



**SPIRIT TELECOM LIMITED**  
**ACN 089 224 402**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Wednesday, 20 November 2019**

Time of Meeting:  
**3:00PM (AEDT)**

Place of Meeting:  
**Baker McKenzie**  
**Level 19, 181 William Street, Melbourne VIC 3000**

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional advisor without delay*

# SPIRIT TELECOM LIMITED

ACN 089 224 402

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Spirit Telecom Limited (the "Company") will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000, at 3:00PM (AEDT) on Wednesday, 20 November 2019.

## AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

### ORDINARY BUSINESS

#### Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2019.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2019 be adopted."*

#### Resolution 2: Election of Mr Mark Dioguardi as a Director of the Company

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

*"That, Mr Mark Dioguardi, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."*

#### Resolution 3: Re-election of Mr James Joughin as a Director of the Company

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

*"That, Mr James Joughin, who retires pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### Resolution 4: Ratification of Prior Issue of Shares

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on or about 20 May 2019 of 1,772,533 fully paid ordinary shares in the Company with a deemed issue price of \$0.15 (15 cents) per share as described in the Explanatory Statement."*

#### **Resolution 5: Ratification of Prior Issue of Shares**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on or about 11 July 2019 of 2,380,952 fully paid ordinary shares in the Company with a deemed issue price of \$0.21 (21 cents) per share as described in the Explanatory Statement."*

#### **Resolution 6: Ratification of Prior Issue of Shares**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on or about 29 July 2019 of 1,333,333 fully paid ordinary shares in the Company with a deemed issue price of \$0.24 (24 cents) per share as described in the Explanatory Statement."*

### **SPECIAL BUSINESS**

#### **Resolution 7: Repeal and replacement of Constitution**

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

*"That, in accordance with section 136 of the Corporations Act, the Constitution be repealed and replaced with a Constitution in the form of the document entitled "Constitution of Spirit Telecom Limited" tabled at this Meeting (the "**Replacement Constitution**"), and signed by the Chairman for the purposes of identification, with effect from the close of this Meeting."*


The Corporations Act requires that, in order for Resolution 7 to be effective, it must be passed as a special resolution, which requires 75% of votes cast on the Resolution (whether by Shareholders in person, or by proxy or by attorney and entitled to vote on the Resolution) to be in favour.

#### **Resolution 8: Approval of 10% Placement Facility**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement"*

By order of the Board



**Melanie Leydin**  
**Company Secretary**

**14 October 2019**

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
  - h. To be effective, proxy forms must be received by the Company's share registry (Security Transfer Australia) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 3:00pm (AEDT) Melbourne time on Monday, 18 November 2019. Any proxy received after that time will not be valid for the scheduled meeting.

## 4. 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 the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. Voting Exclusion Statement:

### Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote:

- (a) in accordance with a direction on the proxy form; or
- (b) by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form, you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

### Resolution 2

There are no voting exclusions on this resolution.

### Resolution 3

There are no voting exclusions on this resolution.

### Resolution 4

The Company will disregard any votes cast in favour on Resolution 4 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

### Resolution 5

The Company will disregard any votes cast in favour on Resolution 5 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

#### **Resolution 6**

The Company will disregard any votes cast in favour on Resolution 6 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

#### **Resolution 7**

There are no voting exclusions on this resolution.

#### **Resolution 8**

The Company will disregard any votes cast in favour of Resolution 8 by any person who is expected to participate in the proposed issue or any person who will obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions 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.

### **6. Enquiries**

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

## **EXPLANATORY STATEMENT**

### **Receipt and consideration of Accounts & Reports**

A copy of the Annual Report for the financial year ending 30 June 2019 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at 1300 007 001, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: [www.spirit.com.au](http://www.spirit.com.au) or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

### **Resolution 1: Adoption of Remuneration Report**

#### ***Background***

Section 250R(2) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

#### ***Directors Recommendation***

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

#### ***Voting Exclusions***

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

## **Resolution 2: Election of Mr Mark Dioguardi as a Director of the Company**

### ***Background***

Mr Mark Dioguardi was appointed as an Executive Director on 21 June 2019 as a casual vacancy and is eligible for election.

Mr Dioguardi is an experienced CTO and COO with over 25 years' experience predominantly in Tier 1 and 2 Telco operators in Australia and Asia. A qualified engineer, Mark commenced his career in engineering and engineering construction management in Telstra before building his corporate career as CTO at Maxis, where he led 1350 engineers and managed a USD600mil budget to grow their network. He then moved into a Chief Operating Officer role at Maxis before returning to Australia to join iiNet as Chief Technology Officer. Mark joined Spirit as Chief Operating Officer in November 2018 to develop and lead Spirit's network growth and drive operational excellence across the business. He is also an Executive Director of Spirit and a Non-Executive Director of TimedotCom.

### ***Board Recommendation***

The Board (with Mr Dioguardi abstaining), recommends that shareholders vote in favour of the election of Mr Dioguardi. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Dioguardi's election.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

## **Resolution 3: Re-election of Mr James Joughin as a Director of the Company**

### ***Background***

The Constitution of the Company requires that at every annual general meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr James Joughin being eligible, offers himself for re-election.

James Joughin brings over 30 years of general corporate experience, having been a senior partner of Ernst & Young until 2013. He was a partner of that firm for 17 years and headed the Mergers and Acquisitions division in Melbourne. James is also an experienced company director and holds non-executive directorships of a number of private companies and a public company. He has wide business experience and has previously held the position of Chair of a private company and currently Chair of a number of Risk and Audit Committees. For most of his career, James has been providing advice to Boards in relation to growth strategies, improving shareholder value, mergers and acquisitions, funding (both debt and equity) and IPO's.

### ***Board Recommendation***

The Board (with Mr Joughin abstaining), recommends that shareholders vote in favour of the re-election of Mr Joughin. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Joughin's re-election.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

## **Resolution 4: Ratification of Prior Issue of Shares**

### ***Background***

The Company is seeking shareholder approval to ratify the issue of a total of 1,772,533 fully paid ordinary shares, with 1,240,773 of this amount subject to voluntary escrow until 20 May 2020 to the Vendor of the Building Connect acquisition as announced on 9 May 2019.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12-month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 1,772,533;
- (b) the Shares were issued at a deemed issue price of \$0.15 (15 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue, with 1,240,773 shares subject to voluntary escrow until 20 May 2020;
- (d) the Shares were allotted and issued to the Vendor as follows:

Vendor	Shares
Rachel Julian as Trustee for the Julian Family Trust	1,772,533
<b>Total</b>	<b>1,772,533</b>

- (e) the Shares were allotted and issued as consideration in relation to the Building Connect acquisition as announced on 9 May 2019. No funds have been raised as part of the issue.

### **Board Recommendation**

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 1,772,533 fully paid ordinary shares to the Vendor of the Building Connect acquisition. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

### **Voting Exclusions**

The Company will disregard any votes cast in favour on this resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

### **Resolution 5: Ratification of Prior Issue of Shares**

#### **Background**

The Company is seeking shareholder approval to ratify the issue of a total of 2,380,952 fully paid ordinary shares, subject to voluntary escrow until 11 July 2020 to the Vendor of the Arinda IT acquisition as announced on 2 July 2019.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12-month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 2,380,952;
- (b) the Shares were issued at a deemed issue price of \$0.21 (21 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue, subject to voluntary escrow until 11 July 2020;
- (d) the Shares were allotted and issued to the Vendor as follows:

Vendor	Shares
Ben and Carlie Smith Investments Pty Ltd ACN 634 727 969 as Trustee for the Ben and Carlie Smith Family Trust	2,380,952
<b>Total</b>	<b>2,380,952</b>

- (e) the Shares were allotted and issued as part consideration in relation to the Arinda IT acquisition as announced on 2 July 2019. No funds have been raised as part of the issue.



### **Board Recommendation**

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 2,380,952 fully paid ordinary shares to the Vendor of the Arinda IT acquisition. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

### **Voting Exclusions**

The Company will disregard any votes cast in favour on this resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

### **Resolution 6: Ratification of Prior Issue of Shares**

#### **Background**

The Company is seeking shareholder approval to ratify the issue of a total of 1,333,333 fully paid ordinary shares, subject to voluntary escrow until 29 July 2020 to the Vendor of the Phoenix Austec Group acquisition as announced on 24 July 2019.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 1,333,333;
- (b) the Shares were issued at a deemed issue price of \$0.24 (24 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue, subject to voluntary escrow until 29 July 2020;
- (d) the Shares were allotted and issued to the Vendor as follows:

<b>Vendor</b>	<b>Shares</b>
Amelia Buchanan as Trustee for the Munso Family Trust ABN 19 578 650 260	1,333,333
<b>Total</b>	<b>1,333,333</b>

- (e) the Shares were allotted and issued as part consideration in relation to the Phoenix Austec Group acquisition as announced on 24 July 2019. No funds have been raised as part of the issue.

### **Board Recommendation**

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 1,333,333 fully paid ordinary shares to the Vendor of the Phoenix Austec Group acquisition. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

### **Voting Exclusions**

The Company will disregard any votes cast in favour on this resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a 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.

## SPECIAL BUSINESS

### Resolution 7: Repeal and replacement of Constitution

This resolution seeks Shareholder approval to replace the Company's existing Constitution with the Replacement Constitution.

A review of the current Constitution has been conducted, as a result of which the Board believes that the Constitution should be brought up to date with the current provisions of the Act and the Listing Rules. In addition, the Board considers that numerous provisions in the current Constitution should be brought into line with corporate governance best practices and current market practices for ASX-listed companies.

Rather than make significant amendments to the current Constitution, the Board believes that it is preferable to repeal the current Constitution and adopt the Replacement Constitution.

ASX has determined it has no objections in relation to the Replacement Constitution. The Replacement Constitution contains a number of changes to the Company's current constitution, many of which are administrative or relatively minor in nature. A brief overview of the material differences between the current constitution and the Replacement Constitution is set out in the table below. This overview is not exhaustive and does not identify all of the differences between the current constitution and the Replacement Constitution.

Prior to the Meeting, copies of the existing Constitution and Replacement Constitution will be available at [www.spirit.com.au](http://www.spirit.com.au). A copy of the Replacement Constitution, signed by the Chairman for the purposes of identification, will also be tabled at the Meeting.

#### ***Overview of material differences between existing Constitution and Replacement Constitution***

Change	Explanation of Change
General Update	The proposed Replacement Constitution generally updates the various provisions in a variety of respects to reflect industry best practice in a form that ASX has provided no objections.
Unmarketable Parcels	The proposed Replacement Constitution provides greater flexibility in relation to determining the sale price of shares the subject of an unmarketable parcel campaign by removing the requirement to set a minimum floor price.
Director Rotation	The proposed Replacement Constitution reduces the administrative burden of annual rotation of directors from one-third to one director at each annual general meeting.
Proportional Bid Provision	The proposed Replacement Constitution removes the requirement for the Company to approve the renewal of proportional off-market bid provisions in accordance with its Constitution on the third anniversary at every third annual general meeting.

#### ***Board Recommendation***

The Board recommends that shareholders vote in favour of the replacement of the Company's Constitution. The Chairman of the meeting intends to vote undirected proxies in favour of adopting the Replacement Constitution.

#### ***Voting Exclusions***

There are no voting exclusions on this resolution.

### Resolution 8: Approval of 10% Placement Facility

#### ***Background***

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 8 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 8, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Description of Listing Rule 7.1A**

#### *(a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Fully Paid Ordinary Shares, Unlisted Options and Performance Rights.

#### *(c) Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

#### *(d) Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

*(e) Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**Listing Rule 7.1A**

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 11 October 2019 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as

a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.1125 50% decrease in Current Share Price	\$0.225 Current Share Price	\$0.450 100% increase in Current Share Price
<b>Current Variable A</b> 339,509,009 Shares	<b>10% Voting Dilution</b>	33,950,901 Shares	33,950,901 Shares	33,950,901 Shares
	<b>Funds raised</b>	\$3,819,476	\$7,638,953	\$15,277,905
<b>50% increase in current Variable A</b> 509,263,514 Shares	<b>10% Voting Dilution</b>	50,926,351 Shares	50,926,351 Shares	50,926,351 Shares
	<b>Funds raised</b>	\$5,729,215	\$11,458,429	\$22,916,858
<b>100% increase in current Variable A</b> 679,018,018 Shares	<b>10% Voting Dilution</b>	67,901,802 Shares	67,901,802 Shares	67,901,802 Shares
	<b>Funds raised</b>	\$7,638,953	\$15,277,905	\$30,555,811

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The Current Share Price is **\$0.225** (22.5 cents), being the closing price of the Shares on ASX on **11 October 2019**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued expenditure on the Company's current businesses and/or general working capital.

- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments.

- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

#### **Equity Issues over the Last 12 Months – Listing Rule 7.3A.6**

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12-month period.

Number of equity securities on issue at commencement of 12 month period	278,605,189
Equity securities issued in the prior 12 month period*	113,581,694
Percentage of equity securities represent of total number of equity securities on issue at commencement of 12 month period	40.77%

\* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Annexure A.

#### **Board Recommendation**

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **Voting Exclusions**

The Company will disregard any votes cast in favour of Resolution 8 by any person who is expected to participate in the proposed issue or any person who will obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions 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.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 8;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 8;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2019;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Spirit Telecom Limited ACN 089 224 402;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**EIP**” means the Employee Incentive Plan;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Spirit Telecom Limited for the financial year ended 30 June 2019 and which is set out in the 2019 Annual Report.

“**Replacement Constitution**” means the constitution in the form of the document entitled “Constitution of Spirit Telecom Limited” tabled at this Meeting and proposed to be adopted by the Company as its new constitution in accordance with Resolution 7 of the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.

# ANNEXURE A

## CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
10 April 2019	32,500,000	FPO	FPO	Placement	New and existing institutional, professional and sophisticated investors	\$0.12	N/A	\$3,900,000	The proceeds were used to pay the part consideration of \$4.0million in relation to the LinkOne Group acquisition, costs of the acquisition and general working capital to fund growth of the Company.
9 May 2019	8,333,378	FPO	FPO	Issue of shares under Share Purchase plan	Eligible Shareholders	\$0.12	N/A	\$1,000,005	The proceeds were used to fund the Company's general working capital requirements and to fund growth of the Company.
9 May 2019	2,500,000	FPO	FPO	Placement	New and existing institutional, professional and sophisticated investors	\$0.12	N/A	\$300,000	The proceeds from the Placement were used to fund the Company's general working capital requirements and to fund growth of the Company.
7 June 2019	833,333	FPO	FPO	Placement	Chief Operating Officer	\$0.12	N/A	\$100,000	The proceeds from the Placement were used to fund the Company's general working capital requirements and to fund growth of the Company.
17 June 2019	1,666,666	FPO	FPO	Placement	Mr Geoff Neate and Mr James Joughin (Directors of the Company) following shareholder approval at the Company's General meeting held on 11 June 2019	\$0.12	N/A	\$200,000	The proceeds from the Placement were used to fund the Company's general working capital requirements and to fund growth of the Company.
4 July 2019	1,508,509	FPO	FPO	Exercise of listed options	Optionholders	\$0.19688	N/A	\$296,995	General working capital
10 July 2019	13,326,593	FPO	FPO	Exercise of options	Optionholders	\$0.19688	N/A	\$2,623,740	General working capital
16 July 2019	3,233,587	FPO	FPO	Exercise of options	Option holders	\$0.19688	N/A	\$636,629	General working capital
17 July 2019	1,250,000	FPO	FPO	Exercise of options	Optionholder – Mr James Joughin (a Director of the Company)	\$0.19	N/A	\$237,500	General working capital
25 July 2019	742,906	FPO	FPO	Exercise of options	Option holders	\$0.19688	N/A	\$146,263	General working capital
26 July 2019	158,806	FPO	FPO	Exercise of options	Option holders	\$0.19688	N/A	\$31,266	General working capital
2 August 2019	8,137,215	FPO	FPO	Exercise of options	Option holders	\$0.19688	N/A	\$1,602,055	General working capital
9 August 2019	1,624,640	FPO	FPO	Issue of shares pursuant to the underwriting arrangement for the Company's listed ST1O options.	Investors	\$0.19688	N/A	\$319,859	General working capital
<b>Total</b>	<b>75,815,633</b>						<b>Total</b>	<b>\$11,394,312</b>	



## NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
17 December 2018	81,020	FPO	FPO	To incentivise employees of the Company (non-directors)	Employees	Deemed issue price of \$0.2468 (24.68 cents)	N/A	\$20,000	N/A
17 December 2018	512,820	PR	PR	Grant of performance rights to the Managing Director	Managing Director	N/A	N/A	N/A	N/A
18 February 2019	520,000	PR	PR	Grant of performance rights to an employee	Employee	N/A	N/A	N/A	N/A
1 May 2019	13,076,923	FPO	FPO	Issue of shares to the vendors as part consideration in relation to the LinkOne Group Acquisition	Vendors of LinkOne Group acquisition	Deemed issue price of \$0.13 (13 cents) per share	N/A	\$1,700,000	N/A
14 May 2019	18,000,000	UO	UO	Unlisted options, vesting on 1 July 2022, exercisable at various prices and expiring on 1 July 2023	Chief Operating Officer, and the Chief Sales and Marketing Officer	N/A	N/A	N/A	N/A
20 May 2019	1,772,533	FPO	FPO	Issue of shares to the vendor as consideration in relation to the Building Connect acquisition	Vendor of Building Connect	Deemed issue price of \$0.15 (15 cents) per share	N/A	\$265,880	N/A
11 July 2019	2,380,952	FPO	FPO	Issue of shares to the vendor as part consideration in relation to the Arinda IT acquisition	Vendor	Deemed issue price of \$0.21 (21 cents) per share	N/A	\$500,000	N/A
29 July 2019	1,333,333	FPO	FPO	Issue of shares to the vendor as part consideration in relation to the Phoenix Austec Group acquisition	Vendor	Deemed issue price of \$0.24 (24 cents) per share	N/A	\$320,000	N/A
16 September 2019	88,480	FPO	FPO	To incentivise employees of the Company (non-directors)	Employees	Deemed issue price of \$0.226 (22.6 cents)	N/A	\$20,000	N/A
<b>Total</b>	<b>37,766,061</b>							<b>Total</b>	<b>\$2,825,880</b>
<b>Grand Total</b>	<b>113,581,694</b>							<b>Grand Total</b>	<b>\$14,220,192</b>

### Glossary

FPO	Fully Paid Ordinary Shares
PR	Performance Rights
UO	Unlisted Options



# SPIRIT TELECOM LIMITED

ACN: 089 224 402

REGISTERED OFFICE:  
LEVEL 4  
100 ALBERT ROAD  
SOUTH MELBOURNE VIC 3205



SHARE REGISTRY:  
Security Transfer Australia Pty Ltd  
**All Correspondence to:**  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

ST1

Holder Number:

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 3:00pm AEDT on Wednesday 20 November 2019 at Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTION

1. Adoption of Remuneration Report

☐☐☐

2. Election of Mr Mark Dioguardi as a Director of the Company

☐☐☐

3. Re-election of Mr James Joughin as a Director of the Company

☐☐☐

4. Ratification of Prior Issue of Shares

☐☐☐

5. Ratification of Prior Issue of Shares

☐☐☐

6. Ratification of Prior Issue of Shares

☐☐☐

7. Repeal and replacement of Constitution

☐☐☐

8. Approval of 10% Placement Facility

☐☐☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* 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.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 3:00pm AEDT on Monday 18 November 2019.



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Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as 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 contacting the Company's share registry or you may photocopy this form

- a) On each of the Proxy forms, state the percentage of your voting rights or 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 of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.