

**NOTICE OF EXTRAORDINARY GENERAL MEETING
OF SPACETALK LTD
(ACN 091 351 530)**

TAKE NOTICE that the Extraordinary General Meeting of Shareholders of the Company will be held at the place, date and time specified below:

Place: Virtual using online meeting technology

Date: Thursday, 01 September 2022

Time: 4:00 pm AEST

The Meeting is being held by way of a virtual meeting using online meeting technology. Shareholders are urged to attend and vote at the meeting electronically using the online meeting technology or vote by lodging a Proxy Form attached to this Notice by following the instructions contained in this Notice.

Shareholders who wish to attend the meeting virtually can visit the online meeting platform at <https://meetnow.global/M9AURTK>. Registration will open from 3:30 pm (AEST) on 1 September 2022.

DATED: 22 July 2022

By order of the Board:



Kim Clark
Company Secretary

DIRECTORS STATEMENT

The following statement is provided by Mr Martin Pretty, Mr Saurabh Jain and Dr Brandon Gien in response to the Members' Statement and in their capacity as Non-Executive Directors of the Company.

Spacetalk Ltd ("**Spacetalk**" or "**Company**") has received a notice under Section 249D ("**s249D notice**") of the Corporations Act (Cth) 2001 ("**Act**") from Merewether Capital Management Pty Ltd as Manager of Merewether Capital Inception Fund, Harry Basle, Ian Cameron, Lindsay Cardno, Mitchell Cardno, Peter Cossetto & Annamaria Cossetto ATF Cossetto Family Superannuation Fund, Coz-E Pty Ltd ATF Cossetto Family Trust, Mark Gately, Savvas Ioannou & Maria Ioannou, Matthew Payne, Lasse Petersen and Lasse Petersen ATF the Icebear Trust and Neil Page (the "**Requisitionists**"), who collectively hold greater than 5% of the issued capital in the Company.

The Requisitionists have, through this s249D notice, requested that the Company call a general meeting of shareholders to consider the following resolutions:

1. that Mr Mark Fortunatow, and
2. any person appointed as a director of the Company on and from 27 June 2022 until the end of this general meeting (other than any person elected as a director of the Company following their nomination by any member signing an identical copy of the notice under section 203D of the Corporations Act),

be removed as a director of the Company with immediate effect.

We, the Directors of the Board of Spacetalk Ltd. write this letter to seek your support so that we may continue with the important task of running your Company in the best interests of **all** shareholders.

Board Recommendation

Having considered their request and consulted with the Requisitionists, your Board strongly believes that it is in the best interests of the Company and all shareholders that shareholders **VOTE AGAINST** the resolutions to be put to shareholders at the Extraordinary General Meeting. This is the unanimous recommendation of the Board, and your Directors will be voting all the Shares they hold **AGAINST** both Resolutions.

The consequence of passing these resolutions will inflict cost and damage to the Company and will put its future into doubt. Your Board is not prepared to allow this.

Vote AGAINST Resolution 1

Spacetalk is a small but successful company. Its prospects are reliant not just on its physical assets but its human and intellectual assets. These are centred around the leadership of the Company's founder, Mark Fortunatow, and the team he has built.

Mr Fortunatow founded the original MGM Wireless schools business 2001 which still successfully operates servicing over 1,200 schools today. It was Mr Fortunatow who identified the strategic opportunity for the Company to pivot into kids connected wearables in 2014 to expand the Company beyond the mature, domestically orientated schools business. Mr Fortunatow subsequently led the ambitious and successful transformation to create the Spacetalk business.

Today, Spacetalk is the leading global brand in the rapidly growing children's smart wearables business. Its addressable market is estimated at \$17 billion. Since the launch of the first Spacetalk watch in FY18, the Company's revenues have grown from \$2 million to over \$16 million for the nine months to end March 2022.

From its Adelaide, Australia origins, the Company now has operations across the United Kingdom, Europe, United States and Australia, and its products are sold by leading mobile operators and retailers worldwide.

Mr Fortunatow is a highly respected, well connected, and sought-after world leader in the children's wearables industry. His ongoing contribution as a Board member, providing strategic leadership and insights are essential to the Company's future. His removal as a Director of the Company would represent a significant loss and risks jeopardising the Company's future.

Vote AGAINST Resolution 2

On 30 June 2022, Spacetalk announced the appointment of Mr Georg Chmiel as Independent Non-Executive Chairman of the Company, effective 1 July 2022. On 1 July 2022, Spacetalk announced the appointment of Mr Mike Rann as Independent Non-Executive Director of the Company, effective 1 July 2022.

Mr Chmiel is a business leader, company director and senior advisor with 3 decades of experience in rapidly growing companies and disruptive technologies who brings strong capital market and technology business expertise with extensive global exposure in Asia, Australia, New Zealand, and Europe.

Mr Chmiel is currently Non-Executive Chairman of Juwai-IQI, Asia's leading prop-tech group. He is also a Non-Executive Director of Centrepoint Alliance (ASX:CAF), butn (ASX:BTN) and PropTech (ASX:PTG). He was also, until March 2022, the Executive Chairman of iCar Asia (ASX:ICQ), and his earlier roles include Managing Director and Chief Executive Officer of iProperty (ASX:IPP), and Chief Financial Officer of REA Group (ASX:REA).

Mr Rann was Premier of South Australia for almost ten years from 2002 to 2011. While Premier, he also served as Minister for Economic Development, the Arts, Sustainability and Climate Change and Social Inclusion.

In late 2012 Mr Rann was appointed as Australian High Commissioner to the United Kingdom and was a Governor of the Commonwealth Secretariat. In 2014 he was appointed as Australia's Ambassador to Italy, San Marino, Albania and Libya, and Permanent Representative to the UN's World Food Programme and to the Food and Agricultural Organisation.

Mr Rann is currently the UK and Global Chair of the Climate Group.

Messrs Chmiel and Rann are highly qualified and capable directors with extensive networks and relevant experience in capital markets, technology, international business, communications, and government relations. Their removal may signal to potential qualified and capable future directors that they are unwelcome, or subject to the prior approval of a coalition of minority shareholders.

Spacetalk Governance

The Spacetalk Board currently comprises:

- An independent Non-Executive Chairman – Mr Georg Chmiel;
- Four independent Non-Executive Directors – Dr Brandon Gien, Mr Saurabh Jain, Mr Martin Pretty, and Mr Mike Rann; and
- One Managing Director and CEO – Mr Mark Fortunatow.

Spacetalk has also recently constituted an Audit and Risk Committee, and Remuneration and Nomination Committee comprised entirely of independent Non-Executive Directors as part of its focus upon enhanced Corporate Governance.

The appointment of Mr Chmiel as independent Non-Executive Chairman has resulted in the separation of duties of the Chairman's role from the CEO, consistent with corporate governance best practice.

The removal of Messrs Chmiel, Rann and Fortunatow, from the Board would also reduce the board to three independent Non-Executive Directors. It would also weaken the board's capability, risk adversely impacting the Company in its ability to attract and retain talent, and to raise capital, if and when it may be required.

Outcomes

If each resolution is passed, the Board of the Company would comprise Mr Martin Pretty (Non-Executive Director), Mr Saurabh Jain (Non-Executive Director) and Dr Brandon Gien (Non-Executive Director).

If the resolutions are not passed each of Mr Fortunatow, Mr Chmiel and Mr Rann will continue as directors of the Company (noting that Mr Chmiel and Mr Rann will stand for election in accordance with the provisions of ASX Listing Rule 14.4 and Clause 13.5 of the constitution of the Company).

Section 203D Notice

Prior to receipt of the Section 249D Notice and on 27 June 2022, the Company received a notice under Section 203D of the Act (**s203D Notice**) also from the Requisitionists. In the 203D Notice the Requisitionists stated that they believed that their action:

"... is in the interests of all other members of the Company to:

- Remove actual or perceived conflicts of interest involving Mr Fortunatow as the company's long-standing Executive Chairman and Managing Director, and substantial shareholder;
- Remove Mr Fortunatow's involvement in and influence over the appointment of an independent, non-executive Chairperson, and focus Mr Fortunatow on executive management, rather than responsibilities as Executive Chairman and/or as a director; and
- Focus the board of non-executive directors to (a) continue the search for an independent, non-executive Chairperson, and (b) commence immediately a program to improve overall governance, including clear and enhanced standards for accountability and transparency, strategic direction and execution, management culture and capability, and more reasonable and transparent remuneration, incentives, and disclosure for all senior executives."

The Requisitionists further stated that they:

"... call on Mr Fortunatow to resign as a director of the Company prior to the calling of the next general meeting of the Company in the interests of all other members of the Company and to avoid the time and monetary cost, and distraction of calling and holding the meeting at which we intend to move the above resolutions".

The Requisitionists did not identify what were the conflicts of interest (actual or perceived) involving Mark Fortunatow, nor did they indicate any specifics of a corporate governance program they sought implemented, and how such a program varied from or enhanced the current Spacetalk program.

Most notably, the Requisitionists did not indicate how the passing of their proposed resolutions would actually add any value to the Company.

Requisitionists' Statement

On 13 July 2022, the Company received a Statement of Requisitioning Members ("**Statement**") from the Requisitionists. This Statement is included with this Notice of Meeting.

The Requisitionists' Statement makes a number of unsubstantiated and unsupported assertions and allegations, including of possible breaches of law. The Board does not consider that the Requisitionists establish a case to warrant supporting the resolutions they have moved, which come at great financial expense, disruption, and reputational cost to the Company.

In response to the Statement, the Board notes:

- The Requisitionists infer that the Company should have disclosed the receipt of the s203D notice. There was no obligation in law or under the ASX Listing Rules for the Company to have disclosed the s203D notice to the ASX. The company abided by its obligations under ASX Listing Rule 3.17A.1 by disclosing the s249D notice to the ASX within 2 business days of receipt.
- The Requisitionists indicated that Mr Fortunatow's ownership in the Company has "*fallen from over 30% in 2003 to less than 9% today*". Mr Fortunatow is the founder of the Company and the decline in his shareholding is consistent with other founder-led companies. The vast majority of this decline is the consequence of dilution from raising capital to fund the Company's growth.
- The Requisitionists asserted that Mr Fortunatow has "*received cash remuneration of ~\$7M*". Assuming the accuracy of this figure, over the 20 years (since the Company listed), this equates to approximately \$350,000 per annum; a sum well within the range of ASX Listed Company CEOs.
- The Requisitionists allege "*poor governance practices under Mr Fortunatow's chairmanship, including instances of alleged selective, unbalanced and promotional disclosure, non compliant (sic) reporting, and failed guidance*". No evidence is provided in support of this statement. The Company is aware of its obligations under law and the ASX Listing Rules and remains compliant under both.
- The Requisitionists make several references to "*conflicts*" yet fail to detail or specify any conflicts.
- The Requisitionists state that they "*expect removing Mr Fortunatow as a director will improve the functioning of the board, with a CEO subject to the same planning and approval processes, and board oversight, as CEOs of other listed companies.*" CEOs of ASX listed companies are commonly also executive directors of their company and hold the position of Managing Director and Chief Executive Officer. The very same position Mr Fortunatow currently holds. The other five Directors are independent and non-executive directors and the Chairman of the Board, the Chairman of the Audit and Risk Committee of the Board and the Chairman of the Nomination and Remuneration Committee of the Board are each separate and independent non-executive directors, as recommended by the ASX Corporate Governance Council.
- The Requisitionists state that they "*expect the remaining directors to identify all key management personnel consistent with accounting standards and the Company's disclosure obligations.*". The Company's reporting is consistent with accounting standards, is disclosed in accordance with the Company's disclosure obligations and the Directors of Spacetalk understand their duties to the Company and its reporting obligations.
- The Requisitionists noted that the appointment of Mr Georg Chmiel as independent Non-Executive Chairman and Mr Mike Rann as independent Non-Executive Director "*raised more*

questions for the board to answer". The Requisitionists, however, have not detailed what are these questions to be answered.

- The Requisitionists noted that they found "*the appointment of Mr (Mike) Rann surprising and we (Requisitionists) have not been provided with any information that would support his appointment ...*". On 1 July 2022, the Company disclosed to the ASX the basis of Mr Rann's appointment and his qualifications. The Company is aware of its disclosure obligations in relation to director appointments under the ASX Listing Rules and otherwise. It would have been inconsistent with these obligations to provide the Requisitionists a "*selective briefing*".

The essence of the Requisitionists' case in support of their resolutions is based on opinion and unsubstantiated suppositions of the Requisitionists.

Should the Requisitionists' resolutions pass, it may likely make it more difficult for the Company to attract and retain qualified Directors and staff, or to raise capital in the future, if and when it is required. It may also likely impact on the Company's ability to secure distribution partners who are sensitive to the brand and stability of their partners.

Conclusion

The Board of Spacetalk Ltd. unanimously recommends that all Shareholders vote **AGAINST** both Resolutions. Your Directors will be voting all the Shares they hold, **AGAINST** both Resolutions.

This action by the Requisitionists to call this extraordinary general meeting is a continuation of a long, ongoing and damaging campaign against your Company, its Directors, Officers and Staff. The Requisitionists' statement includes numerous unsubstantiated allegations and unsupported opinions, and this meeting appears yet another attempt by the Requisitionists to interpose their minority will and judgement over that of the majority of shareholders, your Board, its auditors and its external professional advisors.

These opinions so strongly held amongst the Requisitionists that in a meeting with the Company following the submission of their s249D notice, one of the Requisitionists noted that all the issues identified and alleged were "*forgivable with microcaps*".

For these reasons, the Board of Spacetalk Ltd. again unanimously recommends that all Shareholders vote **AGAINST** both Resolutions.

You can vote **AGAINST** the resolutions by completing and returning the proxy form accompanying the Notice of Meeting by mail or facsimile, voting online or by attending the meeting virtually, and casting your vote online.

We thank you for your ongoing support.

Yours sincerely,



Martin Pretty

Non-Executive Director



Saurabh Jain

Non-Executive Director



Brandon Gien

Non-Executive Director

AGENDA

A. Resolutions:

1. Removal of Director – Mark Fortunatow

To consider and, if in favour, pass the following resolution as an ordinary resolution:

"That, Mr Mark Fortunatow be removed as a director of the Company with immediate effect."

2. Removal of New Directors

To consider and, if in favour, pass the following resolution as an ordinary resolution:

"That any person appointed as a director of the Company on and from 27 June 2022 until the end of this general meeting (other than any person elected as a director of the Company following their nomination by any member signing an identical copy of the notice under section 203D of the Corporations Act) be removed as a director of the Company with immediate effect."

NOTES

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

2. Voting

The Chairman intends to put each Resolution to a poll.

3. Who may vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (AEST) on 30 August 2022. This means that any Shareholder registered at 7.00pm (AEST) on 30 August 2022 is entitled to attend and vote at the Meeting.

4. Statement by Directors

In compliance with section 203D(3) Corporations Act, the Company sent Mr Mark Fortunatow, Mr Georg Chmiel and Mr Michael Rann a copy of the s203D Notice as soon as possible after it was received from the Requisitionists. It is noted that neither Mr Georg Chmiel nor Mr Michael Rann were directors of the Company on receipt by the Company of the s203D Notice. Mr Chmiel and Mr Rann were aware of the receipt of the s203D Notice by the Company prior to their appointments and have subsequently received a copy of that notice.

Section 203D of the Corporations Act gives Mr Mark Fortunatow, Mr Georg Chmiel and Mr Michael Rann the right to put their case to the Shareholders by:

- a. giving the Company a written statement for circulation to Shareholders; and
- b. speaking at the meeting where the resolution is proposed.

If time permits, the Company must circulate a copy of any written statements received to everyone to whom the notice of meeting is sent. If time does not permit, the written statements must be distributed to Shareholders who attend the meeting and must be read out loud at the meeting before the resolution is voted on.

The Company does not have to circulate any written statements that are more than 1,000 words in length or defamatory.

5. Voting using the Online Meeting Technology

Shareholders are invited and encouraged to participate in the Meeting and vote electronically using the online meeting technology. The online meeting technology will provide Shareholders with the ability to view and participate in the proceedings of the Meeting by webcast, ask questions (in writing and orally) and to cast their votes during the Meeting through the online platform at:

<https://meetnow.global/M9AURTK>

To participate in the meeting and vote online, shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) (which is shown on the front of their holding statement or Proxy Form), and their postcode (or country if shareholding held outside Australia). Attorneys and corporate representatives can log in to the online platform using the SRN/HIN of the relevant Shareholder.

Proxyholders are to contact Computershare Investor Services on +61 3 9415 4024 to request their unique email invitation link prior to the meeting.

Further information regarding participating in the meeting online, including browser requirements, is detailed in the Virtual Meeting Guide available at www.computershare.com.au/virtualmeetingguide.

6. Shareholder questions

Whilst shareholders will be provided with the opportunity to submit questions online and verbally at the meeting, it would be desirable if the Company was able to receive them in advance.

Shareholders are therefore requested to send any questions they may have for the Company or its directors at the virtual Extraordinary General Meeting to the Company Secretary, Kim Clark, by emailing to kim.clark@boardroomlimited.com.au.

Please note that not all questions may be able to be answered during the meeting. In this case answers will be made available on the Company's website after the meeting.

7. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- A proxy need not be a Shareholder.
- If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- A Proxy Form accompanies this Notice.
- Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.
- If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- The Proxy Form (together with any relevant authority) must be received by no later than 4:00 pm (AEST) on 30 August 2022 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).
- The completed Proxy Form may be:
 - Mailed to Computershare Investor Services Pty Ltd, GPO Box 242, MELBOURNE VIC 3001; or
 - Faxed to Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
 - Voted online by visiting www.investorvote.com.au (to use this facility you will need your SRN or HIN, postcode and the control number shown on your proxy form.
 - Custodian voting: For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.

8. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

9.. Voting Intentions

In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote **AGAINST** the Resolutions.

10. Technical difficulties

Technical difficulties may arise during the course of the Meeting. The chairperson has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where any Shareholder considers that they may suffer from connection issues or any computer or technical issues, those Shareholders are encouraged to lodge a proxy in accordance with the instructions below even if they plan to attend online.

**SPACETALK LTD
(ACN 095 768 086)**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of Shareholders of Spacetalk Ltd (**Company**) to be held virtually at 4:00 pm AEST on 01 September 2022.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

Background to business being put to this General Meeting

On 1 July 2022, shareholders holding greater than 5% of the issued capital in the company lodged a notice with the company under s249D of the corporations Act requesting that the Company call a meeting of shareholders at which two resolutions are to be considered concerning the composition of the Board.

In compliance with this notice, the Company has issued this Notice of Meeting.

All Directors of the Company are unanimous in recommending that Shareholders vote **AGAINST** all of the Resolutions.

The Requisitionists have provided a statement under s249P of the Corporations Act ("Members Statement") which is set out in Annexure A to this Notice of Meeting, and which sets out their reasons for seeking to remove Mr Mark Fortunatow, Mr Georg Chmiel and Mr Michael Rann as directors of the Company.

Explanatory Notes to the Resolutions

Resolution 1: Removal of Director Mark Fortunatow

Mr Fortunatow was appointed as a director on 3 October 2003.

Mr Fortunatow is a seasoned technology entrepreneur, bringing more than 30 years' experience in leadership and vision to grow successful and innovative technology companies along with software, product innovation, sales marketing and operational expertise.

Mr Fortunatow co-founded the original MGM Wireless schools business 2001 which still successfully operates servicing over 1,200 schools today. It was Mr Fortunatow who identified the strategic opportunity for the Company to pivot into kids connected wearables in 2014 to expand the Company beyond the mature, domestically orientated schools business. Mr Fortunatow subsequently led the ambitious and successful transformation to create the Spacetalk business.

Today, Spacetalk is the leading global brand in the rapidly growing, global children's smart wearables business. Its addressable market is estimated at \$17 billion. Since the launch of the first Spacetalk watch in FY18, the Company's revenues have grown from \$2 million to over \$16 million for the nine months to end March 2022.

From its original Adelaide, Australia origins, the Company now has operations across the United Kingdom, United States and Australia, and its products are sold by leading mobile operators and retailers worldwide.

Mr Fortunatow is a highly respected, well connected, and sought-after world leader in the kids wearables industry. His ongoing contribution as a Board member, providing strategic leadership and insights are essential to the Company's future. His removal as a Director of the Company would represent a significant loss and risks jeopardising the Company's future.

Prior to Spacetalk, Mr Fortunatow previously founded and sold three successful technology-based enterprises; Linx Computer Systems (developer and marketer of financial software, Timekeeping Australia (as leader in the Australian workforce management market) and Netline Technologies (voice based mobile internet solutions), accumulating substantial practical experience in the many disciplines required to successfully launch and sustainably grow a successful technology enterprise.

Directors' recommendation

The Directors (with Mr Fortunatow abstaining) unanimously recommend that the Shareholders **VOTE AGAINST** Resolution 1.

Resolution 2: Removal of New Directors

Mr Georg Chmiel and Mr Michael Rann were each appointed as directors of the Company on 1 July 2022.

Georg Chmiel

Mr Chmiel is a business leader, company director and senior advisor with 3 decades of experience in rapidly growing companies and disruptive technologies who brings strong capital market and technology business expertise with extensive global exposure in Asia, Australia, New Zealand, and Europe.

Mr Chmiel is currently Chairman of Juwai-IQI, Asia's leading prop-tech group. He is also a Non-Executive Director of Centrepunt Alliance (ASX:CAF), butn (ASX:BTN) and PropTech (ASX:PTG). He was also until March 2022 the Executive Chairman of iCar Asia (ASX:ICQ), and his earlier roles include Managing Director and Chief Executive Officer of iProperty (ASX:IPP), and Chief Financial Officer of REA Group (ASX:REA).

Michael Rann

Mr Rann was Premier of South Australia for almost ten years from 2002 to 2011. While Premier, he also served as Minister for Economic Development, the Arts, Sustainability and Climate Change and Social Inclusion.

In late 2012 Mr Rann was appointed as Australian High Commissioner to the United Kingdom and was a Governor of the Commonwealth Secretariat. In 2014 he was appointed as Australia's Ambassador to Italy, San Marino, Albania and Libya, and Permanent Representative to the UN's World Food Programme and to the Food and Agricultural Organisation.

Mr Rann is currently the UK and Global Chair of the Climate Group.

Directors' recommendation

The Directors (with Mr Chmiel and Mr Rann abstaining) unanimously recommend that the Shareholders **VOTE AGAINST** Resolution 2.

DEFINITIONS

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"**Board**" means the board of Directors of the Company;

"**Business Day**" means a day on which trading takes place on the stock market of the ASX;

"**Chairman**" means the chairman of the Extraordinary general meeting;

"**Company or Spacetalk**" means Spacetalk Ltd ACN 091 351 530;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Directors**" mean the current Directors of the Company;

"**Explanatory Memorandum**" means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

"**Meeting**" or "**Extraordinary General Meeting**" means the extraordinary general meeting convened by this Notice;

"**Notice**" or "**Notice of Meeting**" means the notice convening the Extraordinary General Meeting of the Company to be held on 01 September 2022 which accompanies this Explanatory Memorandum;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Requisitionists**" means Merewether Capital Inception Fund, Harry Basle, Ian Cameron, Lindsay Cardno, Mitchell Cardno, Peter Cossetto & Annamaria Cossetto ATF Cossetto Family Superannuation Fund, Coz-E Pty Ltd ATF Cossetto Family Trust, Mark Gately, Savvas Ioannou & Maria Ioannou, Matthew Payne, Lasse Petersen and Lasse Petersen ATF the Icebear Trust and Neil Page.

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

"**Shareholder**" means a registered holder of a Share in the Company; and

"**Share Registry**" means Computershare Investor Services Pty Ltd.

ANNEXURE A - MEMBERS STATEMENT UNDER SECTION 249P

SPACETALK LTD. IS NOT RESPONSIBLE FOR THIS STATEMENT AND DOES NOT ENDORSE OR APPROVE ANY OF THE CONTENT THEREIN.

The following statement is provided by the Requisitionists representing holders of greater than 5% of the issued capital of the Company.

STATEMENT OF REQUISITIONING MEMBERS

Statement
Date

13/07/2022

The Company first disclosed in September 2021 the intention to expand the board to five directors and transition to an independent Chairperson. We lodged notices with the Company under section 203D of the Corporations Act on 27 June 2022, giving notice of our intention to move resolutions to remove directors to:

- remove Mr Fortunatow's actual or perceived conflicts of interest as Executive Chairman (EC)/Managing Director (MD) (now MD/CEO) and substantial shareholder;
- remove Mr Fortunatow's involvement in and influence over the appointment of the new Chairperson, focussing Mr Fortunatow on executive management as CEO, rather than responsibilities as a director; and
- focus the non-executive board to (a) continue the search for a new Chairperson, and (b) commence a program to improve overall governance, including clear and enhanced standards for accountability, transparency, strategic direction and execution, management culture and capability, and more reasonable and transparent remuneration, incentives and disclosure for all senior executives.

We called on Mr Fortunatow to resign as a director in the interests of all other members to avoid the time and monetary cost, and distraction, of holding this meeting.

The Company did not disclose receipt of our section 203D notices before announcing on 30 June and 1 July the appointments of not one, but two, new directors. Mr Fortunatow has not accepted our request to resign.

Your loss-making company with a market capitalisation of around \$15M now has a board of six directors.

On 1 July 2022, we lodged additional notices requesting the directors call and arrange to hold this meeting.

Our decision to request this meeting is not one taken lightly. It comes after failed attempts to engage with the Company, with directors failing to respond to our concerns.

Reasons to remove Mr Fortunatow as a director

We moved this resolution primarily out of concern for the lack of alignment between the interests of Mr Fortunatow and those of other shareholders.

This is reflected in his ownership of the Company having fallen from over 30% in 2003 to less than 9% today. Despite stating in March 2020 to "have sold virtually no shares in MGM over the past 20 years", the Company has announced many on-market trades. Despite having received cash remuneration of ~\$7M, Mr Fortunatow has not contributed to several fundraisings, including the fundraising in late 2021. After material sales, limited participation in fundraisings, lapsing of option issues, and only three on-market purchases in 19 years, we understand Mr Fortunatow's current holding is largely, if not entirely, free-carried.

This lack of alignment is also reflected in a history of poor governance practices under Mr Fortunatow's chairmanship, including instances of alleged selective, unbalanced and promotional disclosure, non-compliant reporting, and failed guidance.

We see the belated appointment of a non-executive chairperson as necessary, but not sufficient, for improved overall governance. A further separation of duties is required to see genuine and lasting cultural change, standards and practices that:

- recognise and more appropriately manage existing conflicts;
- ensure greater accountability and transparency, with non-selective, balanced and compliant disclosure and reporting;
- result in reasonable and competitive remuneration consistent with the Company's stated policy and shareholder and market expectations; and
- ultimately, improve and sustain company performance and investment outcomes for shareholders.

We expect removing Mr Fortunatow as a director will improve the functioning of the board, with a CEO subject to the same planning and approval processes, and board oversight, as CEOs of other listed companies. Given the history of perceived, if not actual, conflicts of interest, we want to limit any influence Mr Fortunatow may have on board activity to promote effective governance and improve the perception of the board's independence.

Removing Mr Fortunatow as a director signals your board, and provides the board with a trigger, to not only reset the level and mix of Mr Fortunatow's executive remuneration, but also to review the effectiveness and

cost of the entire organisational structure. We expect the remaining directors to identify all key management personnel consistent with accounting standards and the Company's disclosure obligations.

We believe this is essential to restore confidence, arrest the decline in the share price and improve near-term access to capital on reasonable terms given what already appears to be an expensive and restrictive debt facility and limited other avenues for reasonably priced capital.

Although we do not believe anyone is irreplaceable, or that being a founder warrants any special privileges, we are seeking to minimise any disruption to near-term progress and are not seeking to remove Mr Fortunatow as CEO.

Reasons to remove other recently appointed directors

While we are supportive of belated efforts to segregate the duties of the Chairperson and CEO, the Company's conduct during the week we lodged our notices has:

- raised more questions for the board to answer about the timing and manner in which the appointments were made; and
- reaffirmed our perception of conflicts of interest and the reasons we are seeking to remove Mr Fortunatow as a director.

We wish to see a lean board focussed on best practice governance as a strategic differentiator and value creator, with a relentless pursuit of world-class management and creation of customer and shareholder value. There should be no passengers.

We remain open-minded about the appointment of Mr Chmiel. We have made Mr Chmiel aware of our concerns and prior correspondence with the Company. We would support his appointment on the basis those issues are considered and addressed.

We find the appointment of Mr Rann surprising and we have not been provided with any information that would support his appointment or to demonstrate the value he would bring to the Company.

VOTE FOR these resolutions

We believe our Company is at a critical juncture. We urge you to **VOTE FOR** the resolutions and send a strong signal to your board that action is needed to promote best practice governance in the interests of all stakeholders, and especially you, the co-owners.

Want more information?


For additional analysis and context:


Visit www.spa-shareholders.co

Email ssgenquiries@hotmail.com

Call 0413 121 585

Need assistance?

 **Phone:**
1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00pm (AEST) on Tuesday, 30 August 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 181190

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Spacetalk Ltd. hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Spacetalk Ltd. to be held as a virtual meeting on Thursday, 1 September 2022 at 4:00pm (AEST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

VOTE AGAINST
The Directors of Spacetalk Limited recommend that
shareholders VOTE AGAINST the resolutions set out in the
Notice of Extraordinary General Meeting

	For	Against	Abstain
Resolution 1 Removal of Director – Mark Fortunatow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Removal of New Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies against each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number	Email Address
<input type="text"/>	<input type="text"/>

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically