



Notice of General Meeting

Harris Technology Group Limited will be holding a General Meeting at 3pm (Melbourne time) on Tuesday 19 July 2022 at 124 Abbott Road Hallam, VIC, 3803 and by virtual means.

NOTICE OF GENERAL MEETING

NOTICE is given that a General Meeting of Harris Technology Group Limited ACN 085 545 973 will be held at 124 Abbott Road, Hallam, VIC and virtually on Tuesday 19 July 2022 at 3pm (Melbourne time).

BUSINESS OF THE MEETING

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

Resolution 1 - Approval of Dandenong South Lease

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

“That for the purpose of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the execution by the Company of the lease of the Company’s premises at Dandenong South, Victoria, between Australian PC Accessories Pty Ltd as trustee for GWH Trust as Lessor and the Company as Lessee on 1 July 2012.”

Resolution 2 - Approval of leases at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia)

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

“That for the purpose of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the execution by the Company of the leases of the Company’s premises at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia) between Australian PC Accessories Pty Ltd as trustee for GWH Trust as Lessor and the Company as Lessee commencing on 1 July 2012.”

Resolution 3 - Approval of Hallam Lease

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

“That for the purpose of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the execution by the Company of the lease of the Company’s premises at Hallam, Victoria, between Garrison Huang and Xiaoying Tang as trustees for Double Eight Super Fund as Lessor and the Company as Lessee commencing on 1 March 2019.”

Resolution 4 - Approval of AZA Lease

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

“That for the purpose of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the execution by the Company of the lease of the Company’s premises at Hallam, Victoria, between AZA International Pty Limited as Lessor and Harris Technology Pty Limited as Lessee commencing on 1 December 2016.”

Resolution 5 - Ratification of Sale and Purchase Transactions with AZA

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

“That for the purposes of Listing Rules 10.1 and for all other purposes, shareholders ratify the series of transactions under which the Company purchased and sold inventory during the years ended 30 June 2017 to 2020 from and to AZA International Pty Limited”.

Resolution 6 - Sale of Car to Mr Huang

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

“That for the purposes of Listing Rules 10.1 and for all other purposes, shareholders ratify the sale of a car to Mr Garrison Huang during the year ended 30 June 2020”.

Resolution 7 - Ratification of Sale and Purchase Transactions with Ultra Imagination Pty Ltd

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

“That for the purposes of Listing Rules 10.1 and for all other purposes, shareholders ratify the series of transactions under which the Company purchased and sold inventory during the years ended 30 June 2017 to 2021 from and to Ultra Imagination Pty Ltd”.

Resolution 8 - Ratification of Sale and Purchase Transactions with Anyware NZ

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

“That for the purposes of Listing Rules 10.1 and for all other purposes, shareholders ratify the series of transactions under which the Company purchased and sold inventory during the years ended 30 June 2017 and 2018 from and to Anyware Computer Accessories NZ Limited”.

Resolution 9 - Amendment to Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

“That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be amended in the manner set out in the accompanying Explanatory Statement, with effect from the close of the Meeting.”

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 for each of Resolutions 1 to 8. The Independent Expert's Report comments on the fairness and reasonableness of the Transactions the subject of the Resolutions to the non- associated Shareholders of the Company.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE TRANSACTIONS THE SUBJECT OF THE RESOLUTIONS ARE FAIR AND REASONABLE TO NON- ASSOCIATED SHAREHOLDERS.

Voting Exclusion Statements

A. The following Voting Exclusion applies to resolutions 1, 2, 3, 6 and 8:

The Company will disregard any votes cast in favour of the resolution by or on behalf of (i) Australian PC Accessories Pty Ltd, Garrison Huang and Xiaoying Tang and any associates of those persons and (ii) any other person who will obtain a material benefit as a result of the Transactions 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.

B. The following Voting Exclusion applies to resolutions 4 and 5:

The Company will disregard any votes cast in favour of the resolution by or on behalf of (i) AZA and Bob Xu 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.

C. The following Voting Exclusion applies to resolution 7:

The Company will disregard any votes cast in favour of the resolution by or on behalf of (i) Howard Chen and Ultra Imagination Pty Ltd 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: 8 June 2022

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 July 2022**, subject to any applicable voting exclusion.

Voting by proxy

- (a) A shareholder entitled to attend and vote at the General Meeting can 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 must 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 July 2022**:

Online <https://www.votingonline.com.au/ht8egm2022>

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

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 call a poll on all resolutions and to vote all available undirected proxies in favour of each item of business.

EXPLANATORY STATEMENT TO NOTICE OF GENERAL MEETING

1. Related party transactions

In the remuneration reports contained in the Harris annual reports for the years ended 30 June 2017 to 30 June 2021, there were disclosed 14 related party transactions or groups of transactions (**Transactions**) involving Messrs Huang, Xu and Chen and the entities they controlled (identified below).

As well as being disclosed in the relevant annual reports, Harris should have sought approval from Harris' Non-Associated Shareholders under Listing Rule 10.1 to enter into the Transactions and it did not do so.

ASX has advised Harris that:

- a) ASX considers that the Transactions required Shareholder approval under Listing Rule 10.1;
- b) ASX considers that Harris was in breach of the Listing Rules as a result of not obtaining shareholder approval under Listing Rule 10.1; and
- c) Harris must ask the Shareholders to ratify the Transactions under Listing Rule 10.1 as a corrective action under Listing Rule 18.8(e).

2. Related parties

The following are related parties of Harris at the relevant times as set out in the Explanatory Statement:

- a) Mr Garrison Huang.
- b) Australian PC Accessories Pty Ltd as trustee for GWH Trust (**Australian PC Accessories**). Australian PC Accessories is controlled by Mr Huang.
- c) Garrison Huang and Xiaoying Tang as trustees for Double Eight Super Fund (**Double Eight**).
- d) Anyware Computer Accessories NZ Limited (**Anyware NZ**). Anyware NZ is controlled by Mr Huang.
- e) Mr Bob Xu.
- f) AZA International (Aust) Pty Ltd as trustee for the North City Family Trust (**AZA**). AZA is controlled by Mr Xu.
- g) Mr Howard Chen.
- h) Ultra Imagination Pty Ltd (**Ultra Imagination**). Ultra Imagination is controlled by Mr Chen.

3. Listing Rule 10.1

Listing Rule 10.1 states that an entity must ensure it obtains shareholder approval if it, or any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a person in a position to influence the entity, including:

- A related party;
- A child entity;
- A person who has held voting power of 10% or more in the entity over the past 12 months;
- An associate of any person referred to above;

- A person whose relationship to the company is such that ASX considers that approval should be obtained.

For the purposes of Listing Rule 10.1, a 'substantial asset' is an asset valued at greater than 5% of the equity interests of a company as set out in the latest accounts given to the ASX under the Listing Rules.

For the purposes of Listing Rule 10.1, each of Messrs Huang, Xu and Chen were at all relevant times related parties of Harris. In addition, the entities which they controlled, being Australian PC Accessories (in its capacity of trustee of GWH Trust), Anyware NZ, AZA, and Ultra Imagination were related parties of Harris. Xiaoying Tang is the spouse of Garrison Huang and is also the joint trustee of Double Eight Super Fund. Ms Tang is a related party of Harris.

Each of the Transactions involved an asset valued at greater than 5% of the equity interests of Harris at the relevant time and therefore each Transaction represents the acquisition of or disposal of a substantial asset for the purposes of Listing Rule 10.1.

The Company has not previously sought shareholder approval for the Transactions. In the circumstances, ASX has required the Company to obtain shareholder approval in relation to each of the Transactions.

4. MOKI International

In the Harris 2020 annual report it was stated that:

“Harris Technology Pty Ltd purchases inventories from MOKI International whose director is Howard Chen”.

That statement is incorrect, it was an administrative error by Harris to have included the statement in the 2020 annual report. Howard Chen has never been a director of MOKI International and has never had any shareholding or other financial interest in MOKI International. MOKI International has no relationship with Harris (including its directors and any other related parties of Harris or its directors) other than as a supplier of inventory to Harris on an arm's-length commercial basis. The relationship with MOKI International is the same as the relationship which Harris has with hundreds of its other suppliers. Further, there is no feature of the arm's-length commercial relationship which Harris has had with MOKI International which would cause the ASX to reach the requisite opinion under listing rule 10.1.5 to deem MOKI International to be an entity in respect of which certain transactions should be approved under listing rule 10.1.

Accordingly, approval under Listing Rule 10.1 of the transactions entered into with Moki International is not required.

5. Independent Expert's Report

Listing Rule 10.5.10 requires a report from an independent expert stating whether the Transactions are fair and reasonable to holders of the Company's ordinary shares whose votes are not to be disregarded.

The Company engaged Hall Chadwick Corporate (NSW) Limited ACN 080 462 488 to provide such a report and a copy of that report is annexed to this Notice of Meeting.

6. Listing Rule 14.1A

Listing Rule 14.1A states that the Company must summarise what will happen if security holders give, or do not give, their approval to one or more of the Resolutions proposed at the Meeting.

The ASX has advised the Company that If the Non-Associated Shareholders pass a resolution, the breach of Listing Rule 10.1 the subject of that resolution will be rectified.

If the Non-Associated Shareholders do not pass a resolution, the Company's breach of Listing Rule 10.1 will not be rectified. The implications of this are that, under Listing Rule 18.8A, ASX may formally censure the Company for the breach of the Listing Rules the subject of the resolution.

7. Resolution 1 - Approval of Dandenong South Lease

The granting of a lease by a related party as lessor to the Company as lessee is an acquisition of a leasehold interest in land by the Company from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

Commencing in 2012, APCA Trading Pty Ltd (**APCA**) leased office premises at 136-140 South Park Drive, Dandenong South (**Dandenong South Lease**) from Australian PC Accessories. In 2016, APCA became a wholly-owned subsidiary of Harris.

The Dandenong South Lease agreement has been varied and renewed several times since the original agreement with the latest renewal being in 2021. The Dandenong South Lease was terminated on 31 December 2021 upon the Company consolidating all of its leased premises (see ASX announcement dated 11 August 2021).

The payments made to Australian PC Accessories under the Dandenong South Lease since APCA became a subsidiary of Harris in 2016 were as follows:

FY 17	FY 18	FY 19	Total
\$180,000	\$180,000	\$120,000	\$480,000

The payments made by the Company to Australian PC Accessories under the Dandenong South Lease agreement (as renewed) have exceeded the threshold contemplated by Listing Rule 10.2. As a result, the Dandenong South Lease meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the Dandenong South Lease agreement is one to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Dandenong South Lease agreement. In the circumstances ASX has required the Company to obtain shareholder approval for execution of the Dandenong South Lease agreement and renewals thereof.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris acquired the substantial asset	Australian PC Accessories
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the asset acquired	Dandenong South Lease
Consideration for the acquisition of the asset	Lease payments paid from working capital
Timetable for acquisition	The asset was acquired prior to the date of this Notice
Other material terms of lease	No other material terms

8. Resolution 2 - Approval of leases at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia)

The granting of a lease by a related party as lessor to the Company as lessee is an acquisition of a leasehold interest in land by the Company from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

Commencing in 2012, APCA Trading Pty Ltd (**APCA**) entered into leases of office and warehouse buildings at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia) with Australian PC Accessories as lessor (collectively referred to as the **Interstate Leases**). In 2016, APCA became a wholly-owned subsidiary of Harris. The Interstate Leases were terminated progressively up to and including the year ended 30 June 2019.

The address of each of the above premises are as follows:

- 17 Huntington Place Banyo QLD 4014;
- 21 Alice St Findon South Australia 5023; and
- Unit 6/15 Walters Drive Osbourne Park WA 6017.

The payments made to Australian PC Accessories under the Interstate Leases since APCA became a subsidiary of Harris in 2016 were as follows:

FY 17	FY 18	FY 19	Total
\$298,800	\$421,873	\$110,200	\$830,873

The payments made by Harris to Australian PC Accessories under the Interstate Leases have exceeded the threshold contemplated by Listing Rule 10.2 and as a result the Interstate Leases meet the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the agreements are those to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Interstate Leases agreements. In the circumstances ASX has required the Company to obtain shareholder approval for execution of the Interstate Leases agreements and renewals thereof.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris acquired the substantial assets	Australian PC Accessories
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the assets acquired	Interstate Leases
Consideration for the acquisition of the assets	Lease payments from working capital
Timetable for acquisition	The assets were acquired prior to the date of this Notice
Other material terms of leases	No other material terms

9. Resolution 3 - Approval of Hallam Lease

The granting of a lease by a related party as lessor to the Company as lessee is an acquisition of a leasehold interest in land by the Company from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

The Company entered into the lease of the Company's office premises at 6/94 Abbott Road, Hallam, VIC, (**Hallam Lease**) with Double Eight on 1 March 2019. The Hallam Lease was terminated on 31 December 2021 upon the Company consolidating all of its leased premises (see ASX announcement dated 11 August 2021).

The payments made by the Company to Double Eight under the Hallam Lease were as follows:

FY 19	FY 20	FY 21	FY 22	Total
\$20,000	\$60,000	\$60,000	\$33,000	\$173,000

The payments made by the Company to Double Eight under the Hallam Lease agreement (as renewed) have exceeded the threshold contemplated by Listing Rule 10.2 and as a result the Hallam Lease meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the agreement is one to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Hallam Lease agreement. In the circumstances ASX has required the Company to obtain shareholder approval for execution of the Hallam Lease agreement and renewals thereof.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris acquired the substantial asset	Double Eight
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the asset acquired	Hallam Lease
Consideration for the acquisition of the asset	Lease payments paid from working capital
Timetable for acquisition	The asset was acquired prior to the date of this Notice
Other material terms of lease	No other material terms

10. Resolution 4 - Approval of AZA Lease

The granting of a lease by a related party as lessor to the Company as lessee is an acquisition of a leasehold interest in land by the Company from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

AZA as landlord granted a lease to Harris Technology Pty Ltd, a subsidiary of Harris, as tenant for an office and warehouse building at 191-195 Greens Road, Dandenong South for a period of 3 years commencing on 1 December 2016 (**AZA Lease**). The AZA Lease was terminated without penalty for early termination in January 2018.

The payments made by the Company to AZA under the AZA Lease were as follows:

FY 17	FY 18	Total
\$44,902	\$63,339	\$108,241

The payments made by the Company to AZA under the AZA Lease agreement have exceeded the threshold contemplated by Listing Rule 10.2 and as a result the AZA Lease meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the agreement is one to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the AZA Lease agreement. In the circumstances ASX has required the Company to obtain shareholder approval for execution of the AZA Lease agreement.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris acquired the substantial asset	AZA
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the asset acquired	AZA Lease
Consideration for the acquisition of the asset	Lease payments met from working capital
Timetable for acquisition	The asset was acquired prior to the date of this Notice
Other material terms of lease	No other material terms

11. Resolution 5 - Ratification of Sale and Purchase Transactions with AZA

The sale to and purchase of inventory from a related party constitutes the sale of and acquisition of an asset from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

AZA was a related party of Harris from 7 March 2016 until 2021.

In the years ended 30 June 2017 to 2020, Harris' subsidiary APCA Trading Pty Ltd (**APCA**) had an arrangement with AZA to sell goods to AZA and purchase goods from AZA (**Sale Arrangements**). The amount paid and received by APCA under the Sale Arrangements during that period are as follows:

Year ended 30 June	2017	2018	2019	2020	2021	Total
Sale of goods to AZA - \$	Nil	Nil	17,512	9,583	Nil	27,095
Purchase of goods from AZA - \$	449,700	567,402	80,290	4,913	Nil	1,102,315

The payments made and received by the Company to AZA under the Sale Arrangements have exceeded the threshold contemplated by Listing Rule 10.2 and as a result, the Sale Arrangements meet the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the Sale Arrangements is a series of transactions to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Sale Arrangements. In the circumstances ASX has required the Company to obtain shareholder approval for Sale Arrangements.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris sold and purchased the substantial assets	AZA
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the assets sold and purchased	Inventory sold by Harris and purchased by Harris in the ordinary course of business
Consideration for the sale and purchase of the assets	All purchases and sales were for cash through trading bank accounts
Timetable for acquisition	The sales and purchases occurred in the years ended 30 June 2017 to 2020
Other material terms of agreements	No other material terms

12. Resolution 6 - Sale of Car to Mr Huang

The sale of a car to a related party constitutes the sale of an asset to a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

Listing Rule 10.1 has applied to transactions with Mr Huang since 3 March 2016.

In January 2020, APCA sold a car to Mr Huang for \$55,000 including GST.

The amount received from Mr Huang for the sale of the car exceeded the threshold contemplated by Listing Rule 10.2 and as a result, the value of the car meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the sale of the car is a transaction to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the sale of the car. In the circumstances ASX has required the Company to obtain shareholder approval for sale.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person to whom Harris sold the substantial asset	Garrison Huang
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the asset sold	BMW sedan series 740
Consideration for the sale of the asset	\$55,000 cash payment made to the trading account of Harris
Time of sale	January 2020
Other material terms of agreement	No other material terms

13. Resolution 7 - Ratification of Sale and Purchase Transactions with Ultra Imagination

The sale to and purchase of inventory from a related party constitutes the sale of and acquisition of an asset from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

Listing Rule 10.1 has applied to transactions with Ultra Imagination since 19 July 2016.

In the years ended 30 June 2017 to 2019, Harris and its subsidiaries had an arrangement with Ultra Imagination to buy goods from it and sell goods to it (the **Ultra Sale Arrangements**).

The amount paid and received by Harris and its subsidiaries under the Ultra Sale Arrangements during the years ended 30 June 2017 to 2020 are as follows:

Year ended 30 June	2017	2018	2019	Total
Sale of goods to Ultra Imagination - \$	Nil	Nil	49,162	49,162
Purchase of goods from Ultra Imagination - \$	986,514	886,058	108,026	1,980,598

The payments made and received by the Company under the Ultra Sale Arrangements have exceeded the threshold contemplated by Listing Rule 10.2 and as a result, the Ultra Sale Arrangements meet the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the Ultra Sale Arrangements is a series of transactions to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Ultra Sale Arrangements. In the circumstances ASX has required the Company to obtain shareholder approval for Ultra Sale Arrangements.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris sold and purchased the substantial assets	Ultra Imagination
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the assets sold and purchased	Inventory sold by Harris and acquired by Harris in the ordinary course of business
Consideration for the sale and purchase of the assets	All purchases and sales were for cash through trading bank accounts

Timetable for acquisition	The sales and purchases occurred in the years ended 30 June 2017 to 2019
Other material terms of agreements	No other material terms

14. Resolution 8 - Ratification of Sale and Purchase Transactions with Anyware NZ

The sale to and purchase of inventory from a related party constitutes the sale of and acquisition of an asset from a related party for the purposes of Listing Rule 10.1 of the ASX Listing Rules.

Listing Rule 10.1 has applied to transactions with Anyware NZ since 3 March 2016.

In the years ended 30 June 2017 and 2018, Harris and its subsidiaries had an arrangement with Anyware NZ to buy goods from it and sell goods to it (**Anyware NZ transactions**).

The amount paid and received by Harris and its subsidiaries in respect of the Anyware NZ transactions during the years ended 30 June 2017 and 2018 are as follows:

Year ended 30 June	2017	2018	Total
Sale of goods to Anyware NZ - A\$	466,560	553,619	1,020,179
Purchase of goods from Anyware NZ - A\$	14,038	Nil	14,038

The payments made and received by the Company under the Anyware NZ transactions have exceeded the threshold contemplated by Listing Rule 10.2 and as a result, the Anyware NZ transactions meet the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the Sale Arrangements is a series of transactions to which Listing Rule 10.1 applies.

The Company has not previously sought shareholder approval for the Anyware NZ transactions. In the circumstances ASX has required the Company to obtain shareholder approval for Anyware NZ transactions.

Information required to be disclosed by Listing Rule 10.5 follows:

Name of person from whom Harris sold and purchased the substantial assets	Anyware NZ
Applicable category of listing rule 10.1	Listing rule 10.1.1
Details of the assets sold and purchased	Inventory sold by Harris and purchased by Harris in the ordinary course of business
Consideration for the sale and purchase of the assets	All sales and purchases were for cash through trading bank accounts
Timetable for acquisition	The sales and purchases occurred in the years ended 30 June 2017 to 2018
Other material terms of agreements	No other material terms

15. Resolution - Amendment to Constitution

Under Section 136(2) of the Corporations Act, a company can modify its constitution by special resolution. Accordingly, the Company seeks shareholder approval to amend its Constitution to permit it to conduct virtual meetings of shareholders.

The COVID-19 pandemic and the associated social distancing measures and restrictions on large gatherings have significantly impacted the Company's ability to hold traditional meetings of shareholders. The proposed amendment is to add paragraph (d) to clause 28 of the Constitution

as follows:

“(d) A general meeting may be held using virtual technology only, provided the technology gives Members as a whole a reasonable opportunity to participate, and is permitted by law.”

This amendment will clarify that a general meeting may be held by the Company in one of three ways:

1. At a physical venue ('physical meeting');
2. At one or more physical venues using technology ('hybrid meeting', which is a physical meeting linked with online facilities to allow remote participation); or
3. Using virtual meeting technology only ('virtual meeting', where all members participate via online facilities).

The Board's intention is to meet in person at the Company's general meetings when it is safe and it is compliant with government recommendations to do so. This amendment will ensure that the Company has the flexibility to conduct virtual meetings if needed. This resolution is a special resolution and requires support from 75% of the votes cast.

If this resolution is passed, clause 28 of the Constitution will provide as follows:

28. Calling meetings of shareholders

(a) The Company may by resolution of the Board call a meeting of Shareholders to be held at the time and place (including 2 or more venues using technology which gives Attending Shareholders as a whole a reasonable opportunity to participate) and in the manner that the Board resolves.

(b) The Board may in accordance with the Applicable Law specify a time by reference to which persons will be taken to hold Shares for the purpose of a meeting of Shareholders.

(c) No Shareholder may call or arrange to hold a meeting of Shareholders except where permitted by the Corporations Act.

(d) A general meeting may be held using virtual technology only, provided the technology gives Members as a whole a reasonable opportunity to participate, and is permitted by law.

Definitions

In this Explanatory Statement and Notice of General 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 and its subsidiaries.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement to the Notice.

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

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

Independent Expert means Hall Chadwick.

Meeting means the General Meeting as described in the Notice.

Notice means this Notice of Meeting.

13 May 2022

The Directors
Harris Technology Group Limited
124 Abbott Road
Hallam VIC 3803

Dear Sirs,

Independent Expert's Report on related party transactions

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 of technology products in Australia.
- 1.2 Harris has entered into a number of agreements with related parties relating to the leasing of premises and transactions for the purchase and sale of inventory and other assets. These transactions have been deemed to be the acquisition or disposal of a substantial asset and therefore require shareholder approval. The various agreements and transactions which are subject to the resolutions requiring shareholder approval are detailed at section 2 and referred to in this report as the "Transactions".

Opinion

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

Purpose of Report

- 1.5 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 Transactions ("Non-Associated Shareholders"), in considering resolutions to approve the Transactions under ASX listing rule 10.1, whether the Transactions are fair and reasonable when considered in the context of the interests of Non-Associated Shareholders and to set out the reasons for our conclusions.

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.](mailto:hcsyinfo@hallchadwick.com.au)

com.au

www.hallchadwick.com.au



1.6 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 Transactions.

2. OUTLINE OF THE PROPOSED TRANSACTIONS

- 2.1 In the remuneration reports contained in the Harris annual reports for the years ended 30 June 2017 to 30 June 2021, there were disclosed related party transactions or groups of transactions (“Transactions”) involving Messrs Huang, Xu and Chen and the entities they controlled (identified below). Extracts from these annual reports are included at Appendix IV.
- 2.2 The ASX has advised Harris that:
- a) ASX considers that the Transactions required Shareholder approval under Listing Rule 10.1;
 - b) ASX considers that Harris was in breach of the Listing Rules as a result of not obtaining shareholder approval under Listing Rule 10.1; and
 - c) Harris must ask the Shareholders to ratify the Transactions under Listing Rule 10.1 as a corrective action under Listing Rule 18.8(e).
- 2.3 The following resolutions are being put to shareholders that comprise transactions with related parties:
- a) **Resolution 1 - Approval of Dandenong South Lease:** The lease of the Company’s premises at Dandenong South, Victoria, between Australian PC Accessories Pty Ltd as trustee for GWH Trust as Lessor and the Company as Lessee on 1 July 2012 and renewed on 1 July 2016 and 1 July 2021.
 - b) **Resolution 2 - Approval of leases at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia):** The leases of the Company’s premises at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia) between Australian PC Accessories Pty Ltd as trustee for GWH Trust as Lessor and the Company as Lessee for a period of eight years commencing on 1 July 2012.
 - c) **Resolution 3 - Approval of Hallam Lease:** The lease of the Company’s premises at Hallam, Victoria, between Australian PC Accessories Pty Ltd as trustee for Double Eight Super Fund as Lessor and the Company as Lessee on 1 July 2012 and renewed on 1 July 2016 and 1 July 2021.
 - d) **Resolution 4 - Approval of AZA Lease:** The lease of the Company’s premises at Dandenong South between AZA International Pty Limited as Lessor and Harris Technology Pty Limited as Lessee on 1 December 2016.
 - e) **Resolution 5 - Ratification of Sale and Purchase Transactions with AZA:** The series of transactions under which the Company purchased and sold inventory during the years ended 30 June 2017 to 30 June 2020 from and to AZA International Pty Limited.
 - f) **Resolution 6 - Sale of Car to Mr Huang:** The sale of a car to Mr Garrison Huang during the year ended 30 June 2020.
 - g) **Resolution 7 - Ratification of Sale and Purchase Transactions with Ultra Imagination Pty Ltd:** The series of transactions under which the Company purchased

and sold inventory during the years ended 30 June 2017 to 30 June 2019 from and to Ultra Imagination Pty Ltd.

- h) **Resolution 8 - Ratification of Sale and Purchase Transactions with Anyware NZ:**
The series of transactions under which the Company purchased and sold inventory during the years ended 30 June 2017 and 30 June 2018 from and to Anyware Computer Accessories NZ Limited.

2.4 The following are related parties involved in the Transactions:

- a) Mr Garrison Huang.
- b) Australian PC Accessories Pty Ltd as trustee for GWH Trust (**Australian PC Accessories**). Australian PC Accessories is controlled by Mr Huang.
- c) Garrison Huang and Xiaoying Tang as trustees for Double Eight Super Fund (**Double Eight**).
- d) Anyware Computer Accessories NZ Limited (**Anyware NZ**). Anyware NZ is controlled by Mr Huang.
- e) Mr Bob Xu.
- f) AZA International (Aust) Pty Ltd as trustee for the North City Family Trust (**AZA**). AZA is controlled by Mr Xu.
- g) Mr Howard Chen.
- h) Ultra Imagination Pty Ltd (**Ultra Imagination**). Ultra Imagination is controlled by Mr Chen.

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 TRANSACTIONS TERMS
- 7 ADVANTAGES AND DISADVANTAGES OF THE TRANSACTIONS
- 8 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

APPENDICES

- I SOURCES OF INFORMATION
- II STATEMENT OF DECLARATION & QUALIFICATIONS
- III FINANCIAL SERVICES GUIDE
- IV RELATED PARTY TRANSACTIONS

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 Transactions. This report provides an opinion on whether or not the terms and conditions in relation to the Transactions 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 Transactions 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 Transactions or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.3 For the Transactions to be fair, the terms of the Transactions need to be at market based arms-length terms. To be reasonable the Non-Associated Shareholders must obtain an overall benefit if the Transactions proceed.
- 3.4 This report has been prepared to satisfy the requirements of 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 Transactions each involve a substantial asset and a related party of the Company. 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 Transactions are 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 Transactions are fair and reasonable. In this case, the Transactions are “fair” if they are based on arms-length market terms. Additionally, under Regulatory Guide 111 a transaction is “reasonable” if it is fair or, if despite being unfair, based on other financial and non-financial factors, the shareholders should still approve the Transactions.
- 4.3 Our report has compared the likely advantages and disadvantages to Non-Associated shareholders if the Transactions are agreed to, with the advantages and disadvantages to those shareholders if it is not.
- 4.4 In our assessment of the Transactions we have considered, in particular the following:
- The operational and financial position of Harris;
 - The terms underlying each of the Transactions;
 - The advantages and disadvantages associated with approving the Transactions;
 - Other qualitative and strategic issues associated with the Transactions.
- 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 Transactions are 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 an online retailing technology product distribution business 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 and to review new opportunities. Harris also recently established the “Pro-Hygiene” division in April 2020, which has achieved significant revenue and was 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, together with the structural shift in consumer behaviour towards 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 and an 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.
- 5.1.7 Harris currently has a market capitalisation of approximately \$14 million. The chart below shows the movement in share price and volume traded in the last 12 months.



5.2 Financial Information

5.2.1 Set out below is the audited Consolidated Profit and Loss Statements of Harris for the financial years ended 30 June 2020 (“FY2020”) and 30 June 2021 (“FY2021”) and reviewed results to 31 December 2021 (“HY2022”).

HARRIS TECHNOLOGY GROUP LIMITED			
CONSOLIDATED PROFIT AND LOSS STATEMENT			
	HY2022	FY2021	FY2020
Revenue	28,557,444	41,800,861	13,638,567
Direct costs	(23,605,477)	(34,128,418)	(10,968,591)
Gross profit	4,951,967	7,672,443	2,669,976
Other income	316	59,751	676,097
Distribution expenses	(612,090)	(561,658)	(184,124)
Marketing expenses	(23,528)	(62,571)	(173,997)
Transactions expense	(2,237,789)	(3,326,514)	(48,201)
Employment benefits	(1,377,233)	(2,075,242)	(925,104)
Depreciation and amortisation	(51,129)	(72,514)	(58,056)
Impairment expenses	-	-	(298,813)
Finance costs	(53,010)	(67,588)	(262,771)
Other expenses	(221,384)	(440,563)	(385,485)
Profit / (loss) before tax	376,120	1,125,544	1,009,522
Loss from discontinued operations	-	-	-
Comprehensive profit / (loss)	376,120	1,125,544	1,009,522

5.2.2 The net profit in the latest half year results has been impacted by a change in the product mix for sales and a focus on inventory management during the second quarter to reduce ageing inventory levels. Management advise the Company continued to invest in building its team and had additional one-off expenditure related to the consolidation of its warehouses into a new facility.

5.2.3 Set out below is the audited consolidated Balance Sheet of Harris as at 30 June 2021 and 31 December 2021.

HARRIS TECHNOLOGY GROUP LIMITED		
CONSOLIDATED BALANCE SHEET		
	30 June 2021	31 December 2021
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	3,262,107	2,089,069
Trade and other receivables	3,129,379	3,718,616
Inventories	10,766,788	12,908,673
Prepayments and deposits	154,424	557,192
	17,312,698	19,273,550
<u>NON-CURRENT ASSETS</u>		
Property, plant and equipment	14,274	118,004
Deferred tax assets	783,392	783,392
Right of use asset	166,824	1,471,330
	964,490	2,372,726
TOTAL ASSETS	18,277,188	21,646,276
<u>CURRENT LIABILITIES</u>		
Trade and other payables	7,734,915	8,901,551
Loans from Director	2,266,380	2,997,326
Deferred revenue	287,121	-
Lease liability	83,801	84,005
Employee benefit liabilities	104,028	146,714
	10,476,245	12,129,596
<u>NON-CURRENT LIABILITIES</u>		
Lease liability	96,790	1,424,867
Employee benefit liabilities	43,040	54,578
	139,830	1,479,445
TOTAL LIABILITIES	10,616,075	13,609,041
NET ASSETS	7,661,113	8,037,235
<u>EQUITY</u>		
Contributed equity	17,556,284	17,556,284
Accumulated losses	(9,954,535)	(9,578,413)
Reserves	59,364	59,364
TOTAL EQUITY	7,661,113	8,037,235

6 ASSESSMENT OF THE TRANSACTIONS

- 6.1 In terms of the property lease arrangements, the Company has provided copies of the lease agreements and statements from independent real estate services firms confirming that the terms of the lease agreements are consistent with market rents and leasing rate parameters at the time the agreements were in place.
- 6.2 In relation to transactions involving the purchase and sale of inventory and other assets, the Company has provided various management accounting data that verifies the arms-length nature of sales prices and gross margins. This included samples of invoices between the Company and the relevant related parties verifying purchase and sales prices agreeing to sales prices on invoices issued to non-related parties, and accounting systems reports (general ledger and sales / purchase analysis reports) verifying gross margins.
- 6.3 The sale of a car to a related party in FY2020 was verified to published online market prices of cars of a similar model and mileage at that time and the insured value of the car determined by an insurance broker.
- 6.4 The table below details each of the Transactions the subject of this report and commentary verifying the arms-length nature of each of the arrangements.

Resolution 1: Dandenong South Lease with Australian PC Accessories	The lease of the Company's office and warehouse premises at 136-140 South Park Drive, Dandenong South, Victoria, between Australian PC Accessories as Lessor and the Company as Lessee on 1 July 2012 and renewed on 1 July 2016 and 1 July 2021.	The Dandenong South Lease was prepared on arms-length market terms, varied and renewed several times since the original agreement, with the latest agreement being entered into in 2021. The Dandenong South Lease was terminated on 31 December 2021 upon the Company consolidating all of its leased premises as announced to the market on 11 August 2021.
Resolution 2: Banyo, Findon and Osbourne Park Leases with Australian PC Accessories	The leases of the Company's office and warehouse premises at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia) between Australian PC Accessories as Lessor and the Company as Lessee for a period of eight years commencing on 1 July 2012 (the "Interstate Leases").	The Interstate Leases were prepared on arms-length market terms from 2012 and were subsequently terminated progressively through to 2019.
Resolution 3: Hallam Lease with Double Eight	The lease of the Company's office premises at 6/94 Abbott Road, Hallam, Victoria, between Double Eight as Lessor and the Company as Lessee on 1 July 2012 and renewed on 1 July 2016 and 1 July 2021.	The Hallam Lease was prepared on arms-length market terms and terminated on 31 December 2021 upon the Company consolidating all of its leased premises.
Resolution 4: AZA Lease at Dandenong South	The lease of the Company's office and warehouse premises at 191-195 Greens Road, Dandenong South between AZA as Lessor and the	The AZA Lease was prepared on arms-length market terms and a period of 3 years from December 2016 and was terminated without penalty for early termination in January 2018.

	Company as Lessee on 1 December 2016 (AZA Lease).	
Resolution 5: AZA Inventory Transactions	The series of transactions under which the Company purchased and sold inventory between 2017 and 2020 from and to AZA.	AZA was an important software supplier to Harris and its subsidiary APCA Trading (previously known as Anyware), which included Anti-Virus Software Trend Micro and similar products. These inventory transactions were undertaken in the ordinary course of the Company's business activities on arms-length terms. Sample data obtained from the Company verifies that these transactions were at or better than market rates for the Company and that the Company benefited from the arrangement in terms of a reliable and economically beneficial supply of goods required for its Anyware business at the time.
Resolution 6: Sale of Car to Mr Huang	The sale of a car by the Company to Mr Garrison Huang during the year ended 30 June 2020.	In January 2020, The Company's subsidiary, APCA, sold a car (2013 BMW 7 Series) to Mr Huang for \$55,000 incl. GST. This value was determined between the Company and Mr Huang as the fair market price for the vehicle at the time of the transaction, based on the online market price of cars of a similar model and mileage at that time and the subsequent insured value of the car determined by an independent insurance broker.
Resolution 7: Ultra Imagination Inventory Transactions	The series of transactions under which the Company purchased and sold inventory between 2017 and 2019 from and to Ultra Imagination.	Ultra Imagination was the supplier and brand owner of Mbeat, IT accessories to Anyware. These inventory transactions were undertaken in the ordinary course of the Company's business activities on arms-length terms. Sample data obtained from the Company verifies that these transactions were at or better than market rates for the Company and that the Company benefited from the arrangement in terms of a reliable and economically beneficial supply of goods required for its Anyware business at the time, that were not necessarily available from other suppliers.
Resolution 8: Anyware NZ Inventory Transactions	The series of transactions under which the Company purchased and sold inventory between 2017 and 2018 from and to Anyware NZ.	Due to the size of the New Zealand market, Anyware NZ was not able to always import directly from overseas. Anyware became a supplier to Anyware NZ for a wide range of products imported from overseas. These inventory transactions were undertaken in the ordinary course of the Company's business activities on arms-length terms.

		<p>Anyware sold to Anyware NZ based on the landed cost, whereby Anyware NZ took responsibility for the shipping and related costs. The arrangement was beneficial for both businesses as it was still cheaper for Anyware NZ than importing directly from other overseas suppliers and Harris was still able to achieve market-based margins on these sales given some products were not able to be directly imported to New Zealand. Sample data obtained from the Company verifies that these transactions were at arms-length market rates and that the Company was achieving an adequate margin on these sales.</p>
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7 ADVANTAGES & DISADVANTAGES OF THE TRANSACTIONS

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 Transactions. In forming our conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transactions proceeds.

7.2 Advantages of the Transactions

- 7.2.1 The Transactions have been structured on arms-length commercial terms.
- 7.2.2 Harris has been able to purchase and sell inventory from and to businesses within its supply chain at market rates (or better) in order to maximise gross profit margins.
- 7.2.3 Harris has purchased and sold inventory and accessed the convenience, timeliness and reliability of being able to deal with associated entities that understand the Harris business and its requirements.
- 7.2.4 Harris has been able to lease premises that are suitable for the business in terms of size, location and property layout at market rates, notwithstanding they are owned by related parties.

7.3 Disadvantages of the Transactions

- 7.3.1 There may have been opportunities missed to purchase or sell inventory at better rates had management not dealt with related parties to transact.

8 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

8.1 Fairness

- 8.1.1 For the Transactions to be fair, the terms of the Transactions need to be on 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 Transactions, underlying lease agreements and management accounting data received by the Company covering the costing and margins achieved on inventory and other asset transactions.
- 8.1.3 Based on the analysis of the various Transactions and the supporting explanations and documentation provided by the Company, we are of the opinion that the Transactions were undertaken in the ordinary course of the Company's business activities on arms-length market terms and therefore conclude that the Transactions are **fair**.

8.2 Reasonableness

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

- The Transactions are 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 Transactions are reasonable. In forming our opinion we have also considered the following relevant factors.

- The Transactions have been structured on arms-length commercial terms.
- Harris has been able to purchase and sell inventory from and to businesses within its supply chain at market rates (or better) in order to maximise gross profit margins.
- Harris has purchased and sold inventory and accessed the convenience, timeliness and reliability of being able to deal with associated entities that understand the Harris business and its requirements.
- Harris has been able to lease premises that are suitable for the business in terms of size, location and property layout at market rates, notwithstanding they are owned by related parties.

Having considered that the Transactions are fair, the potential advantages and disadvantages of the Transactions, in our opinion the Non-Associated Shareholders of Harris should have benefited from the Transactions occurring and therefore, in our opinion the Transactions are 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 2020 and 30 June 2021 and reviewed for the half year ended 31 December 2021;
- Management accounting information covering the period of the Transactions;
- Lease Agreements and Independent Real Estate Firm Appraisals on Market Rents for the lease arrangements the subject of the Transactions;
- 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 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.

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 Transactions 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 as well as other parties, through enquiry, analysis and review, and nothing has come to our 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 Transactions are 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 Transactions 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 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 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.

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 Transactions 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.

IV – RELATED PARTY TRANSACTIONS

2016 – 2017

1. *Rental to Garrison Huang and his controlling entity was \$478,800 in FY17 (2016: \$478,800); Rental to Bob Xu's controlling entity was \$44,902 in FY17 (2016: \$nil).*
2. *Inventories purchased from Bob Xu's controlling entity was \$449,700 in FY17 (2016: \$487,532); Inventories purchased from Howard Chen's controlling entity was \$986,514 in FY17 (2016: \$901,979); Inventories purchased from Anyware New Zealand Pty Ltd was \$14,038 in FY17 (2016: \$22,701). Inventories sold to Anyware New Zealand Pty Ltd was \$466,560 in FY17 (2016: \$633,886).*
3. *Management service fee charged by Bob Xu was \$77,492 in FY17 (2016: \$49,992). Management service fee charged to Anyware New Zealand Pty Ltd was \$84,000 in FY17 (2016: \$72,000).*
4. *The Group accrued \$72,600 interest expense in FY17 for loans from Garrison Huang and Bob Xu. The loan repayments have been deferred to 30 June 2019.*

Anyware entered into lease agreements with Garrison Huang and his controlling entity for office and warehouse buildings at Dandenong South, VIC; Banyo, QLD; Findon, SA; and Osbourne Park, WA. The leases are for a period of 8 years commencing on 1 July 2012.

Harris Technology Pty Ltd entered in a lease agreement with AZA International Pty Ltd, whose director is Bob Xu, for an office and warehouse building at Dandenong South, VIC. The lease is for a period of 3 years commencing on 1 December 2016.

Anyware purchases inventories from AZA International Pty Ltd for its ordinary business activities at arm's length.

Anyware purchases inventories from Ultra Imagination Pty Ltd whose director is Howard Chen for its ordinary business activities at arm's length.

Anyware purchases and/or sells inventories from/to Anyware New Zealand Pty Ltd whose director is Garrison Huang for its ordinary business activities at a discounted gross margin between 8-10%. The discount provided was approximately \$46,000.

Bob Xu entered into a service agreement with Anyware for a monthly fee from 16 March 2011, as per the 'Details of Key Management Personal Remuneration' table above (Remuneration Report section 6).

Anyware New Zealand pays management fees for operational services provided by Anyware's management team in purchasing, marketing, IT and general management.

During the FY16 and FY17, the group executed a number of borrowings from directors to fund the three mergers and acquisitions and provide a source of working capital. The loan balances as of 30 June 2017 are set out as below.

2017 – 2018

1. Rental to Garrison Huang and his controlling entity was \$601,873 in FY18 (2017: \$478,800); Rental to Bob Xu's controlling entity was \$63,339 in FY18 (2017: \$44,902).
2. Inventories purchased from Bob Xu's controlling entity was \$567,412 in FY18 (2017: \$449,700); Inventories purchased from Howard Chen's controlling entity was \$886,058 in FY18 (2017: \$986,514); Inventories purchased from Anyware New Zealand Pty Ltd was NIL in FY17 (2017: \$14,038). Inventories sold to Anyware New Zealand Pty Ltd was \$553,619 in FY18 (2017: \$466,560).
3. Management service fee charged by Bob Xu was \$44,355 in FY18 (2017: \$77,492). Management service fee charged to Anyware New Zealand Pty Ltd was \$42,000 in FY18 (2017: \$84,000).
4. The Group accrued \$113,061 interest expense in FY18 for loans from Garrison Huang and Bob Xu. Garrison Huang provided the Group with a debt forgiveness of \$115,620 in FY18 for unpaid interest on loans.

2018 – 2019

1. Rental to Garrison Huang and his controlling entity was \$250,200 in FY19 (2018: \$601,873); Rental to Bob Xu's controlling entity was NIL in FY19 (2018: \$63,339).
2. Inventories purchased from Bob Xu's controlling entity were \$80,290 in FY19 (2018: \$567,412); Inventories purchased from Howard Chen's controlling entity were \$108,026 in FY19 (2018: \$886,058); Inventories purchased from Anyware New Zealand Pty Ltd were \$Nil in FY19 (2018:\$Nil). Inventories sold to Anyware New Zealand Pty Ltd were \$218,307 in FY19 (2018: \$553,619). Inventories sold to Bob Xu's Controlling entity in FY19 were \$17,512 (FY18: \$Nil), Inventories sold to Howard Chen's controlling entity in FY19 were \$49,162 (FY18: \$Nil).
3. Management service fee charged by Bob Xu were \$Nil in FY19 (2018: \$44,355). Management service fee charged to Anyware New Zealand Pty Ltd were \$Nil in FY19 (2018: \$42,000).
4. The Group accrued \$165,685 interest expense in FY18 for loans from Garrison Huang. Garrison Huang provided the Group with a debt forgiveness of \$165,685 in FY19 for unpaid interest on loans.

For the period up to the 31 August 2018, the following arm's length transactions took place:

Anyware purchases inventories from AZA International Pty Ltd for its ordinary business activities at arm's length.

Anyware entered in lease agreements with Garrison Huang and his controlling entity for office and warehouse buildings at Dandenong South, VIC, Banyo, QLD, Findon, WA. The leases are for a period of 8 years commencing on 1 July 2012 which will end in October 2019.

Anyware purchases inventories from AZA International Pty Ltd for its ordinary business activities at arm's length.

Anyware purchases inventories from Ultra Imagination Pty Ltd whose director is Howard Chen for its ordinary business activities at arm's length.

Anyware purchases or/and sales inventories from/to Anyware New Zealand Pty Ltd whose director is Garrison Huang for its ordinary business activities at a discounted gross margin between 8-10%. The discount provided was approximately \$20,000.

Anyware New Zealand pays management fees for operational services provided by Anyware in purchasing, marketing, IT and management service provided by Anyware's management team.

Post 31 August 2018, all such transactions have ceased due to the sale of the sale of Anyware Corporation Pty Ltd ('Anyware') to Leader Computers Pty Ltd ('Leader').

This concludes the remuneration report, which has been **audited**.

2019-2020

- 1. Rental to Garrison Huang and his controlling entity was \$60,000 in FY20 (2019: \$250,200); Rental to Bob Xu's controlling entity was Nil in FY20 (2019: nil).*
- 2. Inventories purchased from Bob Xu's controlling entity were \$4,913 in FY20 (2019: \$80,290); Inventories purchased from Howard Chen's controlling entity were \$17,104 in FY20 (2019: \$108,026); Inventories sold to Bob Xu's Controlling entity in FY20 were \$9,583 (FY19: \$17,512), Inventories sold to Howard Chen's controlling entity in FY20 were NIL (FY19: \$49,162).*
- 3. The Group accrued \$157,560 interest expense in FY20 for loans from Garrison Huang. Garrison Huang provided the Group with a debt forgiveness of \$157,560 in FY20 for unpaid interest on loans.*
- 4. Motor vehicle was disposed of to Garrison Huang in FY20 for the amount of \$55,000.*

For the period up to the 30 June 2020, the following arm's length transactions took place:

- APCA purchases inventories from AZA International Pty Ltd for its ordinary business activities at arm's length.
- Harris Technology Pty Ltd purchases inventories from MOKI International whose director is Howard Chen for its ordinary business activities at arm's length.

This concludes the remuneration report, which has been **audited**.

2020 – 2021

1. *Rental to Garrison Huang and his controlling entity was \$60,000 in FY21 (2020: \$60,200);*
2. *Inventories purchased Howard Chen's controlling entity were \$51,138 in FY21 (2020: \$22,017);*
3. *The Group accrued \$608,005 interest expense in FY19 for loans from Garrison Huang. Garrison Huang provided the Group with a debt forgiveness of \$608,005 in FY20 for unpaid interest on loans.*

This concludes the remuneration report, which has been audited.

Harris Technology Group Limited Annual Report 2020/21 | **22**

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 (AEST) on Sunday 17 July 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ht8egm2022>
- 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 **3:00 pm (AEST) on Sunday 17 July 2022.** 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/ht8egm2022>
- 📠 **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 General Meeting of the Company to be held at **124 Abbott Road, Hallam, VIC on Tuesday, 19 July 2022 at 3:00 pm (AEST)** and virtually 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.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. 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	Approval of Dandenong South Lease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Ratification of Sale and Purchase Transactions with Anyware NZ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Approval of leases at Banyo (Queensland), Findon (South Australia) and Osbourne Park (Western Australia)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval of Hallam Lease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Res 4	Approval of AZA Lease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Res 5	Ratification of Sale and Purchase Transactions with AZA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Res 6	Sale of Car to Mr Huang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Res 7	Ratification of Sale and Purchase Transactions with Ultra Imagination Pty Ltd	<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 / / 2022