

Notice of Meeting

Notice is hereby given that an Extraordinary General Meeting of members of Harvey Norman Holdings Limited A.C.N. 003 237 545 will be held at The Tattersalls Club, 181 Elizabeth Street, Sydney on 30 April, 2010 at 11.00 a.m.

A G E N D A

1. To consider, and if thought fit, pass the following resolution as an ordinary resolution in accordance with ASX Listing Rule 10.14:

"That the Company approve the issue of 17,500,000 options to subscribe for 17,500,000 fully paid ordinary shares in the Company to Executive Directors (as set out below) subject to the conditions set out in the Explanatory Notes."

(a)	David Matthew Ackery	3,000,000
(b)	Arthur Bayly Brew	1,000,000
(c)	Gerald Harvey	3,000,000
(d)	Chris Mentis	3,000,000
(e)	Kay Lesley Page	4,500,000
(f)	John Evyn Slack-Smith	<u>3,000,000</u>
	TOTAL	<u>17,500,000</u>

ATTACHMENTS

Voting exclusion statement.

Explanatory Statement.

Form of proxy.

Dated this 23rd day of March 2010



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Chris Mentis
Company Secretary

ATTACHMENT A

**VOTING EXCLUSION STATEMENT
ASX LISTING RULES
RULE 14.11**

HARVEY NORMAN HOLDINGS LIMITED A.C.N 003 237 545 (the "Company")

On 30 April, 2010, at an Extraordinary General Meeting of its members, the Company will disregard any votes cast on proposed resolution 1, namely:

1. To consider, and if thought fit, pass the following resolution as an ordinary resolution in accordance with ASX Listing Rule 10.14:

"That the Company approve the issue of 17,500,000 options to subscribe for 17,500,000 fully paid ordinary shares in the Company to Executive Directors (as set out below) subject to the conditions set out in the Explanatory Notes."

(a)	David Matthew Ackery	3,000,000
(b)	Arthur Bayly Brew	1,000,000
(c)	Gerald Harvey	3,000,000
(d)	Chris Mentis	3,000,000
(e)	Kay Lesley Page	4,500,000
(f)	John Evyn Slack-Smith	<u>3,000,000</u>
	TOTAL	<u>17,500,000</u>

by the following persons excluded from voting:

- David Matthew Ackery;
- Each associate of David Matthew Ackery;
- Arthur Bayly Brew;
- Each associate of Arthur Bayly Brew;
- Gerald Harvey;
- Each associate of Gerald Harvey;
- Chris Mentis;
- Each associate of Chris Mentis;
- Kay Lesley Page;
- Each associate of Kay Lesley Page;
- John Evyn Slack-Smith
- Each associate of John Evyn Slack-Smith.

However, the Company need not disregard a vote if:

- it is cast by a person or proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ATTACHMENT B

EXPLANATORY NOTES

Resolution 1 - Background

- 1.1 The remuneration philosophy of the Company is set out at page 16 of the 2009 Annual Report.

Remuneration Philosophy

- 1.2 The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. The Company intends to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Company's philosophy is that executive rewards must be "fair and responsible" in the context of both external and internal relativities. All executive remuneration has been benchmarked against comparable executive rewards in comparable companies. Executive rewards must have a balance between fixed components (base salary and benefits) and variable components (short-term and long-term incentives). Any variable components, particularly when offered in the form of shares or options, must be subject to performance conditions and service conditions.

The Board strives to ensure that operations of the Company are linked to the strategic objectives of the Company, to create long term value for shareholders. The Board has determined that in the future, variable "at risk" remuneration in the form of equity awards to executive directors will require members of the executive director team to achieve and execute measures, targets and initiatives, critical to the execution of the strategic objectives of the Company.

The Board has always had the view that equity based plans must not enable executives to reap substantial rewards for poor performance. The Board believes that:

- (i) rises (or falls) in share prices can often be attributable to general market trends, unrelated to the performance of executives or contribution by executives to the creation of long term shareholder value;
- (ii) long term value for shareholders is best created by requiring that the executive director team should focus on, and achieve and execute measures, targets and initiatives critical to the execution of the strategic objectives of the Company;
- (iii) relevant measures, targets and initiatives will involve both financial and non-financial criteria, and flexibility, to adjust to changing circumstances, to avoid short-term decision making; and
- (iv) "at risk" equity awards to the executive director team should be subject to performance conditions and service conditions, informed by the above principles.

Responsibilities of the Remuneration Committee

- 1.3 The Board confirmed the role and responsibilities of the Remuneration Committee in a written charter, which was formally adopted at a meeting of directors of the Company, held 18 August 2003.

Since 30 June 2005, the Remuneration Committee has consisted of three members, all being non-executive directors, two of whom are independent.

The responsibilities of the Remuneration Committee include the review and making of recommendations to the Board on:

- (i) executive remuneration and incentive policies;
- (ii) remuneration packages of senior management;
- (iii) the recruitment, retention and termination policies of the Company and procedures for senior management;
- (iv) incentive schemes;
- (v) superannuation arrangements; and
- (vi) the remuneration framework for directors.

The remuneration policy has been designed so that the policy:

- (i) motivates directors and management to pursue long-term growth and success of the Company within an appropriate control framework; and
- (ii) demonstrates a clear relationship between key executive performance and remuneration.

The Board believes that the members of the Remuneration Committee can make, and do make, quality and independent judgements in the best interests of the Company on remuneration issues, notwithstanding that not all of the members of the Remuneration Committee are independent directors.

Components of Executive Remuneration

- 1.4 The Remuneration Committee reviews and makes recommendations to the Board about the performance, and remuneration of all executive directors. The Remuneration Committee may review recommendations of the chief executive officer, chief financial officer and the chief operating officer in relation to key senior executives of the Company. No individual is directly involved in deciding his or her remuneration. The Remuneration Committee intends that remuneration packages of executives of the Company should involve a balance between fixed and incentive remuneration, reflecting short and long-term performance objectives, appropriate to the circumstances and strategic objectives of the Company. A proportion of the remuneration of executive directors is structured in a manner designed to link rewards to corporate and individual performance.

As part of the process of making recommendations to the Board about the reasonableness of the remuneration of executive directors, the Remuneration Committee has undertaken its own research in relation to remuneration packages disclosed in public reports of other listed companies for executives undertaking similar functions to the executive directors of the Company.

Terms of Issue

- 1.5 The exercise price for each option will be the volume weighted average market price of the Company's shares sold on the ASX during the five consecutive trading days immediately before the relevant option is granted ("Market Price"). If exercised, each option will be converted into one ordinary share.

Each executive named in the resolution will be granted options to acquire shares in the Company at the Market Price. Subject to meeting the relevant performance conditions and service conditions and payment of the exercise price:

- (a) up to one third of the options will be granted within seven (7) days of the meeting and will be exercisable between 1 July 2013 and 30 June 2015 (the "First Tranche");
- (b) up to one third of the options will be granted within seven (7) days of the first anniversary of the meeting and will be exercisable between 1 July 2014 and 30 June 2016 (the "Second Tranche");
- (c) up to one third of the options will be granted within seven (7) days of the second anniversary of the meeting and will be exercisable between 1 July 2015 and 30 June 2017 (the "Third Tranche").

No amount is payable in respect of the grant of an option.

Options will not be listed on the ASX.

Application will be made to list the shares issued on the exercise of the options on the ASX and such shares will rank equally with other ordinary shares of the Company and will not carry restrictions on trading.

Unexercised options will lapse, irrespective of whether they have become exercisable, when one of the following events occur:

- as to the First Tranche, on 1 July 2015 or such earlier date specified by the Board;
- as to the Second Tranche, on 1 July 2016 or such earlier date specified by the Board;
- as to the Third Tranche, on 1 July 2017 or such earlier date specified by the Board;
- the Board determines the options granted to a grantee should lapse, as a result of any fraud, gross misconduct or conduct by that grantee which brings the Company into disrepute;
- the Board determines the relevant requirements in relation to options granted to a grantee, including performance conditions and service conditions, have not and are incapable of being met.

Separate performance conditions will apply to each tranche of options. There will be a 3 year period from date of grant of options, to satisfy all performance conditions. Each tranche remains subject to service conditions.

The Remuneration Committee may at any time reduce the number of exercisable options if there is only partial achievement of the performance conditions.

The Board reserves the right to make adjustments to the number of options or the amount payable upon exercise of the options, or both, in accordance with the ASX Listing Rules, if there is a bonus or rights issue or other reconstruction of capital before the options are exercised.

Options are transferable only after satisfaction of all performance conditions.

Options will carry no right to receive dividends or to vote.

Subject to the ASX Listing Rules, options may be exercised before their specified exercise date, but only if.

- (a) a change of control of the company happens; or
- (b) in special circumstances.

For example, if a takeover offer is made to acquire the whole of the Company's shares then the options may be exercised. Special circumstances, which will allow for the early exercise of options, include retirement, redundancy, death or permanent disability of the grantee.

An option will not entitle the holder to participate in new issues without exercising the option.

The rights attaching to an option may be changed in order to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.

If there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, the exercise price of an option may be reduced according to the following formula:

$$NEP = OEP - \frac{E [P - (S + D)]}{(N + 1)}$$

where

NEP is the new exercise price of the option;

OEP is the old exercise price of the option;

E is the number of underlying securities into which one option is exercisable;

P is the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S is the subscription price for a security under the pro rata issue;

D is the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N is the number of securities with rights or entitlements that must be held to receive a right to one new security.

1.6 Shareholder approval is required under ASX Listing Rule 10.14 and under Chapter 2E of the Corporations Act for all issues of options to Directors of the Company.

The Board has reviewed the overall remuneration arrangements of each Director and believes the option allocations proposed are reasonable having regard to the circumstances of the Company, the duties and responsibilities of each Director and market levels of remuneration of executives of similar sized organisations.

The Remuneration Committee considered that the timing of any announcement of a proposal for the issue of options to executive directors to acquire shares should occur after the announcement of the half year result of the Company. The Remuneration Committee was mindful of the governance issues in respect of the issue of options to acquire shares, in ensuring that the market was fully informed of the performance of the Company.

The Remuneration Committee considered a method of compensating executive directors for the lack of inclusion of "at risk" variable remuneration in the form of options in their respective remuneration packages for the year ended 30 June 2009. The Remuneration Committee considers the number of options proposed to be granted to each of the executive directors is appropriate.

In order for shareholders to consider the reasonableness of the issue of options to executive directors, as proposed in Resolution 1, the following table sets out the total remuneration arrangements proposed for each director, assuming Resolution 1 is approved, and compares these proposed arrangements with the total remuneration arrangements that applied to each director in the previous year (2009). [Note this table only includes amounts relating to the options contained in the First Tranche].

Executive Director Remuneration Comparison (\$) (3)

[This table compares year end 30 June 2009 and year end 30 June 2010]

Name (Position)	Details	Base Salary & Benefits	Short Term Incentive/ Performance Cash Incentive	Long Term Incentive	Total Remuneration
G Harvey (Executive Chairman)	2009 (Actual) 2010 (Proposed)	761,000 750,000	Nil 400,000	281,807 1,230,000 (2)	1,042,807 (1) 2,380,000
K Page (Chief Executive Officer)	2009 (Actual) 2010 (Proposed)	1,000,000 1,500,000	Nil 500,000	313,119 1,845,000 (2)	1,313,119 (1) 3,845,000
C Mentis (Chief Financial Officer)	2009 (Actual) 2010 (Proposed)	700,000 950,000	Nil 350,000	109,592 1,230,000 (2)	809,592 (1) 2,530,000
D Ackery (Executive Director)	2009 (Actual) 2010 (Proposed)	999,987 1,250,000	Nil 500,000	250,495 1,230,000 (2)	1,250,482 (1) 2,980,000
J Slack-Smith (Chief Operating Officer)	2009 (Actual) 2010 (Proposed)	1,000,000 1,250,000	Nil 500,000	250,495 1,230,000 (2)	1,250,495 (1) 2,980,000
A Brew (Executive Director)	2009 (Actual) 2010 (Proposed)	425,000 450,000	Nil 100,000	93,936 410,000 (2)	518,936 (1) 960,000
Total	2009 (Actual) 2010 (Proposed)	4,885,987 6,150,000	Nil 2,350,000	1,299,444 7,175,000	6,185,431 15,675,000

Footnotes

- (1) These are the amounts disclosed and explained in the 2009 Annual Report.
- (2) The value of the long term incentive component for 2010 is the estimated value of the proposed options based on the assumptions set out in paragraph 1.9 below multiplied by the number of options proposed to be granted during the year ending 30 June 2010 for each executive. Because the accounting for share-based payments is complex and the variables applied will change at the grant date, the values included in this table are indicative and meant as a guide only for shareholders.
- (3) The figures in the table only include amounts relating to the options contained in the First Tranche.

Performance Conditions

1.7 Performance Conditions are deemed to be an essential component of all variable reward elements. The proposed allocation of options will be subject to Performance Conditions and Service Conditions.

The Performance Condition will be:

- (a) partly satisfied if the earnings per share growth is 5% per annum or more on a cumulative basis;
- (b) wholly satisfied if the earnings per share growth is 10% per annum or more on a cumulative basis.

Earnings per share measures the earnings that are attributed to each equivalent ordinary share over a twelve month period. It is calculated by dividing the Company's earnings by the number of shares on issue in accordance with Accounting Standard AASB 1027 and is described on page 3 of the Company 2009 Annual Report as basic earnings per share.

Performance Condition – Earnings per share growth must be at least 5% per annum, cumulative			
Year of Allocation	2010	2011	2012
Share price	Market Price at date of issue. Must be issued before 7 May 2010	Market Price at date of issue. Must be issued after 30 April 2011 but before 7 May 2011	Market Price at date of issue. Must be issued after 30 April 2012 but before 7 May 2012
Financial Years (ending 30 June) Measured (Qualifying Period)	Base Year: 2009 Measured Years: 2010	Base Year: 2009 Measured Years: 2010 and 2011	Base Year: 2009 Measured Years: 2010-2012
Earnings per share increase	% of options issued that will become exercisable on 1 July 2013	% of options issued that will become exercisable on 1 July 2014	% of options issued that will become exercisable on 1 July 2015
< 5%	0	0	0
5%	50	50	50
6%	60	60	60
7%	70	70	70
8%	80	80	80
9%	90	90	90
10%	100	100	100
> 10%	100	100	100

The following table sets out a comparison of earnings per share for recent financial years.

Financial year ending	30 June 2005	2006	2007	2008	2009
Earnings per share (cents)	16.20	20.59	30.63	33.76	20.18
Growth from prior year (%)	-2.7%	27.1%	48.8%	10.2%	-40.2%

The Board can, in its discretion, remove an amount from the calculation of earnings per share for the purposes of this scheme if in the opinion of the Board, not removing such amount would lead to the earnings per share growth exceeding the earnings per share growth directly attributable to the performance of the executive director team.

Even if the financial performance condition is satisfied the options cannot be exercised if the Board determines that a grantee has not and will not, or the executive director team has not and will not, achieve the individual and executive director team measures, targets and initiatives determined by the Board at any time as necessary to execute and achieve the strategic objectives of the Company. The Board intends to use a modified balanced scorecard methodology in order to determine appropriate individual and executive director team measures, targets and initiatives necessary to achieve the strategic objectives of the Company.

Service Conditions

- 1.8 The service conditions in respect of a grantee will be deemed to be satisfied if at the time of exercise of the options:
- (a) the grantee has not resigned or provided notice of resignation of employment from the Company, except in order to retire from the workforce;
 - (b) the Company has not terminated the employment of the grantee for cause; or
 - (c) the Board has not determined that the options should lapse as a result of any fraud, gross misconduct or conduct of the grantee which brings the Company into disrepute.

If the grantee has died before the options are exercised, but the performance conditions have been satisfied and the conditions in paragraphs 1.8(a), (b) and (c) do not apply, the estate of the grantee may exercise the options.

Option Value Calculations

- 1.9 The value of the options was calculated by Mercer (Australia) Pty Limited using the Black-Scholes Model valuation methodology.

Summary of Share-Based Payment valued for EGM disclosure purposes

	Tranche 1	Tranche 2	Tranche 3
Assumptions			
Valuation Date	16 February 2010	16 February 2010	16 February 2010
HVN Share Price	\$3.75	\$3.75	\$3.75
Exercise Price	\$3.75	\$3.75	\$3.75
Risk Free Rate	5.17%	5.17%	5.17%
Dividend Yield	3.7%	3.7%	3.7%
Volatility	43%	43%	43%
Post-vesting Withdrawal	0%	0%	0%

Option Terms

Vesting Term	3. 17 years	3. 17 years	3. 17 years
Contractual Term	5. 17 years	5. 17 years	5. 17 years

Summary of Share-Based Payment valued for EGM disclosure purposes

	Tranche 1	Tranche 2	Tranche 3
Results			
Fair Value – Contractual Term (assumes exercise at Expiry Date only)	\$1.23	\$1.23	\$1.23

These options, if approved and granted, will be valued independently based on the actual variables applicable at the grant date of the options and in accordance with AASB 2.

Mercer (Australia) Pty Limited has consented to be named in this Explanatory Statement in the form and context in which it is named. To the maximum extent permitted by law, Mercer (Australia) Pty Limited expressly disclaims and takes no responsibility for any statements in or omissions from this Explanatory Statement.

Other Information

1.10 ASX Listing Rule 10.15A requires disclosure of additional information in relation to offers of shares and options to Directors or associates, including:-

- each grantee is a director of the Company;
- the maximum number of securities that may be acquired by:
 - David Matthew Ackery is 3,000,000;
 - Arthur Bayly Brew is 1,000,000;
 - Gerald Harvey is 3,000,000;
 - Chris Mentis is 3,000,000;
 - Kay Lesley Page is 4,500,000;
 - John Evyn Slack-Smith is 3,000,000;
- the price for each security will be the market price (as defined in paragraph 1.5);
- the proposed grant of options is a new scheme, and as such no other persons have received securities under the scheme;
- the names of all persons entitled to participate in the scheme are David Matthew Ackery, Arthur Bayly Brew, Gerald Harvey, Chris Mentis, Kay Lesley Page and John Evyn Slack-Smith;
- a voting exclusion statement is set out in annexure A;
- no loan is proposed in relation to the acquisition;
- details of any securities issued under this scheme will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under listing rule 10.14;
- any additional persons who become entitled to participate in the scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under listing rule 10.14;
- it is intended the securities will be issued before 7 May 2012, but in any event must be issued before that date which is no later than 3 years after the meeting.

1.11 The non-executive directors are not entitled to participate in the proposed grant of options. The non-executive directors are:

- (a) Christopher Herbert Brown;
- (b) Ian John Norman;
- (c) Kenneth William Gunderson-Briggs;
- (d) Graham Charles Paton; and
- (e) Michael John Harvey.

Michael John Harvey is excluded from voting on the resolution because he is an associate of Gerald Harvey.

1.12 Related parties to whom the proposed resolutions will permit financial benefit to be given

The related parties to whom the proposed resolution would permit financial benefits to be given are:

- (a) Gerald Harvey;
- (b) Kay Lesley Page;
- (c) David Matthew Ackery;
- (d) Chris Mentis;
- (e) John Evyn Slack-Smith;
- (f) Arthur Bayly Brew.

1.13 The nature of the financial benefits

The nature of the financial benefits are described in paragraphs 1.6 and 1.9.

1.14 The recommendations of the directors of the company

Each of the Directors of the Company recommends that members approve the proposed resolutions for the reasons set out below:

- (a) the Directors wish to implement a remuneration plan for senior executives which involves pay for performance, consistent with good corporate governance;
- (b) the Directors believe that the implementation of the plan, if the proposed resolutions are approved, will assist the Company to attract and retain key employees who, in the opinion of the Board are able by virtue of their experience and skills, to influence operational performance necessary to achieve sustained growth in shareholder wealth;
- (c) the Board believes that the proposed grant of options will align the remuneration of the senior executive team with the long term strategic objectives of the Company by tying performance conditions to measures, targets and initiatives designed to execute and achieve the strategic objectives determined by the Board.

1.15 The interest of each director in the outcome of the proposed resolution 1 ("Proposed Resolution")

1.15.1 Gerald Harvey

Gerald Harvey is a director of the Company and a shareholder in the Company. Gerald Harvey is an employee of the Company and an associate of Kay Lesley Page and may benefit directly from the outcome of the Proposed Resolution, and as such Gerald Harvey has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, Gerald Harvey will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Gerald Harvey exceeds the respective exercise price of each option at the date of grant of the options ("Grant Date"), and otherwise having the value set out in paragraph 1.9.

If the Proposed Resolution is approved, Gerald Harvey and Kay Lesley Page will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Kay Lesley Page exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.2 Kay Lesley Page

Kay Lesley Page is a director of the Company and a shareholder in the Company. Kay Lesley Page is an employee of the Company and an associate of Gerald Harvey and may benefit directly from the outcome of the Proposed Resolution, and as such Kay Lesley Page has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, Kay Lesley Page will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Kay Lesley Page exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

If the Proposed Resolution is approved, Kay Lesley Page and Gerald Harvey will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Gerald Harvey exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.3 Chris Mentis

Chris Mentis is a director of the Company and holds options to acquire shares in the Company. Chris Mentis is an employee of the Company and may benefit directly from the outcome of the Proposed Resolution, and as such Chris Mentis has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, Chris Mentis will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Chris Mentis exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.4 Arthur Bayly Brew

Arthur Bayly Brew is a director of the Company and a shareholder in the Company. Arthur Bayly Brew is an employee of the Company and may benefit directly from the outcome of the Proposed Resolution, and as such Arthur Bayly Brew has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, Arthur Bayly Brew will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Arthur Bayly Brew exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.5 David Matthew Ackery

David Matthew Ackery is a director of the Company and a shareholder in the Company. David Matthew Ackery is an employee of the Company and may benefit directly from the outcome of the Proposed Resolution, and as such David Matthew Ackery has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, David Matthew Ackery will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to David Matthew Ackery exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.6 John Ewyn Slack-Smith

John Ewyn Slack-Smith is a director of the Company and a shareholder in the Company. John Ewyn Slack-Smith is an employee of the Company and may benefit directly from the outcome of the Proposed Resolution, and as such John Ewyn Slack-Smith has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, John Ewyn Slack-Smith will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to John Ewyn Slack-Smith exceeds the respective exercise price of each option at the Grant Date, and otherwise having the value set out in paragraph 1.9.

1.15.7 Christopher Herbert Brown

Christopher Herbert Brown is a director of the Company and a shareholder in the Company but otherwise Christopher Herbert Brown has no interest in the outcome of the Proposed Resolution.

1.15.8 Michael John Harvey

Michael John Harvey is a director of the Company and a shareholder in the Company. Michael John Harvey is an associate of Gerald Harvey and may benefit from the outcome of the Proposed Resolution, and as such Michael John Harvey has an interest in the outcome of the Proposed Resolution.

If the Proposed Resolution is approved, Michael Harvey will obtain a benefit to the extent that the market value of each ordinary share in the unissued capital of the Company the subject of the options granted to Gerald Harvey exceeds the respective exercise price of each option at the Grant Date and otherwise having the value set out in paragraph 1.9.

1.15.9 Ian John Norman

Ian John Norman is a director of the Company and a shareholder in the Company but otherwise Ian John Norman has no interest in the outcome of the Proposed Resolution.

1.15.10 Kenneth William Gunderson-Briggs

Kenneth William Gunderson-Briggs is a director of the Company and a shareholder in the Company but otherwise Kenneth William Gunderson-Briggs has no interest in the outcome of the Proposed Resolution.

1.15.11 Graham Charles Paton

Graham Charles Paton is a director of the Company and a shareholder in the Company but otherwise Graham Charles Paton has no interest in the outcome of the Proposed Resolution.

1.16 Opportunity costs

The options will have a gross estimated aggregate value of \$21,525,000.00, based upon the assumptions applied in the Black-Scholes Model valuation methodology set out in paragraph 1.9.

Independent valuation of these options for accounting purposes and in accordance with AASB 2 will be undertaken at the time of grant and may vary from this value.

1.16.1 Taxation consequences (such as liability to fringe benefits tax)

The grant of the options to a grantee constitutes the acquisition by that grantee of a right under an employee share scheme.

So far as each of the directors in the Company are aware, there are no adverse taxation consequences for the Company, arising out of the grant of the options. In particular, the grant of the options should constitute a benefit constituted by the acquisition by the grantee of a right under an employee share scheme, and accordingly not constitute a "fringe benefit" for the purposes of the Fringe Benefits Tax Assessment Act 1986 (Cth).

1.17 Benefits foregone by whoever would give the benefits

The options will have a gross estimated aggregate value of \$21,525,000.00, based upon the assumptions applied in the Black-Scholes Model valuation methodology set out in paragraph 1.9.

So far as each of the Directors and the Company are aware, there are no other benefits foregone by any party.

1.18 Dilution Impact

As at 16 February 2010:

- (a) 1,062,316,784 shares in the Company were issued; and
- (b) 4,150,000 options over shares in the Company were issued but unexercised ("Unexercised Options").

Upon the assumption that all Unexercised Options are exercised and that no further shares in the Company are issued then if all the options the subject of the proposed resolution ("Proposed Options") are exercised, 17,500,000 shares would be issued as a consequence of such exercise and a total of 1,083,966,784 shares would then be issued (i.e. the dilution impact of the Proposed Options is 2.0%).

1.19 Holdings of Executive Directors

The following tables set out a summary of the existing interest of each grantee as at 16 February 2010.

Name of Executive Director	David Matthew Ackery
Current Number of Unexercised Options Held	800,000
Number of Proposed Options	3,000,000
Current Number of Shares Held	146,667
Total Shareholding if all Unexercised Options and Proposed Options are exercised	3,946,667

Name of Executive Director	Arthur Bayly Brew
Current Number of Unexercised Options Held	300,000
Number of Proposed Options	1,000,000
Current Number of Shares Held	1,169,871
Total Shareholding if all Unexercised Options and Proposed Options are exercised	2,469,871

Name of Executive Director	Gerald Harvey
Current Number of Unexercised Options Held	900,000
Number of Proposed Options	3,000,000
Current Number of Shares Held	311,959,532
Total Shareholding if all Unexercised Options and Proposed Options are exercised	315,859,532

Name of Executive Director	Chris Mentis
Current Number of Unexercised Options Held	350,000
Number of Proposed Options	3,000,000
Current Number of Shares Held	0
Total Shareholding if all Unexercised Options and Proposed Options are exercised	3,350,000

Name of Executive Director	Kay Lesley Page
Current Number of Unexercised Options Held	1,000,000
Number of Proposed Options	4,500,000
Current Number of Shares Held	16,995,133
Total Shareholding if all Unexercised Options and Proposed Options are exercised	22,495,133

Name of Executive Director	John Evyn Slack-Smith
Current Number of Unexercised Options Held	800,000
Number of Proposed Options	3,000,000
Current Number of Shares Held	259,999
Total Shareholding if all Unexercised Options and Proposed Options are exercised	4,059,999

1.20 Recent Trading History

In respect of the period 19 March 2009 to 18 March 2010:

- (a) the lowest price at which shares in the Company were traded on ASX was \$2.35 on 23 March 2009;
- (b) the highest price at which shares in the Company were traded on ASX was \$4.85 on 15 October 2009.

The closing price of shares in the Company at 18 March 2010 was \$3.68.

ATTACHMENT C

See Proxy Form attached

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Registries Limited
GPO Box 3993
Sydney NSW 2001
Australia

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 on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11.00am
WEDNESDAY 28th APRIL 2010

TO VOTE ONLINE

<HIN/SRN>



STEP 1 : VISIT www.registries.com.au/vote/hvnegm2010

STEP 2: Enter your holding/Investment type

STEP 3: Enter your SRN/HIN and VAC: <VAC NUMBER>

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

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.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- 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.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities 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 your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form 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 must 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 must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **11.00am on Friday, 30 April 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

**Vote online at: www.registries.com.au/vote/hvnegm2010
or turnover to complete the Form →**

Harvey Norman

<Co Name>
 <Address 1>
 <Address 2>
 <Address 3>
 <Address 4>

<BARCODE>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Harvey Norman Holdings Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Extraordinary General Meeting of Harvey Norman Holdings Limited to be held at the Tattersalls Club, 181 Elizabeth Street, Sydney, NSW on Friday, the 30th April 2010 at 11.00am** 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.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of the resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for the resolution, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business

		For	Against	Abstain*
Resolution 1.	That the Company approve the issue of 17,500,000 options to subscribe for 17,500,000 fully paid ordinary shares in the Company to Executive Directors (as set out below) subject to the conditions set out in the Explanatory Notes.			
(a)	David Matthew Ackery 3,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b)	Arthur Bayly Brew 1,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c)	Gerald Harvey 3,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d)	Chris Mentis 3,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e)	Kay Lesley Page 4,500,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)	John Eryn Slack-Smith 3,000,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	TOTAL			
	<u>17,500,000</u>			

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*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 votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / /2010