



<b>Company</b>	Hills Limited
<b>Code</b>	HIL
<b>Meeting</b>	EGM
<b>Date</b>	20 April 2022
<b>Venue</b>	Online
<b>Monitor</b>	Cynthia Loh assisted by Malcolm Keynes

<b>Number attendees at meeting</b>	Total: 37 (13 Shareholders; 2 Proxy-holders and 22 visitors)
<b>Number of holdings represented by ASA</b>	21 holdings
<b>Value of proxies</b>	\$0.03m
<b>Number of shares represented by ASA</b>	368,203 shares
<b>Market capitalisation</b>	\$22.27 m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair David Chambers, CEO David Clarke and General Counsel & Company Secretary David Fox

## A new future in the horizon

The general meeting was called to seek shareholders' approval for the divestment of Hills Security and Information Technology Distribution Division.

The Chairman, Mr David Chambers, spoke first. He explained that the resolution required approval by more than 50% of shareholders. That would then clear the way for the transaction to complete by 2 May 2022 as planned, since all other conditions were already met, waived or favourably progressed.

He outlined the reasons for the divestment and reiterated that the time, effort, and investment required for Hills to address the shortcomings of the division would be better spent focusing on health technology and the growth opportunities in that sector.

The value the settlement is expected to be in the range of \$18 - 20 million, to be adjusted based on net asset balances at the completion date, the main variability being inventory-related items.

If the divestment completes as expected, it will be followed by a restructuring and modernisation of the company to position it to compete effectively in the health-tech space.

The CEO, Mr David Clarke, spoke next, providing details to illustrate the message given by the Chairman. In particular, he reported on

- the status of each of the 6 conditions of the sale including the agreements (with documentation in progress) made with CBA in relation to discharge of encumbrance and consent; and
- a three-stage plan for a re-organisation of the company and capital raising after 2 May 2022, subject to the completion of the divestment.

Mr Clarke said that the purchaser, Dicker Data Ltd (DDR), had also waived their conditions and staff of both companies were working cooperatively to complete the divestment by 2 May 2022 as planned. Mr Clarke appeared to be particularly proud when he reported that Hills staff from the division to be divested would be transferring to DDR.

Prior to the general meeting, the company monitors for Hills met with the Chairman, CEO and General Counsel & Company Secretary. All our questions were fully answered. We had no further questions at the meeting. There were also no questions from the other participants at the meeting.

As indicated in the Voting Intentions Report, ASA voted all undirected proxies in favour of the resolution.

The meeting finished in less than 30 minutes including the additional 5 minutes given for the voting.

The results of the meeting showed that the resolution was carried with 98.86% in favour.