



SYNTONIC LIMITED
ACN 123 867 765

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Pathways Corporate, Level 6, 105 St Georges Terrace, Perth, WA, 6000 on 18 November 2019 at 1.00pm AWST.

This Notice 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 adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 7600

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

SYNTONIC LIMITED

ACN 123 867 765

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Syntonic Limited (**Company**) will be held at Pathways Corporate, Level 6, 105 St Georges Terrace, Perth, WA, 6000 on 18 November 2019 at 1.00pm AWST (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 16 November 2019 at 1.00pm AWST.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. RESOLUTION 1 - REMUNERATION REPORT

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 - RE-ELECTION OF RAHUL AGARWAL AS DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with article 6.3(b) of the Constitution and for all other purposes, Mr Rahul Agarwal, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

3. RESOLUTION 3 - CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with section 254H of the Corporations Act, the Listing Rules, the Constitution and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:

3.1.1 every 30 Shares be consolidated into 1 Share;

3.1.2 all Options on issue be consolidated in accordance with Listing Rule 7.22.1; and

3.1.3 each Convertible Note be reorganised in accordance with Listing Rule 7.21, with such consolidation to take effect in accordance with the timetable detailed in the Explanatory Memorandum and where such consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction up or down to the nearest whole number."

4. RESOLUTION 4 - ISSUE OF SHARES TO STEVEN ELFMAN

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,500,000 Shares (on a post-Consolidation basis) to Steven Elfman (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Steven Elfman or any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 - ISSUE OF SHARES TO NIGEL HENNESSY

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,500,000 Shares (on a post-Consolidation basis) to Nigel Hennessy (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Nigel Hennessy or any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 - ISSUE OF PERFORMANCE RIGHTS TO GARY GREENBAUM

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,643,361 Performance Rights (on a post-Consolidation basis) to Gary Greenbaum (and/or his nominee), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Gary Greenbaum or any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 - ISSUE OF PERFORMANCE RIGHTS TO RAHUL AGARWAL

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue 6,643,361 Performance Rights (on a post-Consolidation basis) to Rahul Agarwal (and/or his nominee), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Rahul Agarwal or any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of 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 Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in the 10% Placement Facility and any person who might obtain a material benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, or any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

Dated: 17 October 2019

By order of the Board


Steven Wood
Company Secretary

SYNTONIC LIMITED

ACN 123 867 765

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Pathways Corporate, Level 6, 105 St Georges Terrace, Perth, WA, 6000 on 18 November 2019 at 1.00pm AWST.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-Election of Rahul Agarwal as Director
Section 6:	Resolution 3 – Consolidation of Capital
Section 7:	Resolutions 4 & 5 – Issue of Shares to Messrs Steven Elfman and Nigel Hennessy
Section 8:	Resolutions 6 & 7 - Issue of Performance Rights to Messrs Gary Greenbaum and Rahul Agarwal
Section 9:	Resolution 8 - Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Details of Issues of Equity Securities
Schedule 3:	Summary of the Terms and Conditions of the Performance Rights

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 16 November 2019 at 1.00pm AWST, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

A vote on Resolutions 4, 5, 6 and 7 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons on those Resolutions if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on these Resolutions; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on these Resolutions, but expressly authorises the Chairperson to exercise the proxy even if these Resolutions are connected with the remuneration of a member of the Key Management Personnel.

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.syntonic.com;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **RESOLUTION 1 – REMUNERATION REPORT**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more ("**Strike**") at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary non-binding resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. **RESOLUTION 2 – RE-ELECTION OF RAHUL AGARWAL AS DIRECTOR**

Article 6.3(c) of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded down to the nearest whole number) to retire at each annual general meeting.

Article 6.3(f) of the Constitution states that a Director who retires under article 6.3(c) is eligible for re-election.

Resolution 2 provides that Rahul Agarwal retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Rahul Agarwal are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson (who will not be Rahul Agarwal) intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Rahul Agarwal) supports the re-election of Rahul Agarwal and recommends that Shareholders vote in favour of Resolution 2.

6. **RESOLUTION 3 - CONSOLIDATION OF CAPITAL**

6.1 **General**

Resolution 3 seeks Shareholder approval for the consolidation of Shares, Options and Convertible Notes on issue on a 1 for 30 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

The Directors intend to implement the Consolidation following completion of the Meeting.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

6.2 Corporations Act and Listing Rules requirements

Section 254H of the Corporations Act provides that a Company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio. Similarly, the number or the conversion price (or both) of convertible securities (other than options) must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive.

6.3 Effect of Resolution 3 to Shareholders

As at the date of the Notice, the Company has 3,472,032,756 Shares on issue.

The Consolidation proposed by Resolution 3 will have the effect of reducing the number of Shares on issue to approximately 115,734,425 Shares. Individual holdings will be reduced in accordance with the Consolidation ratio.

As the Consolidation applies equally to all members (subject only to the rounding of fractions), it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each share following the Consolidation should increase by 30 times its current value. Practically, the actual effect on the market price of each share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

6.4 Effect of Resolution 3 to Optionholders

The Company currently has 336,426,437 Options on issue. In accordance with Listing Rule 7.22, and the terms of issue of the Options currently on issue, the Consolidation will involve a corresponding adjustment to Options, having the effect that the number of Options will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation ratio. For the avoidance of doubt, this means that every 30 Options:

6.4.1 exercisable at \$0.06 each will instead become a single Option exercisable at \$1.80;

6.4.2 exercisable at \$0.03 each will instead become a single Option exercisable at \$0.90;

6.4.3 exercisable at \$0.014 each will instead become a single Option exercisable at \$0.42;

6.4.4 exercisable at \$0.12 each will instead become a single Option exercisable at \$3.60;

6.4.5 exercisable at \$0.009 each will instead become a single Option exercisable at \$0.27;

6.4.6 exercisable at \$0.02 each will instead become a single Option exercisable at \$0.60; and

6.4.7 exercisable at \$0.04 each will instead become a single Option exercisable at \$1.20.

6.5 Effect of Resolution 3 to Convertible Note holders

The Company also currently has 670,000 Convertible Notes on issue. In accordance with Listing Rule 7.21, the Company may only undertake the Consolidation if, in respect of any convertible securities other than Options, the number of securities or the conversion price, or both, is reorganised so that the holders of the convertible securities will not receive a benefit that holders of ordinary shares do not receive. This rule does not prevent a rounding up of the number of securities to be received on conversion if the rounding up is approved at the meeting of Shareholders which approves the reorganisation.

Therefore, if this resolution is approved, every 30 Conversion Share Entitlement will be consolidated into one Conversion Share.

6.6 Fractional entitlements

Not all Shareholders, holders of Options or holders of Convertible Notes will hold a number of Shares, Options or Convertible Notes which can be evenly divided by 30. Where a fractional entitlement occurs, the Company will round the fraction up or down to the nearest whole number, with entitlements to less than half of a Share, Option or Convertible Note rounded down.

6.7 Taxation

It is not considered that any taxation implications will arise for Shareholders, holders of Options or holders of Convertible Notes from the Consolidation. However, Shareholders, holders of Options or holders of Convertible Notes are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other proposed Resolutions.

6.8 Holding Statements

From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect, except as evidence of an entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to subsequent disposal.

6.9 Indicative Timetable

Assuming that Resolution 3 is approved, the Consolidation will take effect in accordance with the following indicative timetable:

Event	Indicative Date
Company announces Shareholder approval of Consolidation	18 November 2019
Last day for trading pre-Consolidation Securities	19 November 2019
Trading in post-Consolidation Securities commences on a deferred settlement basis	20 November 2019
Last day to register transfers on a pre-Consolidation basis	21 November 2019
First day to register transfers on a post-Consolidation basis	22 November 2019
Latest date for Company to send notice to each Shareholder of pre and post-Consolidation holdings	28 November 2019

6.10 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

7. RESOLUTIONS 4 AND 5 - ISSUE OF SHARES TO MESSRS STEVEN ELFMAN AND NIGEL HENNESSY

7.1 General

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Shares to Messrs Steve Elfman and Nigel Hennessy, Directors, as related parties of the Company.

The Company seeks to issue the following Shares (on a post-Consolidation basis) in lieu of directors' fees

Recipient	Number of Shares
Mr Steven Elfman (and/or his nominee)	1,500,000
Mr Nigel Hennessy (and/or his nominee)	1,500,000

Messrs Elfman and Hennessy were appointed to the Board on 3 October 2016 and 30 June 2017 respectively. Pursuant to the terms of their appointment, each of Messrs Elfman and Hennessy will, subject to Shareholder approval at the Meeting, receive Shares in lieu of Directors' fees.

Satisfying the payment of Directors' fees via the issue of Shares (rather than the payment of cash) will assist the Company to preserve its cash reserves and apply the funds which would have been applied to Messrs Elfman's and Hennessy's remuneration to its ongoing operational activities and for working capital.

Resolutions 4 and 5 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 4 and 5.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolutions 4 and 5, by signing and returning the Proxy Form, you are giving your express authorisation to allow the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Elfman and Hennessy, Directors, are related parties of the Company.

The Board (excluding Messrs Elfman and Hennessy) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Shares as the exception in section 211 of the Corporations Act applies. The Shares are being issued in lieu of directors' fees payable to Messrs Elfman and Hennessy and are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

7.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 4 and 5 will be to allow the Company to issue in aggregate of 3,000,000 Shares (on a post-Consolidation basis) to Messrs Elfman and Hennessy (and/or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the Shares will be issued to Messrs Elfman and Hennessy (and/or their nominees);
- (b) the maximum number of Shares to be issued is as follows:
 - (i) 1,500,000 Shares (on a post-Consolidation basis) to Mr Steven Elfman (and/or his nominee); and
 - (ii) 1,500,000 Shares (on a post-Consolidation basis) to Mr Nigel Hennessy (and/or his nominee);
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (d) the Shares will be issued at a deemed issue price of \$0.024 per Share (on a post-Consolidation basis) as they are being issued in lieu of annual director fees for each Director of \$36,000;
- (e) the Shares will rank equally in all respects with the Company's existing Shares on issue;

- (f) no funds will be raised from the issue of the Shares as they are being issued for nil cash consideration but as part of the consideration for the services provided by Messrs Elfman and Hennessy during the last financial year; and
- (g) a voting exclusion statement is included in the Notice for Resolutions 4 and 5.

7.5 Directors recommendation

Directors (other than Messrs Elfman and Hennessy) recommend that Shareholders vote in favour of Resolutions 4 and 5.

8. RESOLUTIONS 6 AND 7 – ISSUE OF PERFORMANCE RIGHTS TO MESSRS GARY GREENBAUM AND RAHUL AGARWAL

8.1 General

In accordance with Listing Rule 10.11, Shareholder approval is required for the grant in aggregate of 13,286,722 Performance Rights (on a post-Consolidation basis) to Messrs Gary Greenbaum and Rahul Agarwal, Directors, as related parties of the Company.

The Board considers that this grant of Performance Rights to Messrs Greenbaum and Agarwal is a cost effective and efficient reward for the Company to make to appropriately incentivise their continued performance, and is consistent with the strategic goals and targets of the Company.

Refer to Schedule 3 for a summary of the terms and conditions of the Performance Rights.

The Performance Rights will be issued to Messrs Greenbaum and Agarwal pursuant to performance conditions and milestone dates as follows:

Tranche	Performance Condition	Milestone Date	Expiry Date	Allocation to Gary Greenbaum and Rahul Agarwal (on a post-Consolidation basis)
1.	The Company achieving an EBITDA positive quarter prior to the applicable Expiry Date.	Within 12 months after the issue of Performance Rights	31 December 2020	6,643,361
2.	The Company achieving \$1.5 million or more EBITDA in any calendar quarter prior to the applicable Expiry Date.	Within 3 years after issue of Performance Rights	31 December 2022	6,643,361
			Total	13,286,722

If the performance condition of a Performance Right is satisfied prior to the relevant milestone date, the Performance Right will vest. If the performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse.

Resolutions 6 and 7 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 6 and 7.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 6 and 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Greenbaum and Agarwal are related parties of the Company.

The Board (excluding Messrs Greenbaum and Agarwal) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Rights as the exception in section 211 of the Corporations Act applies. The Performance Rights are being issued to appropriately incentivise the continued performance of Messrs Greenbaum and Agarwal and are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

8.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 6 and 7, will be to allow the Company to issue in aggregate of 13,286,722 Performance Rights (on a post-Consolidation basis) to Messrs Greenbaum and Agarwal (and/or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

8.4 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the Performance Rights will be issued to Messrs Greenbaum and Agarwal (and/or their nominees);
- (b) the maximum number of Performance Rights to be issued is as follows:
 - (i) 6,643,361 Performance Rights (on a post-Consolidation basis) to Mr Gary Greenbaum (and/or his nominee); and
 - (ii) 6,643,361 Performance Rights (on a post-Consolidation basis) to Mr Rahul Agarwal (and/or his nominee);
- (c) the Performance Rights will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (d) the Performance Rights will be issued at nil consideration;
- (e) the Performance Rights will be issued on the terms and conditions contained in Schedule 3;
- (f) no funds will be raised from the issue of the Performance Rights as they are being issued for nil cash consideration as a cost effective and efficient reward for the continued services provided by Messrs Greenbaum and Agarwal; and
- (g) a voting exclusion statement is included in the Notice for Resolutions 6 and 7.

8.5 Director Recommendation

The Directors (other than Messrs Greenbaum and Agarwal) recommend that Shareholders vote in favour of these Resolutions.

9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

9.1 General

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 to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c)).

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.

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).

The Chairperson intends to exercise all available proxies in favour of Resolution 8 .

9.2 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.

(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 one quoted class of Equity Security, Shares.

(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 x D) – E

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

(A) plus the number of 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 Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of 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 Shareholder approval 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.

At the date of the Notice, the Company has on issue 2,776,210,212 Shares (on a pre-Consolidation basis) therefore has a capacity to issue:

- (i) 477,165,929 Equity Securities (on a pre-Consolidation basis) under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 8, 347,203,275 Equity Securities (on a pre-Consolidation basis) under Listing Rule 7.1A.

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 (refer to Section 3).

(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 on which trades in that class were recorded 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 Shareholder approval 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),

or such longer period if allowed by ASX,

(the **10% Placement Period**).

9.3 Effect of Resolution

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.

9.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided 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 on which trades in that class were recorded 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 (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
- (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 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares 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 the Notice.
- (d) The table also shows:
- (i) 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
 - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0005	\$0.001	\$0.002
		50% decrease in Issue Price (on a pre-Consolidation basis)	Issue Price (on a pre-Consolidation basis)	100% increase in Issue Price (on a pre-Consolidation basis)
Current Variable A 38,392,796 Shares (on a pre-Consolidation	10% Voting Dilution	38,392,796 Shares	38,392,796 Shares	38,392,796 Shares
	Funds raised	\$19,196	\$38,393	\$76,786

basis)				
50% increase in current Variable A	10% Voting Dilution	57,589,194 Shares	57,589,194 Shares	57,589,194 Shares
57,589,194 Shares (on a pre-Consolidation basis)	Funds raised	\$28,795	\$57,589	\$115,178
100% increase in current Variable A	10% Voting Dilution	76,785,593 Shares	76,785,593 Shares	76,785,593 Shares
76,785,593 Shares (on a pre-Consolidation basis)	Funds raised	\$38,393	\$76,786	\$153,571

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (ii) no Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) 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%;
 - (iv) 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 Meeting;
 - (v) 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;
 - (vi) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
 - (vii) the issue price is \$0.001 per Share (on a pre-Consolidation basis), being the closing price of the Shares on ASX on 4 October 2019.
- (e) The Company will only issue 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)).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources 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
 - (ii) 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 development of on the Company's current assets and/or general working capital.

- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) 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 subscribers 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).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2018 annual general meeting. In the 12 months preceding the date of the Meeting the Company issued a total of 679,726,446 Equity Securities (on a pre-Consolidation basis) which represent 24.48% of the total number of Equity Securities on issue at 1 November 2018.

Refer to Schedule 2 for details of the Equity Securities issued in the preceding 12 months.
- (k) A voting exclusion statement is included in the Notice for Resolution 8.
- (l) At the date of the 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 the Notice.

9.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution 8.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum:

10% Placement Facility has the meaning given in Section 9.1.

10% Placement Period has the meaning given in Section 9.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

\$ means Australian Dollars.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Consolidation has the meaning given in Section 6.1.

Convertible Note means a convertible note in the Company with a face value of US\$1.15 each, a maturity date of 10 April 2020 and a right to convert into Shares on a 1 for 1 basis.

Conversion Share Entitlement means Shares which the existing Convertible Note holder would be entitled to receive upon the conversion of the Convertible Notes.

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 Syntonic Limited (ACN 123 867 765).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

EBITDA means the Company's earnings before interest, taxes, depreciation and amortisation.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

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 ASX.

Managing Director means the managing director of the Company.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Office means office as a Director.

Option means an option which entitles the holder to subscribe for a Share.

Performance Right means a performance right in the Company.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means the share registry of the Company, which is currently Computershare Investor Services Pty Limited.

Shareholder means a 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 of a Share as defined in the Listing Rules.

WST means Western Standard Time.

SCHEDULE 2 DETAILS OF ISSUES OF EQUITY SECURITIES (ON A PRE-CONSOLIDATION BASIS)

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration
1.	14 November 2018	(a) 3,900,000 (b) 97,167,357	(a) Ordinary Shares (b) Unlisted incentive options exercisable at \$0.009 each on or before 14 November 2028, subject to vesting conditions	(a) Messrs Steven Elfman, Nigel Hennessy and Christopher Gabriel as remuneration in lieu of cash fees (b) U.S. Employees of the Company pursuant to the Company's employee incentive stock option plan	(a) Nil (b) Nil	(a) NA (b) NA	Total consideration:
							Nil
							If cash consideration, amount of consideration spent (A\$):
							NA
							If cash consideration, what consideration was spent on:
							NA
							If cash consideration, intended use for remaining consideration:
							NA
							If non cash consideration, current value:
							(a) Based on the current share price, the shares have a value of \$3,900. The value of the shares on grant date was \$39,000. (b) Based on the Black Scholes pricing model, the options have a current value of \$48,581. The value of the options on grant date was \$621,897.
2.	24 December 2018	201,999,998	Ordinary shares	New and existing sophisticated investors	\$0.0055	39% discount to market price on the date of issue	Total consideration:
							\$1,111,000
							If cash consideration, amount of consideration spent (A\$):
							\$1,111,000

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
							If cash consideration, what consideration was spent on:	Accelerating technology deployments as well as investing in marketing activities for the acquired mobile commerce business in Brazil.
3.	24 January 2019	(a) 5,000,000 (b) 10,000,000	(a) Unlisted incentive options exercisable at \$0.02 each on or before 1 January 2024, subject to vesting conditions (b) Unlisted incentive options exercisable at \$0.04 each on or before 1 January 2024, subject to vesting conditions	Issued to a consultant of the company in respect of advisory fees	(a) Nil (b) Nil	(a) NA (b) NA	If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	NA
							Total consideration:	NA
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	(a) Based on the Black Scholes pricing model, the options have a current value of \$2,000. The value of the options on grant date was \$13,481. (b) Based on the Black Scholes pricing model, the options have a current value of \$1,315. The value of the options on grant date was \$15,642.

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
4.	9 April 2019	(a) 233,336,450 (b) 3,737,500	(a) Ordinary Shares (b) Ordinary Shares	(a) Existing and new sophisticated and professional investors (b) Obsidian Global Partners, LLC	(a) 0.0079 (b) 0.0079	25% discount to the 15 day VWAP at the time of issue	Total consideration:	(a) \$1,843,358 (b) Nil
							If cash consideration, amount of consideration spent (A\$):	(a) \$1,843,358 (b) NA
							If cash consideration, what consideration was spent on:	(a) Expansion of global sales, support and general working capital to accelerate growth to capture, manage and support the company's pipeline of potential clients. (b) NA
							If cash consideration, intended use for remaining consideration:	(a) NA (b) NA
5.	10 April 2019	1,000,000	Convertible notes	Obsidian Global Partners, LLC	\$1.42	NA	If non cash consideration, current value:	(a) NA (b) Shares were issued as payment for a commitment fee of \$29,526
							Total consideration:	\$1,420,000
							If cash consideration, amount of consideration spent (A\$):	\$1,420,000
							If cash consideration, what consideration was spent on:	Expansion of global sales, support and general working capital to accelerate growth to capture, manage and support the company's pipeline of potential clients.

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
							If cash consideration, intended use for remaining consideration:	
							If non cash consideration, current value:	NA
6.	24 April 2019	12,706,367	Ordinary Shares issued on conversion of 50,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0063	21.25% discount to market price on the date of issue	Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$12,706.
7.	10 May 2019	26,756,157	Ordinary Shares issued on conversion of 50,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0031	22.5% discount to market price on the date of issue	Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$26,756.

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
8.	13 June 2019	29,640,904	Ordinary Shares issued on conversion of 50,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0028	6.7% discount to market price on the date of issue	Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$29,641.
9.	9 July 2019	54,481,713	Ordinary Shares issued on conversion of 60,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0018	40% discount to market price on the date of issue	Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$54,482.
10.	19 August 2019	53,822,699	Ordinary Shares issued on conversion of 60,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0019	36.7% discount to market price on the date of issue	Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
							If cash consideration, what consideration was spent on:	
11.	6 September 2019	75,440,756	Ordinary Shares issued on conversion of 60,000 convertible notes	Obsidian Global Partners, LLC.	\$0.0014	30% discount to market price on the date of issue	If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$53,823.
							Total consideration:	Nil
							If cash consideration, amount of consideration spent (A\$):	NA
							If cash consideration, what consideration was spent on:	NA
							If cash consideration, intended use for remaining consideration:	NA
							If non cash consideration, current value:	Based on the current share price, the shares have a value of \$75,441.

SCHEDULE 3 - SUMMARY OF TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The terms and conditions of the Performance Rights are as follows:

1. Definitions

In these terms and conditions, unless the context requires otherwise:

Performance Right means a Class A Performance Right and/or Class B Performance Right, as the context requires.

Performance Rightholder means the holder of a Performance Right.

Class A Expiry Date means 31 December 2020.

Class B Expiry Date means 31 December 2022.

Class A Performance Right means a Class A Performance Right issued pursuant to Resolutions 6 and 7 and subject to the Class A Milestone and these terms.

Class A Milestone means the Company achieving an EBIDTA positive quarter before the Class A Expiry Date.

Class B Performance Right means a Class B Performance Right issued pursuant to Resolutions 6 and 7 and subject to the Class B Milestone and these terms.

Class B Milestone means the Company achieving a \$1.5 million or more EBITDA in any calendar quarter before the Class B Expiry Date.

2. Dividend

The Performance Rightholder is not entitled to a dividend.

3. Conversion

(a) Conversion

The Performance Rights will convert to Shares in accordance with this clause 3.

(b) Conversion of Class A Performance Right:

Subject to clause 3(e), each Class A Performance Right will convert into one (1) Share upon the satisfaction, prior to the Expiry Date, of the Class A Milestone.

(c) Conversion of Class B Performance Right:

Subject to clause 3(e), each Class B Performance Right will convert into one (1) Share upon the satisfaction, prior to the Expiry Date, of the Class B Milestone.

(d) Conversion after expiry date:

(i) If the Class A Milestone is not met by 5:00pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Class A Performance Rights held by the Performance Rightholder into 1 Share.

(ii) If the Class B Milestone is not met by 5:00pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Class B Performance Rights held by the Performance Rightholder into 1 Share.

(e) Takeover Provisions

(i) If the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Right that

would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this clause 3(f)(i), the Company shall at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1).

- (ii) The Performance Rightholder shall give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) will not result in any person being in contravention of section 606(1).
- (iii) The Company may (but is not obliged to), by written notice, request the Performance Rightholder to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may result in the contravention of section 606(1). If the Performance Rightholder does not give notification to the Company within seven (7) days that they consider the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may result in the contravention of section 606(1), then the Company shall assume that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) will not result in any person being in contravention of section 606(1).

(f) **After Conversion**

The Shares issued on conversion of any Performance Right will, as from 5:00pm on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares upon the date of conversion. Shares issued on conversion of the Performance Right must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.

4. Lapse on Termination

A Performance Right, whether unvested or vested, will lapse and be automatically cancelled if the Performance Rightholder's employment within the Company or its subsidiaries is terminated.

5. Issue of Shares for No Consideration

The Company shall allot and issue Shares immediately upon conversion of the Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

6. Reconstruction

In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Shares and the Performance Rights shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Rights which are not conferred on the Shareholders.

7. Winding Up

If the Company is wound up prior to conversion of all of the Performance Rights into Shares then the Performance Rightholder will have:

- (a) no right to be paid cash for the Performance Rights; and
- (b) no right to participate in surplus assets or profits of the Company on winding up.

8. Non-transferable

The Performance Rights are not transferable.

9. Voting Rights

The Performance Rightholder shall have no right to vote, subject to the Corporations Act.

10. Participation in New Issues

There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

11. Quotation

The Performance Rights are not quoted. No application for quotation of the Performance Rights will be made by the Company.

SYNTONIC LIMITED
ACN 123 867 765

PROXY FORM

The Company Secretary
Syntonic Limited

By delivery:
945 Wellington Street
West Perth WA 6005

By post:
PO Box 1263
West Perth WA 6872

By facsimile:
+61 8 9322 7602

**Name of
Shareholder:**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

**The
Chairperson of
the Meeting
(mark box)**

☐

OR if you are **NOT** appointing the
Chairperson as your proxy, please write the
name of the person or body corporate
(excluding the registered shareholder) you
are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 Meeting of the Company to be held at Pathways Corporate, Level 6, 105 St Georges Terrace, Perth, WA, 6000 on 18 November 2019 at 1.00pm AWST and at any adjournment or postponement of that Meeting.

Important – If the Chairperson is your proxy or is appointed as your proxy by default

The Chairperson intends to vote all available proxies in favour of the Resolutions. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to a Resolution, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on that Resolution even if that Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report			
Resolution 2	Re-Election of Rahul Agarwal as Director			
Resolution 3	Consolidation of capital			
Resolution 4	Issue of Shares to Steven Elfman			
Resolution 5	Issue of Shares to Nigel Hennessy			
Resolution 6	Issue of Performance Rights to Gary Greenbaum			
Resolution 7	Issue of Performance Rights to Rahul Agarwal			
Resolution 8	Approval of 10% placement facility			

The Chairperson intends to vote all available and undirected proxies in favour of each Resolution.

In exceptional circumstances, the Chairperson may change his voting intent on any Resolution, in which case an ASX announcement will be made.

Authorised signature/s

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

Individual or Shareholder 1

Sole Director and Sole
Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company
Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (PO Box 1263, West Perth WA 6872 or +61 8 9322 7602 if faxed or by email at sw@grangeconsulting.com.au) not less than 48 hours prior to the time of commencement of the Meeting.