not associated with the Transaction ("Non-Associated Shareholders"), in considering a resolution to approve the Transaction under ASX listing rule 10.1, whether the Transaction is fair and reasonable when considered in the context of the interests of Non-Associated Shareholders and to set out the reasons for our conclusions.
- 1.7 HCC understands and has agreed that this report is required by ASX listing rule 10.5 to accompany the notice to convene a meeting of Harris shareholders, to assist the Non-Associated Shareholders in their consideration of the Transaction.

HALL CHADWICK
CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street
Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW
2001

Ph: (612) 9263 2600

Fx: (612) 9263 2800

E: hcsyinfo@hallchadwick.com.au

com.au

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2. OUTLINE OF THE PROPOSED TRANSACTION

- 2.1 Harris proposes to enter into the Lease Agreement with Australian PC Accessories Pty Ltd as trustee for the GWH Trust ("Lessor") in relation to the lease of the property known as 124 Abbott Road, Hallam, Victoria (the "Property").
- 2.2 The Lessor is an entity in which the Managing Director of Harris, Mr Huang, is a shareholder and director.
- 2.3 Harris is the current lessee of four warehouses in Hallam. Three of those warehouses are leased from unrelated parties, the fourth is leased from the Lessor. All four warehouses are used in the ordinary day-to-day business of Harris. No other properties are used by Harris in its business.
- 2.4 The Property is sufficiently large at 2035m² that all Harris operations can be consolidated into the Property providing significant operational efficiencies. The new warehouse will be able to accommodate Harris's medium to long-term warehousing and office space needs. The four warehouses currently leased by Harris will no longer be required and the leases expire between 5 November 2021 and 31 March 2022. Management will however attempt to terminate or sub lease the property with the 31 March 2022 before the expiry date.
- 2.5 The terms of the Lease Agreement have been based on independent rental market appraisals obtained from Collins Commercial and Industrial Pty Ltd ("Collins") and Cameron Real Estate ("Cameron"), as detailed at section 6.

STRUCTURE OF REPORT

Our report is set out under the following headings:

- 3 PURPOSE OF REPORT
- 4 BASIS OF EVALUATION
- 5 OVERVIEW OF HARRIS
- 6 ASSESSMENT OF TRANSACTION TERMS
- 7 ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION
- 8 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

APPENDICES

- I SOURCES OF INFORMATION
- II STATEMENT OF DECLARATION & QUALIFICATIONS
- III FINANCIAL SERVICES GUIDE

3. PURPOSE OF REPORT

- 3.1 The purpose of this report is to advise the Non-Associated Shareholders of Harris of the fairness and reasonableness of the Transaction. This report provides an opinion on whether or not the terms and conditions in relation to the transaction are fair and reasonable to the Harris shareholders whose votes are not to be disregarded in respect of the transaction (that is, the Non-Associated Shareholders).
- 3.2 The ultimate decision whether to accept the terms of the Transaction should be based on each shareholders' assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Transaction or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.3 For the Transaction to be fair, the terms of the Lease Agreement need to be at market based arms-length terms. To be reasonable the Non-Associated Shareholders must obtain an overall benefit if the Transaction proceeds.
- 3.4 This report has been prepared to satisfy the requirements of the Corporations Act 2001 (Cth) ("Corporations Act") and the ASX Listing Rules.
- 3.5 ASX Listing Rule 10.1 requires that a listed company must obtain shareholder approval before it acquires or disposes of a substantial asset. This applies where the vendor of the relevant asset is a related party of the listed company and when the assets value or the value of the consideration for it, constitutes more than 5% of the equity interest of that company at the date of the last audited accounts. The Property constitutes a substantial asset and is being leased from a related party. ASX Listing Rule 10.5 therefore requires a report on the transaction from an independent expert stating whether the transaction is fair and reasonable to non-associated shareholders. This report provides such an opinion.

4. BASIS OF EVALUATION

- 4.1 In our assessment of whether the Transaction is fair and reasonable to Harris Non-Associated Shareholders, we have given due consideration to the Regulatory Guides issued by ASIC, in particular, Regulatory Guide 74 “Transactions Agreed to by Shareholders”, Regulatory Guide 111 “Content of Experts Reports” and Regulatory Guide 112 “Independence of Experts Reports”.
- 4.2 ASIC Regulatory Guide 74 requires, amongst other things, that shareholders are provided with sufficient information to make an effective, informed decision on whether the proposed Transaction is fair and reasonable. In this case, the Transaction is “fair” if the Lease Agreement is based on arms-length market rates. Additionally, under Regulatory Guide 111 a transaction is “reasonable” if it is fair or, if despite being unfair, based on non-financial factors, the shareholders should still approve the Transaction.
- 4.3 Our report has compared the likely advantages and disadvantages to Non-Associated shareholders if the Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not.
- 4.4 In our assessment of the Transaction we have considered, in particular the following:
- The operational and financial position of Harris;
 - The locations Harris is currently operating from and compared them to the Property;
 - The advantages and disadvantages associated with approving the Transaction;
 - Other qualitative and strategic issues associated with the Transaction.
- 4.5 The documents and information relied on for the purpose of this valuation are set out in Appendix I. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Transaction is fair and reasonable. However, in assignments such as this, time is limited and we do not warrant that our enquiries have identified or verified all of the matters which an audit or more extensive examination might disclose. None of these additional tasks have been undertaken.
- 4.6 An important part of the information used in forming an opinion of the kind expressed in this report is the opinions and judgement of management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 4.7 HCC are not the auditors of Harris. We have analysed and reviewed information provided by the Directors and management of Harris and made further enquiries where appropriate.
- 4.8 This report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this report which may impact upon this report or which may impact upon the assumptions referred to in this report.

5 OVERVIEW OF Harris

5.1 Corporate Overview

- 5.1.1 Harris was officially listed on the ASX on 24 June 1999 and engages in online retailing and technology distribution in Australia.
- 5.1.2 Harris engages in the online retail of IT products for small and medium businesses. It sells its products through www.ht.com.au, www.apca.net.au and other online platforms, such as Amazon, Kogan, Catch, eBay, etc.
- 5.1.3 Harris continues to use its expertise and knowledge to further develop its online IT and consumer electronics operations as well as reviewing new opportunities. Harris established the “Pro-Hygiene” division in April 2020, which has achieved significant revenue and is profitable in a very short period of time.
- 5.1.4 The rationalisation of staff, warehousing and other overheads has allowed management to focus on developing the B2C sales channels for IT and consumer electronic products. Strong sales were experienced across the entire range of products in 2020, together with product diversification to include mobile phone accessories and consumables such as inks and toners plus gaming products. Sales of antivirus software also increased.
- 5.1.5 In August 2020, Harris undertook a private placement and share purchase plan which together raised \$4.9 million. A further capital raising was undertaken in April 2021 for \$5 million before costs. With the additional capital now available, coupled with the structural shift in consumer behaviour towards increasingly shopping online, Harris is well positioned to take advantage of the retail “revolution” in the coming months and years.
- 5.1.6 The company has a proven strategy as well as experienced professional management team to drive further growth. The Company’s growth strategy includes:
- Focus on sales and building the brands it sells in the market;
 - Emphasis on systemisation to reduce costs; and
 - Ensure all sites are mobile and tablet enabled to increase visibility.

5.2 Rationale for the Transaction

- 5.2.1 As a result of the significant growth in the Harris business from early 2020, it was necessary to quickly locate additional warehouse space. This resulted in a number of warehouses being leased. During that time, it had not been possible to secure one large warehouse in which to house the whole of the business.
- 5.2.2 The Directors consider that the most efficient way to manage the Harris business, which includes significant warehousing and logistics, is for the business to be housed in one large warehouse.
- 5.2.3 The opportunity has now arisen to relocate the whole of the Harris business into one warehouse with the result that there will be significant efficiencies and cost reductions.
- 5.2.4 Prior to agreeing to the proposed lease of the Property, the directors of Harris (excluding Mr Huang) reviewed written market appraisals by two independent licensed real estate agents

and valuers with experience in the Hallam/Dandenong area. The appraisals determined that the “fair rental price” for the new warehouse, being the rental which the owner of the new warehouse could expect to receive on the open market, was equivalent to or greater than the annual rent to be paid by Harris under the Lease Agreement.

- 5.2.5 It is therefore considered by the directors that it is in the best interests of Harris and its shareholders to secure the Property under a long-term lease. The terms of the Lease Agreement are detailed at section 6.

5.3 Details of the Property

- 5.3.1 The Property is in an industrial area in Hallam, 34 km south-west of Melbourne. Hallam is well serviced with trains and road transport, with the Monash Freeway and South Gippsland Freeway nearby.
- 5.3.2 The building on the Property consists of an office and warehouse, with a total floor area of approximately 2035 sqm. Suitable parking for service vehicles and employee vehicles is available.

5.4 Public Company Information

- 5.4.1 Harris has released the following public company announcements in the last six months:

| | |
|-------------|------------------------|
| 11 Aug 2021 | Lease of new warehouse |
|-------------|------------------------|

| | |
|-------------|------------------------|
| 26 Jul 2021 | Appendix 4C- June 2021 |
|-------------|------------------------|

| | |
|-------------|---------------------------------------|
| 26 Jul 2021 | Quarterly Activity Report - June 2021 |
|-------------|---------------------------------------|

| | |
|-------------|---|
| 23 Jul 2021 | Proposed issue of securities to employees |
|-------------|---|

| | |
|-------------|-----------------------------------|
| 24 Jun 2021 | New Amazon Prime Day sales record |
|-------------|-----------------------------------|

| | |
|-------------|-------------------------------|
| 15 Jun 2021 | Release of shares from escrow |
|-------------|-------------------------------|

| | |
|-------------|--------------------------------------|
| 11 Jun 2021 | Change of Director's Interest Notice |
|-------------|--------------------------------------|

| | |
|------------|--------------------------------------|
| 1 Jun 2021 | Change of Director's Interest Notice |
|------------|--------------------------------------|

| | |
|-------------|-------------------------------|
| 30 Apr 2021 | Change in substantial holding |
|-------------|-------------------------------|

| | |
|-------------|------------------|
| 30 Apr 2021 | Cleansing notice |
|-------------|------------------|

| | |
|-------------|-------------|
| 30 Apr 2021 | Appendix 2A |
|-------------|-------------|

| | |
|-------------|--------------------------------------|
| 30 Apr 2021 | Change of Director's Interest Notice |
|-------------|--------------------------------------|

| | |
|-------------|--|
| 30 Apr 2021 | Change of Director's Interest Notice |
| 29 Apr 2021 | Update - Proposed issue of Securities |
| 29 Apr 2021 | Proposed issue of Securities |
| 26 Apr 2021 | Quarterly Activities Report |
| 26 Apr 2021 | Appendix 4C - quarterly |
| 23 Apr 2021 | Proposed issue of Securities |
| 23 Apr 2021 | Proposed issue of Securities |
| 23 Apr 2021 | Completion of Share Placement |
| 21 Apr 2021 | Trading Halt |
| 12 Apr 2021 | Release of shares from voluntary escrow |
| 12 Apr 2021 | Harris Technology breaks another quarterly sale record |
| 6 Apr 2021 | Initial Director's Interest Notice |
| 29 Mar 2021 | Change of Director's Interest Notice |
| 24 Mar 2021 | Director Appointment |
| 12 Mar 2021 | Share Trading Policy |
| 12 Mar 2021 | Release of Share Trading Policy |
| 2 Mar 2021 | Change of Director's Interest Notice |
| 1 Mar 2021 | Change of Director's Interest Notice |

5.4.2 Harris currently has a market capitalisation of approximately \$35 million. The chart below shows the movement in share price and volume traded in the last 12 months.



5.5 Financial Information

5.5.1 Set out below is the audited Consolidated Profit and Loss Statements of Harris for the financial years ended 30 June 2019 (“FY2019”), 30 June 2020 (“FY2020”) and 30 June 2021 (“FY2021”).

| HARRIS TECHNOLOGY GROUP LIMITED | | | |
|---|------------------|------------------|--------------------|
| CONSOLIDATED PROFIT AND LOSS STATEMENT | | | |
| | FY2021 | FY2020 | FY2019 |
| Revenue | 41,800,861 | 13,638,567 | 9,003,268 |
| Direct costs | (34,128,418) | (10,968,591) | (8,007,879) |
| Gross profit | 7,672,443 | 2,669,976 | 995,389 |
| Other income | 59,751 | 676,097 | 169,346 |
| Distribution expenses | (561,658) | (184,124) | (120,808) |
| Marketing expenses | (62,571) | (173,997) | (106,217) |
| Transaction expenses | (3,326,514) | (48,201) | (87,798) |
| Employment benefits | (2,075,242) | (925,104) | (858,094) |
| Depreciation and amortisation | (72,514) | (58,056) | (20,588) |
| Impairment expenses | 0 | (298,813) | (173,537) |
| Finance costs | (67,588) | (262,771) | (14,741) |
| Other expenses | (440,563) | (385,485) | (514,988) |
| Profit / (loss) before tax | 1,125,544 | 1,009,522 | (732,036) |
| Loss from discontinued operations | - | - | (1,470,613) |
| Comprehensive profit / (loss) | 1,125,544 | 1,009,522 | (2,202,649) |

5.5.2 As announced in the Company’s latest cash flow report, for the twelve months to 30 June 2021, net cash *outflows* from operations totalled \$4,134,000, funded by net cash inflows from financing activities totalling \$6,206,000.

5.5.3 Set out below is the audited consolidated Balance Sheet of Harris as at 30 June 2021 and 30 June 2020.

| HARRIS TECHNOLOGY GROUP LIMITED | | |
|--|---------------------|---------------------|
| CONSOLIDATED BALANCE SHEET | | |
| | 30 June 2021 | 30 June 2020 |
| <u>CURRENT ASSETS</u> | | |
| Cash and cash equivalents | 3,262,107 | 1,171,184 |
| Trade and other receivables | 3,129,379 | 736,549 |
| Inventories | 10,766,788 | 3,322,985 |
| Prepayments and deposits | 154,424 | 36,800 |
| | 17,312,698 | 5,267,518 |
| <u>NON-CURRENT ASSETS</u> | | |
| Property, plant and equipment | 14,274 | - |
| Deferred tax assets | 783,392 | - |
| Right of use asset | 166,824 | 198,524 |
| | 964,490 | 198,524 |
| TOTAL ASSETS | 18,277,188 | 5,466,042 |
| <u>CURRENT LIABILITIES</u> | | |
| Trade and other payables | 7,734,915 | 3,125,241 |
| Financial liability | 2,266,380 | 867,727 |
| Deferred revenue | 287,121 | 318,369 |
| Lease liability | 83,801 | 50,594 |
| Employee benefit liabilities | 104,028 | 66,022 |
| | 10,476,245 | 4,427,953 |
| <u>NON-CURRENT LIABILITIES</u> | | |
| Financial liability | - | 4,764,212 |
| Lease liability | 96,790 | 155,279 |
| Employee benefit liabilities | 43,040 | 11,993 |
| | 139,830 | 4,931,484 |
| TOTAL LIABILITIES | 10,616,075 | 9,359,438 |
| NET ASSETS | 7,661,113 | (3,893,395) |
| <u>EQUITY</u> | | |
| Contributed equity | 17,556,284 | 7,803,124 |
| Accumulated losses | (9,954,535) | (11,707,951) |
| Reserves | 59,364 | 11,432 |
| TOTAL EQUITY | 7,661,113 | (3,893,395) |

6 ASSESSMENT OF THE TRANSACTION

6.1 Terms of the Lease Agreement

- 6.1.1 The Lease Agreement will be entered into between Harris (“Lessor”) and Australian PC Accessories Pty Ltd as trustee for the GWH Trust (“Lessor”) for the property located at 124 Abbott Road, Hallam, Victoria (the “Property”).
- 6.1.2 The material terms of the Lease Agreement are as follows:
1. The annual rent payable at commencement is \$170,000 plus GST per annum, payable monthly.
 2. The lease will commence on 5 November 2021.
 3. The period from 5 November 2021 to 5 February 2022 will be rent-free.
 4. The initial term of the Lease Agreement is five years followed by two further three-year extension periods at the option of Harris.
 5. Harris to pay 100% of building outgoings.
 6. Rent will increase by 2% on each anniversary of the commencement of the Lease Agreement.
 7. The lease is subject to Harris obtaining the approval of the shareholders on or before 1 October 2021 or such later date as is otherwise agreed by the parties .

6.2 Independent Market Appraisals

- 6.2.1 Prior to agreeing to the proposed lease of the Property, the directors of Harris (excluding Mr Huang) reviewed written market appraisals by two independent licensed real estate agents and valuers with experience in the Hallam/Dandenong area. The appraisals determined that the “fair rental price” for the new warehouse, being the rental which the owner of the new warehouse could expect to receive on the open market, was equivalent to or greater than the annual rent to be paid by Harris under the Lease Agreement. Extracts from the two appraisals are shown below.
- 6.2.2 Rental Market Appraisal for the Property issued by Collins;
- “We have based our opinion on the following considerations:
1. Zoning
 2. Size of building
 3. Quality of construction
 4. Improvements
 5. Internal & External presentation
 6. On-site car park
 7. Location and exposure to main roads and CBD.
- Our Rental Market Appraisal, considering the above criteria and potential, with all considered suggests a fair Rental price in the vicinity of \$190,000.00 to \$200,000.00.”
- 6.2.3 Rental Market Appraisal for the Property issued by Cameron;
- “Value Appraised
- After careful consideration and an analysis of recent leasing evidence, we believe the property would lease in the vicinity of \$172,975 (or \$85 per square meter) per annum plus GST plus all outgoings.”

7 ADVANTAGES & DISADVANTAGES OF THE TRANSACTION

7.1 Approach to assessing Fairness and Reasonableness

HCC has followed the guidelines of ASIC Regulatory Guide 111 in assessing the fairness and reasonableness of the Transaction. In forming our conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transaction proceeds.

7.2 Advantages of the Transaction

- 7.2.1 Harris will achieve security of tenure for a minimum of five years of a property which is highly suitable to the current and future business of Harris
- 7.2.2 The Transaction provides an opportunity for Harris to move from its existing four separate warehouse locations to a single warehouse sufficient in size that all Harris operations can be consolidated, providing significant operational efficiencies and cost reductions.
- 7.2.3 The Transaction is being structured on arms-length commercial terms under a standard commercial property lease.
- 7.2.4 Harris will be able to further invest in improvements to the Property to improve the logistics of its business knowing that those improvements will be available for a minimum of five years and up to eleven years if both options to extend are exercised.

7.3 Disadvantages of the Transaction

- 7.3.1 In the event that the business of Harris changes in the future, the Property may either become no longer suitable or less suitable. This may require Harris to either terminate the lease agreement or sublet the Property on less desirable terms.

8 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

8.1 Fairness

- 8.1.1 For the Transaction to be fair, the terms of the Lease Agreement need to be at market based arms-length terms.
- 8.1.2 We have considered, amongst other things, the information available on the Company, its current operations, the terms of the Lease Agreement and the independent written market appraisals received.
- 8.1.3 In our opinion the Transaction is **fair** as:
- a) The Lease Agreement has been independently prepared on arms-length commercial terms; and
 - b) The agreed starting rent to be paid by Harris to the Lessor of \$170,000 plus GST per annum is equivalent to the independent written market appraisal received from Cameron, and less than the appraisal received from Collins such that the Company will not be paying above fair market price for the leasing of the Property.

8.2 Reasonableness

ASIC Regulatory Guide 111 states that a transaction is reasonable if:

- The Transaction is fair; or
- Despite not being fair the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

We have concluded that the Transaction is reasonable. In forming our opinion we have also considered the following relevant factors.

- Harris will achieve security of tenure for a minimum of five years of a property which is highly suitable to the current and future business of Harris
- The Transaction provides an opportunity for Harris to move from its existing four separate warehouse locations to a single warehouse sufficient in size that all Harris operations can be consolidated, providing significant operational efficiencies.
- The Transaction is being structured on arms-length commercial terms under a standard commercial property lease.
- Harris will be able to further invest in improvements to the Property to improve the logistics of its business knowing that those improvements will be available for a minimum of five years and up to eleven years if both options to extend are exercised.
- The annual rent currently being paid for the four existing properties used by the business totals approximately \$136,000 before utilities and outgoings. Although the proposed arrangement will result in an increase in annual rent to \$170,000, the additional cost will return value to shareholders given the efficiencies associated with operating from a single property that allows space to continue to expand the business.

Having considered that the Transaction is fair, the potential advantages and disadvantages of the Transaction, in our opinion the Non-Associated Shareholders of Harris should benefit if the Transaction proceeds and therefore, in our opinion the Transaction is reasonable.

Yours faithfully
Hall Chadwick Corporate (NSW) Limited



DREW TOWNSEND

APPENDIX I - SOURCES OF INFORMATION

- Harris Technology Group Limited Audited Financial Reports for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- Draft Lease Agreement between Harris (Tenant) and Australian PC Accessories Pty Ltd (Lessor);
- Rental Market Appraisal for the Property issued by Collins Commercial and Industrial Pty Ltd;
- Rental Market Appraisal for the Property issued by Cameron Real Estate;
- Harris Notice of General Meeting and Explanatory Memorandum;
- Harris Company registry details;
- Publicly available information on Harris;
- Regulatory Guide 111 'Content of Expert Reports';
- Regulatory Guide 112 'Independence of Expert's Reports'; and
- APES 225 'Valuation Services'.

APPENDIX II - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement HCC determined its independence with respect to Harris and Mr Huang with reference to ASIC Regulatory Guide 112 (RG 112) titled "Independence of Expert's Reports". HCC considers that it meets the requirements of RG 112 and that it is independent of Harris and Mr Huang.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Harris, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

HCC provided a draft copy of this report to the Directors and management of Harris for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of HCC alone. Changes made to this report, as a result of the review by the Directors and management of Harris have not changed the methodology or conclusions reached by HCC.

Reliance on Information

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this report HCC has relied upon information provided on the basis it was reliable and accurate. HCC has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. HCC evaluated the information provided to it by Harris and Mr Huang as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated. We believe the information relied upon provides reasonable grounds upon which to base this report.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS). HCC does not imply and it should not be construed that it has audited or in anyway verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix I of this report.

Harris has provided an indemnity to HCC for any claims arising out of any mis-statement or omission in any material or information provided by Harris to HCC in preparation of this report.

Qualifications

Hall Chadwick Corporate (NSW) Limited ("HCC") carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients. HCC's representatives are therefore qualified to provide this report.

Consent and Disclaimers

The preparation of this report has been undertaken at the request of the Directors of Harris. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose than to accompany the Notice of General Meeting to be sent to Harris shareholders. In particular, it is not intended that this report should be used for any purpose other than as an expression of HCC's opinion as to whether or not the proposed Transaction is fair and reasonable to Non-Associated shareholders of Harris.

HCC consent to the issue of this report in the form and context in which it is included in the Notice of General Meeting to be sent to Harris shareholders. Shareholders should read all documents issued by Harris that consider the proposed Transaction in its entirety, prior to proceeding with a decision. HCC had no involvement in the preparation of these additional documents.

This report has been prepared specifically for the Non-Associated shareholders of Harris. Neither HCC, nor any member or employee thereof undertakes responsibility to any person, other than a Non-Associated shareholder of Harris, in respect of this report, including any errors or omissions howsoever caused. This report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS).

Our opinions are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of the report, our conclusions and opinions may differ from those stated herein. There is no requirement for HCC to update this report for information that may become available subsequent to this date.

APPENDIX III - FINANCIAL SERVICES GUIDE

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients.

The Corporations Act 2001 requires HCC to provide this Financial Services Guide (“FSG”) in connection with its provision of an independent expert’s report (“Report”) which is included in a Notice of Meeting (“Notice”) provided to members by the company or other entity for which HCC prepares the Report.

HCC does not accept instructions from retail clients. HCC provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. HCC does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, HCC’s client is the Entity to which it provides the Report. HCC receives its remuneration from the Entity. In respect of this Report for Harris Technology Group Limited (“Harris”), HCC will receive a fee for its services on a time cost basis estimated to be \$18,000, excluding GST.

No related body corporate of HCC, or any of the directors or employees of HCC or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

HCC is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission. The following information in relation to the independence of HCC is stated in Appendix II of this Report:

“Hall Chadwick Corporate (NSW) Limited (“HCC”) has a license to prepare reports under the Corporations Act and its representatives are qualified to provide this report. Prior to accepting this engagement HCC determined its independence with respect to Harris and Mr Huang with reference to ASIC Regulatory Guide 112(RG 112) titled “Independence of Expert’s Reports”. HCC considers that it meets the requirements of RG 112 and that it is independent of Harris and Mr Huang.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Harris or Mr Huang, or their related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary

interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.”

HCC has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, membership number 11442.

HCC is only responsible for the Report and this FSG. Complaints or questions about the Notice should not be directed to HCC who is not responsible for that document. HCC will not respond in any way that might involve any provision of financial product advice to any retail investor.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00 pm (AEDT) on Sunday 17 October 2021.**

📱 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ht8octAGM2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3:00 pm (AEDT) on Sunday 17 October 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/ht8octAGM2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Harris Technology Group Limited

ACN 085 545 973

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Harris Technology Group Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **Virtually on Tuesday, 19 October 2021 at 3:00 pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 4-12 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4-12 are connected with the remuneration of a member of the key management personnel of the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 4-12). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | FOR | AGAINST | ABSTAIN* | | | FOR | AGAINST | ABSTAIN* |
|-------|---|--------------------------|--------------------------|--------------------------|--------|---|--------------------------|--------------------------|--------------------------|
| Res 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 8 | Approval of issue of Shares Rights to a Director under the Harris Technology Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 2 | Re-election of Mr Alan Sparks as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 9 | Approval of issue of Options to a Director under the Harris Technology Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 3 | Re-election of Mr Guy Polak as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 10 | Approval of Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 4 | Ratification of issue of shares on 30 April 2021 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 11 | Approval of 10% Placement Capacity under Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 5 | Ratification of issue of shares to Evolution on 30 April 2021 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 12 | Approval of Acquisition of Property from a Related Party | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 6 | Approval of Issue of Share Rights to Employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Res 7 | Approval of Issue of Options to Employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021