

# HiTech Group Australia Limited

A.B.N. 41 062 067 878

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the year 2017 Annual General Meeting of the Shareholders of HiTech Group Australia Limited will be held at Level 2, 61 Macquarie St, Sydney on Friday, 24 November 2017 at 4 p.m.

### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report, directors' report and the auditor's report of the Company for the year ended 30 June 2017.

#### Resolution 1 – Election of Ray Hazouri as director

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

**That** Mr Ray Hazouri who retires as a director by rotation in accordance with rules 75.1 (b) and 76.1 of the constitution of the company and, being eligible, be re-elected as a director of the company.

#### Resolution 2 – Remuneration

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

**That** for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report as contained in the Directors' Report for the year ended 30 June 2017 be adopted.

### VOTING NOTE

The vote on this resolution is advisory only and does not bind the Company or its directors.

#### Resolution 3 – Director Options 1

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

**That**, for the purposes of listing rule 10.11, approval is given for the issue of 2 m share options at exercise price of \$0.75 /share be issued to the CEO Elias Hazouri as an agreed incentive for achieving performance targets for the company and to provide the CEO with further incentive to grow the business in the future

#### Resolution 4 – Director Options 2

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

**That**, for the purposes of listing rule 10.11, approval is given for the issue of 2 m share options at exercise price of \$0.75 /share be issued to the chairman Ray Hazouri as an agreed incentive for achieving performance targets for the company and to provide the chairman with further incentive to grow the business in the future.

By order of the Board of Directors,



Raymond Hazouri  
**Company Secretary**  
Sydney, 11 October 2017

## Entitlement to Vote

The Company has determined in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the holders of shares recorded in the Company's register at 5 p.m. Sydney time, Wednesday 22 November 2017, will be taken for the purposes of the annual general meeting, to be held by the persons who held them at that time.

## Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.

Where a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.

A proxy needs not be a shareholder.

Unless the member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstains from voting.

If you wish to appoint a proxy, you should complete the enclosed Proxy Form. To be effective, the form must be received not later than 4 pm. (Sydney time) on Wednesday, 22 November 2017 at the share registry of the Company, Computershare Investor Services Pty Limited.

By facsimile	Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
By mail	Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001
In person	Computershare Investor Services Pty Limited "Yarra Falls", 452 Johnston Street Abbotsford Victoria 3067
Online	by going to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or by scanning the QR code, found on the enclosed Proxy Form, with your mobile device. Intermediary Online subscribers may go to <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a>

# EXPLANATORY NOTES

## Resolution 1 – Election of Ray Hazouri as a Director

Clauses 75.1(b) and 76.1 of the Constitution of the Company requires that one third of the Directors retire by rotation at the annual general meeting of the Company.

ASX Listing Rule 14.4 states that a Director of the Company must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three (3) years whichever is longer.

Ray is the founder director, former CEO and current Chairman of the company with over 24 years of experience in the recruitment and ICT industries.

## Voting exclusion statement

The Company will disregard any votes cast on this resolution 4 by Ray Hazouri and an associate of Ray Hazouri. However, the company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions of the proxy form or if it is cast by the person chairing the meeting as a proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

## Resolution 2 – Remuneration Report

The Corporations Act 2001 requires the Company to put a resolution to the Annual General Meeting that the Company's remuneration report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The remuneration report, which details the Company's policy on the remuneration of Directors and senior executives, is set out on pages 15-17 of the Company's Annual Report 2017. It is also available at the Company's website at: [www.hitechaustr.com](http://www.hitechaustr.com).

The Company encourages all shareholders to cast their votes on this resolution. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this resolution.

Any undirected proxies held by the Chairman of the meeting, other directors or other key management personnel or any of their closely related parties will not be voted on this resolution. If you appoint the Chairman of the meeting, other directors and other key management personnel as your proxy, you should direct them how to vote if you want your shares to be voted on this resolution.

Voting exclusion on the above resolutions apply to the particular director(s) concerned, certain other key management personnel of the Company and their closely related parties. However, the company will not disregard a vote by the directors and other key management personnel of the Company and their closely related parties if they are voted as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

### Resolution 3: Director Options 1

CEO Elias Hazouri is entitled to have share options as an incentive and partial reward for his key performance which led to the substantial growth of the business. This will also inject more working capital to assist in the growth of the company should the options be exercised in the future. The intended use of funds raised (when the director exercises the options) will be used to grow the business and fund the, capital intensive, contracting business. For the purposes of listing rule 10.13.2, a maximum of 2M shares may be acquired. The issue price is nil, the exercise price is 75 cents/share, options will be issued and vest immediately after approval on 24/11/2017. The options will be issued no later than 1 month after the date of the meeting. The term of the options is 5 years with an expiry date of 24/11/2022. The option holder has the right to participate in new issues without exercising the options. The rights of the option holder will be changed to the extent necessary to comply with the listing rules applying to the reorganisation of capital at the time of the reorganisation.

Given the recent outstanding performance of the company, the board agrees that the CEO should be rewarded accordingly and encourages shareholders to vote in favour of the motion to grant the CEO his performance options as agreed. Other staff members have been rewarded with similar share options under the HiTech ESOP (that do not require shareholder approval) to provide them with further incentive to perform even better. The board feels that the CEO should be no exception and is entitled to receive options that requires shareholder approval, for the purposes of listing rule 10.11, as he is also a director.

It is essential to reward and provide proper incentive for the CEO to grow HiTech further and increase shareholder returns in the future.

#### Voting exclusion statement

The Company will disregard any votes cast on this resolution by Elias Hazouri and an associate of Elias Hazouri. However, the company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions of the proxy form or if it is cast by the person chairing the meeting as a proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 4: Director Options 2

Chairman Ray Hazouri is entitled to have share options as an incentive and partial reward for his performance which contributed to the growth of the business. This will also inject more working capital to assist in the growth of the company should the options be exercised in the future. The intended use of funds raised (when the director exercises the options) will be used to grow the business and fund the, capital intensive, contracting business. For the purposes of listing rule 10.13.2, a maximum of 2 M shares may be acquired. The issue price is nil, the exercise price is 75 cents/share, options will be issued and vest immediately after approval on 24/11/2017. The options will be issued no later than 1 month after the date of the meeting. The term of the options is 5 years with an expiry date of 24/11/2022. The option holder has the right to participate in new issues without exercising the options. The rights of the option holder will be changed to the extent necessary to comply with the listing rules applying to the reorganisation of capital at the time of the reorganisation.

Given the recent outstanding performance of the company, the board agrees that the chairman should be rewarded accordingly and encourages shareholders to vote in favour of the motion to grant the chairman his performance options as agreed. Other staff members have been rewarded with similar share options under the HiTech ESOP (that do not require shareholder approval) to provide them with further incentive to perform even better. The board feels that the chairman should be no exception and is entitled to receive options that requires shareholder approval, for the purposes of listing rule 10.11, as he is also a director.

It is essential to reward and provide proper incentive for the founder chairman to assist in growing HiTech further and increase shareholder returns in the future.

#### Voting exclusion statement

The Company will disregard any votes cast on this resolution by Ray Hazouri and an associate of Ray Hazouri. However, the company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions of the proxy form or if it is cast by the person chairing the meeting as a proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.