



Notice of annual general meeting and explanatory memorandum

Harris Technology Group Limited

ACN 085 545 973

Date: Wednesday 21 November 2018

Time: 3.00 pm (Melbourne time)

Venue: RSM Australia
Level 21, 55 Collins Street
Melbourne, Victoria, 3000

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE is given that the 2018 Annual General Meeting of Harris Technology Group Limited ACN 085 545 973 will be held at RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria, 3000 on Wednesday 21 November 2018 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:

1. Financial and related reports

Item 1	Financial and related reports
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 2018.

2. Adoption of Remuneration Report (non-binding resolution)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2018 Annual Report and is available from the Company's website (www.ht8.com.au). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2018 be adopted."</i>
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 2018, 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, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution:</p> <ul style="list-style-type: none">in accordance with the directions of how to vote on the Proxy Form; orby the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

3. Re-election of Director

Resolution 2	Re-election of Mr Bob Xu as Director
Description	Mr Bob Xu retires as a Director in accordance with Article 47(b)(ii) of the Constitution, and being eligible, offers himself for Re-election under Article 47(b) of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT Mr Bob Xu, having retired from his office as a Director in accordance with Article 47(b)(ii) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director of the Company.”</i>

4. Approval of issue of shares in lieu of Director fees

Resolution 3	Approval of issue of Shares to Director
Description	The Company seeks shareholder approval for the issue of 652,715 fully paid ordinary shares to Mr Howard Chen or his nominee(s), in lieu of Director’s fees of \$30,000 owing to Mr Chen by the Company, for the period 1 October 2017 to 30 September 2018 without using the Company’s 15% Placement Capacity under ASX Listing Rule 7.1.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue 652,715 fully paid ordinary shares to Mr Chen or his nominee(s) in lieu of Director’s fees, on the terms set out in the Explanatory Memorandum accompanying this Notice.”</i>
Voting Exclusion	The Company will disregard any votes cast: <ul style="list-style-type: none"> ▪ in favour of this resolution by or on behalf of Mr Howard Chen or any of his nominees and any of their associates, regardless of the capacity in which the vote is cast; and ▪ on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP’s Closely Related Party. <p>However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution:</p> <ul style="list-style-type: none"> ▪ in accordance with the directions of how to vote on the Proxy Form; or ▪ by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

5. Ratification of previous issue of shares

Resolution 4	Ratification of issue of Shares
Description	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 14,844,086 Shares on 14 May 2018 in conversion of an outstanding loan.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 14,844,086 Shares on 14 May 2018, on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice.”</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by Blooming Star Consultants Limited and any of its associates. However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution: <ul style="list-style-type: none"> ▪ in accordance with the directions of how to vote on the Proxy Form; or ▪ by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

6. Approval of 10% Placement Capacity

Resolution 5	Approval of 10% Placement Capacity under Listing Rule 7.1A
Description	The Company seeks approval of shareholders to be able 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 15% Placement Capacity under ASX Listing Rule 7.1A.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <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 Memorandum accompanying this Notice.”</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution 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, the Company need not disregard a vote if it is cast by: <ul style="list-style-type: none"> ▪ A person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or ▪ The Chairman of the Meeting, as proxy for a person entitled to vote, accordance with a direction on the Proxy Form to vote as the proxy decides

Dated: 23 October 2018

By order of the Board of Harris Technology Group Limited



Alyn Tai
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, RSM Australia, in relation to the conduct of the external audit for the year ended 30 June 2018, or the content of its audit report. Please send your questions to:

The Company Secretary, Harris Technology Group Limited

Via mail: Level 7, 333 Collins Street, Melbourne VIC 3000

Via email: at@ccounsel.com.au

Written questions must be received by no later than **5.00 pm (Melbourne time) on Wednesday 14 November 2018**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2018.

During the course of the Annual General Meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and where appropriate will give a representative of the auditor the opportunity to answer written questions addressed to the auditor. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

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 Monday 19 November 2018**, 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 (notarially) certified copy of that power or authority **by 3.00 pm (Melbourne time) on Monday 19 November 2018**:

Online	https://www.votingonline.com.au/harristechnologygroupagm2018
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 Resolutions 1 and 3. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 3. 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 Resolutions 1 and 3, he will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM

TO NOTICE OF 2018 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Item 1	Financial and related reports
Explanation	<p>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 2018 to be laid before the Company's 2018 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.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2018 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2018 Annual Report is available from the Company's website (www.ht8.com.au).</p> <p>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 RSM Australia questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2018, 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.</p>

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2018 Annual Report and is available from the Company's website (www.ht8.com.au). The Remuneration Report:</p> <ul style="list-style-type: none"> ▪ 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; ▪ sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and ▪ explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the Managing Director. <p>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.</p>
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

3. RE-ELECTION OF DIRECTOR

Resolution 2	Re-election of Director
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, or if two or more Directors have held office for the same period of time, the Director determined by lot. Article 47(b) provides that a Director so retiring is eligible for re-election at that annual general meeting.</p> <p>Under Article 47(d) of the Constitution, the Managing Director Garrison Huang is not subject to Article 47(b) and is not taken into account in determining the Directors required to retire at an annual general meeting.</p> <p>Mr Bob Xu was last elected to office at the Company's 2016 Annual General Meeting, and Chairman Mr Andrew Plympton was re-elected at 2016 Annual General Meeting. The Directors have determined by lot that Mr Xu will retire as a Director at the Company's 2018 Annual General Meeting in accordance with Article 47(b) of the Constitution.</p> <p>Mr Xu, being eligible under Article 47(b), offers himself for re-election as a Director.</p>
About Mr Bob Xu	<p>Mr Xu was appointed to the Board on 7 March 2016 as a Non-Executive Director. Mr Xu was appointed as Executive Director on 19 July 2016.</p> <p>Mr Xu holds a Diploma in Mechanical Engineering from the Shanghai Aviation Technology Institute, and studied Engineering for four years at Tongji University. Mr Xu started an import and distribution business with AZA International Pty Ltd in 1996.</p> <p>Mr Xu has a relevant interest in 8,638,903 fully paid ordinary shares which are held by an entity that Mr Xu controls.</p>
Board Recommendation	The Board, with Mr Bob Xu abstaining from making a recommendation on Resolution 2, recommends that shareholders vote in favour of this resolution.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

4. APPROVAL OF ISSUE OF SHARES IN LIEU OF DIRECTOR FEES

Resolution 3	Approval of issue of shares to Director
Explanation	<p>The Company seeks shareholder approval for the issue of shares to Mr Howard Chen (Non-Executive Director), in lieu of outstanding Director fees, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p> <p>As Non-Executive Director, Mr Chen is currently entitled to receive remuneration of \$30,000 per annum.</p> <p>Given the stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, Mr Chen had previously agreed to forego cash payment of 100% of their Non-Executive fees, and instead to be issued shares in lieu of these cash payments, subject to shareholder approval being obtained.</p>

	<p>During the period from 1 October 2017 to 30 September 2018, Mr Chen was entitled to fees of \$30,000.</p> <p>The Company seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue fully paid ordinary shares in lieu of the outstanding Director fees owed by the Company to Mr Chen, as detailed above.</p> <p>The shares the subject of Resolution 3 will be issued at deemed prices which have been calculated on the basis of the volume weighted average price (VWAP) of the Company's shares during each relevant quarter (or such lesser period) to which the outstanding fees relate. Specifically:</p> <ol style="list-style-type: none"> 1. Shares to issued in lieu of fees accrued over the 1 October 2017 – 31 December 2017 quarter will be issued at a deemed issue price of \$0.061 being the VWAP of the Company's shares over the same quarter. 2. Shares to issued in lieu of fees accrued over the 1 January 2018 – 31 March 2018 quarter will be issued at a deemed issue price of \$0.057, being the VWAP of the Company's shares over the same quarter. 3. Shares to issued in lieu of fees accrued over the 1 April 2018 – 30 June 2018 quarter will be issued at a deemed issue price of \$0.048, being the VWAP of the Company's shares over the same quarter. 4. Shares to issued in lieu of fees accrued over the 1 July 2018 – 30 September 2018 quarter will be issued at a deemed issue price of \$0.031, being the VWAP of the Company's shares over the same quarter. <p>Subject to Resolution 3 being passed, Mr Chen will receive 652,715 fully paid ordinary shares in lieu of his accrued and outstanding fees (up to 30 September 2018) of \$30,000 (Chen Shares).</p> <p>If shareholder approval is received for Resolution 3, and the Company issues the Chen Shares, there will be no outstanding fees owed by the Company to Mr Chen up until 30 September 2018.</p> <p>The Company will seek shareholder approval at the next general meeting following the 2018 Annual General Meeting with respect to any proposed issue of shares in lieu of Mr Chen's Director fees that accrue after 30 September 2018.</p> <p>An alternative to the issue of the shares Mr Chen would be to make payment of their Directors' fees in cash. Whilst the Board is mindful of the need to minimise dilution to shareholders, the Board considers this share-based payment arrangement to be an appropriate and responsible cash-free method of reducing corporate overhead expenditures, whilst concurrently aligning the interests of Mr Chen with that of shareholders. The Board will continue to assess the suitability of this share-based payment arrangement with regard to the Company's cash flow and general financial position.</p>
<p>ASX Listing Rules</p>	<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. As a Director, Mr Chen is a related party of the Company by virtue of section 228(2) of the Corporations Act.</p> <p>Accordingly, Resolution 3 seeks shareholder approval under ASX Listing Rule 10.11 to allow issues of shares to a related party.</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 shares issued pursuant to Resolution 3 will not deplete the Company's 15% Placement Capacity under ASX Listing Rule 7.1.</p>

<p>Approval not sought under Chapter 2E of the Corporations Act</p>	<p>For the purposes of Chapter 2E, Mr Chen 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 share issue proposed under Resolution 3 relates to the amount of Directors’ fees referred to above, and is the result of the agreement of Mr Chen to forego cash payments for his normal remuneration as Non-Executive Director of the Company. Therefore, the shares proposed to be issued pursuant to Resolution 3 does not constitute additional payments to him.</p> <p>In the view of the Board, the issue of the shares to Mr Chen in lieu of foregone cash fees 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 them the financial benefit that is inherent in the issue of shares pursuant to Resolution 3.</p>
<p>Specific information required by ASX Listing Rule 10.13</p>	<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 recipients of shares Mr Howard Chen or his nominee(s).</p> <p>Maximum number of shares to be issued 652, 715 fully paid ordinary shares.</p> <p>Date for issue and allotment of shares If shareholder approval is obtained for Resolution 3, the Company will issue the Chen Shares as soon as is practicable after the Meeting, or in any event no later than 1 month after the date of the Meeting.</p> <p>Issue price per share The Chen Shares will be issued at nil cash consideration, at deemed prices which have been calculated on the basis of the VWAP of the Company’s shares during each relevant quarter to which the outstanding fees relate, as described above. Specifically:</p> <ul style="list-style-type: none"> ▪ 122,951 shares will be issued at a deemed price of \$0.061 for December 2017 Quarter ▪ 131,579 shares will be issued at a deemed price of \$0.057 for March 2018 Quarter ▪ 156,250 shares will be issued at a deemed price of \$0.048 for June 2018 Quarter ▪ 241,935 shares will be issued at a deemed price of \$0.031 for September 2018 Quarter

	<p>Terms of shares The Chen Shares will rank equally with all other fully paid ordinary shares currently on issue.</p> <p>Use of funds raised There will be no funds raised from the issue of the Chen Shares; however, upon the issue of the Chen Shares, the Company will be relieved from its obligations to pay the corresponding Directors' fees in cash.</p>
Voting Exclusion	A voting exclusion statement applies to Resolution 3, as set out in the Notice.
Board Recommendation	<p>Each Director other than Mr Chen has no interest in the outcome of Resolution 3, other than as existing shareholders.</p> <p>On this basis, each of the Directors (with Mr Chen abstaining from making a recommendation) recommends that shareholders vote in favour of Resolution 3.</p>
Chairman's available proxies	The Chairman intends to vote all available proxies in favour of Resolution 3.

5. RATIFICATION OF PREVIOUS ISSUE OF SHARES

Resolution 4	Approval of Previous Share Issue
Explanation	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 14,844,086 Shares on 14 May 2018.
ASX Listing Rules	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12 month period in excess of 15% of the number of shares on issue at the commencement of that 12 month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p> <p>Accordingly, if shareholders ratify the Company's previous issue of Shares (made under ASX Listing Rule 7.1) by way of approving Resolution 3, those Shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% Placement Capacity.</p>

Reason for Resolution	<p>As explained above, the effect of ratification in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum capacity to issue further shares up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring shareholder approval. The Directors believe that it is in the best interests of the Company to maintain its ability to issue up to 15% of its issued capital.</p> <p>Save for as otherwise set out in this Notice, the Directors do not currently have any specific intention to make any further issue of Shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2.</p> <p>However, the Directors consider it to be appropriate and prudent for approval to be sought at the Meeting, in respect of the issue of Shares made by the Company in the last 12 months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p>
Specific information for Resolution 4	<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>No. of securities issued: 14,844,086 Shares</p> <p>Issue Price: Deemed issue price of \$0.05 per Share</p> <p>Recipient of issue: Blooming Star Consultants Limited</p> <p>Terms of Securities: Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company</p> <p>Use of funds raised: There were no funds raised from the issue of the Shares; The Shares were issued upon conversion of an outstanding loan amount of \$742,204.31 owing by the Company to Blooming Star Consultants Limited under a loan agreement.</p>
Voting Exclusion	<p>A voting exclusion statement applies to this resolution, as set out in the Notice</p>
Board Recommendation	<p>The Directors unanimously recommend that shareholders vote in favour of Resolution 4.</p>
Chairman's available proxies	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 4.</p>

6. Approval of 10% Placement Capacity

Resolution 5: Approval of 10% Placement Capacity	
General	<p>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> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of 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.</p> <p>Resolution 5 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.</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; ▪ 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 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.</p>

<p>Conditions of issue under the 10% Placement Capacity</p>	<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.
<p>Period of validity of shareholder approval</p>	<p>In the event that the Company obtains shareholder approval for Resolution 5, 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, being 21 November 2019; or (b) 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>
<p>INFORMATION TO BE PROVIDED TO SHAREHOLDERS UNDER ASX LISTING RULE 7.3A</p>	
<p>Minimum issue price</p>	<p>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 over the 15 trading days on which trades in that class were recorded immediately before either:</p> <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.
<p>Risk of dilution to shareholders</p>	<p>If Resolution 5 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; and ▪ the 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>

- an issue price of \$0.018 per share which was the closing price of the Company's shares on the ASX on 12 October 2018; and
- the variable 'A' being calculated as the number of fully paid ordinary shares on issue on the date of this Notice, being 153,999,096.

The table also shows:

- 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
- two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.009	Issue price \$0.018	100% increase in issue price \$0.036
Current Variable 'A' 153,999,096 Shares	10% voting dilution	15,399,910 Shares	15,399,910 Shares	15,399,910 Shares
	Funds raised	\$138,599	\$277,198	\$554,397
50% increase in current Variable 'A' 230,998,644 Shares	10% voting dilution	23,099,864 Shares	23,099,864 Shares	23,099,864 Shares
	Funds raised	\$207,899	\$415,798	\$831,595
100% increase in current Variable 'A' 307,998,192 Shares	10% voting dilution	30,799,819 Shares	30,799,819 Shares	30,799,819 Shares
	Funds raised	\$277,198	\$554,397	\$1,108,793

The table has been prepared on the following assumptions:

- the Company issues the maximum number of shares available under the 10% Placement Capacity;
- no options to acquire shares on issue in the Company are exercised and no convertible notes on issue are converted;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- 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.
- 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.
- the issue of Equity Securities under the 10% Placement Capacity consists only of shares.
- the issue price is \$0.018, being the closing price of the Company's shares on the ASX on 12 October 2018.

Period of validity	The Company will only issue and allot the Equity Securities during the 7.1A Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).								
Reason for issue of shares under 10% Placement Capacity	<p>The Company may seek to issue the Equity Securities for the following purposes:</p> <ul style="list-style-type: none"> (a) non-cash consideration for the acquisition of new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or (b) cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, including research and development and commercialisation of the Company's product offerings; marketing activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1.A and for general working capital. <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.</p>								
Allocation policy	<p>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:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>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.</p>								
Previous approval	<p>The Company previously obtained approval under ASX Listing Rule 7.1A on 21 November 2017. As at 21 November 2017, being the date that is 12 months prior to this Meeting, the Company had the following Equity Securities on issue:</p> <table border="1" data-bbox="432 1944 1394 2063"> <thead> <tr> <th>Class of Equity Securities</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Fully paid ordinary shares</td> <td>138,476,998</td> </tr> <tr> <td>Performance Rights</td> <td>1,070,000</td> </tr> <tr> <td>TOTAL</td> <td>139,546,998</td> </tr> </tbody> </table>	Class of Equity Securities	Number	Fully paid ordinary shares	138,476,998	Performance Rights	1,070,000	TOTAL	139,546,998
Class of Equity Securities	Number								
Fully paid ordinary shares	138,476,998								
Performance Rights	1,070,000								
TOTAL	139,546,998								

The table below shows the number and type of Equity Securities issued by the Company in the 12 months preceding the Meeting, and the percentage they represent of the total number of Equity Securities on issue at 21 November 2017 (being 139,546,998).

Item	Date of issue	Class of Equity Securities	No. issued	% represented of total number of Equity Securities
1.	7 December 2017	Shares	678,012	0.49%
2.	14 May 2018	Shares	14,844,086	10.64%
TOTAL			15,522,098	11.12%

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.	Conversion of director fee liability	Mark Gouloupoulos and Howard Chen	None raised	Average deemed \$0.092	22% premium to closing price on date of issue	N/A. Shares issued in lieu of \$62,299 in Director fees
2.	Conversion of loan liability	Blooming Star Consultants Limited	None raised	Deemed \$0.05	9% discount to closing price on date of issue	N/A. Shares issued in conversion of \$742,204 loan

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.

The Company has not raised any funds through the issue of Shares during the 12 months preceding the Meeting.

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.

Board Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

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 2018 Annual General Meeting.
Notice	Means this Notice of Meeting.

-ENDS-

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 3:00pm (Melbourne Time) on Monday, 19 November 2018.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/harristechnologygroupagm2018>
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:

- (a) 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.
(b) 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 **3:00pm (Melbourne Time) on Monday, 19 November 2018.** 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/harristechnologygroupagm2018>
- 📠 **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

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

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 at **RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria, 3000 on Wednesday, 21 November 2018 at 3:00pm (Melbourne Time)** 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 and 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 3 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 and 3). 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*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Bob Xu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Issue of Shares to Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity under Listing Rule 7.1A	<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 / / 2018