

24 June 2020

## **Issue of HT8 shares to employees and consultants**

HT8 is pleased to announce the issue of the following shares and options in the Company.

### **A. Issue of shares and options to employees**

On 10 November 2016, the shareholders of HT8 approved the Harris Technology Group Limited Long Term Incentive Plan ('Plan') for employees.

#### **(i) Vesting of Performance Rights**

On 5 June 2017, HT8 issued Performance Rights under the Plan to a group of then employees. On 5 June 2020, Performance Rights in relation to two of those employees vested with the result that HT8 is required to issue a total of 100,000 shares to those employees. The Performance Rights in relation to all other employees lapsed.

The 100,000 shares will be issued on 25 June 2020 for no cash consideration.

#### **(ii) Award of shares and options under the Plan**

The directors of HT8 have resolved to award shares and options under the Plan to 11 employees in recognition of their performance. The 11 employees do not include any directors or related parties of HT8.

### **Shares**

A total of 1,060,000 shares are to be issued on 25 June 2020 for no cash consideration. All shares will be voluntarily escrowed for 12 months.

### **Options**

A total of 1.1 million options will be issued on 25 June 2020 for no cash consideration.

The exercise price of the options are as follows:

- 100,000 options to be exercised at 1.7c each
- 100,000 options to be exercised at 3.4c each
- 900,000 options to be exercised at 4c each

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

1. The expiry date of each option shall be 12 months from the date of issue.
2. Each option shall lapse upon the termination of employment of the individual.
3. Each share issued on exercising the option shall be subject to voluntary escrow for 12 months from the date of issue.

The general terms and conditions of the options are set out in Appendix A below.

## B. Issue of shares to consultants

HT8 has agreed to issue shares to consultants in lieu of cash payments. The consultants are not directors or related parties of HT8. Details of the shares to be issued are as follows:

Cash amount	Number of shares	Issue price
\$30,000	773,669	3.9c per share
\$19,800	660,000	3c per share

The release of this announcement was authorised by the Company's chairman on behalf of the HT8 board.

Andrew Plympton  
Chairman

## Appendix A

### (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 one year from the date of issue.

(iii) The exercise price per option is the amount set out above.

(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) 12 months from the date of issue.

### (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.