



SYNTHONIC LIMITED
ACN 123 867 765

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Blackwall Legal, Level 26, 140 St Georges Terrace, Perth Western Australia on 26 October 2020 at 9am (WST)

The Company advises that the Meeting will be held in compliance with the Australian government's restrictions on public gatherings, as is applicable on the day of the Meeting.

Due to the public health measures mandated by various regulatory authorities as means of combating the ongoing COVID-19 pandemic, for the health and safety of all Shareholders and Company officers, the Company encourages shareholders to vote by proxy, rather than attending the Meeting in person.

As at the date of this Notice, the Company intends to hold a physical in-person Meeting, so long as the number of attendees remains within the limits permitted under the latest public gathering restriction guidelines. In the event that the number of attendees exceeds that permitted, the Meeting Chairperson will adjourn the Meeting in the interests of the safety of all involved, for it to be resumed at a later date.

Shareholders are encouraged to lodge proxy forms by no later than 9am (WST) on 24 October 2020. Lodgement instructions (which include the ability to lodge proxies electronically) are detailed in this Notice.

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

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at www.syntonic.com.

The business of the Meeting affects your shareholding and your vote is important. This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, 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 6558 0886.

SYNTONIC LIMITED

ACN 123 867 765

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Syntonic Limited (**Company** or **Syntonic**) will be held at Blackwall Legal, Level 26, 140 St Georges Terrace, Perth Western Australia on 26 October 2020 at 9am (WST) (**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 24 October 2020 at 9am (WST).

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

ASX takes no responsibility for the contents of this Notice and the Explanatory Memorandum.

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

“That, for the purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the Company to dispose of the Syntonic US Companies, being its main undertaking, to First Orion Corp on the terms and conditions detailed in the Explanatory Memorandum.”

If Resolution 1 is not approved by Shareholders, the Proposed Transaction will not proceed.

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of First Orion Corp. (or any of its associates) or any other person (and/or their nominees) who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, or any associates of that person (and/or their nominees).

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the resolution; and

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2– MODIFICATION OF CONSTITUTION

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 section 136 of the Corporations Act and for all other purposes, the Constitution be modified, on the terms and conditions detailed in the Explanatory Memorandum."

3. RESOLUTION 3 – SELECTIVE CAPITAL REDUCTION

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

"That, subject to Resolution 1 being passed and completion of the Proposed Transaction occurring, for the purposes of section 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to undertake a selective reduction of capital comprising the cancellation of:

- (a) 602,528,061 Shares held by Mr Gary Greenbaum (and/or his nominee);
- (b) 602,528,061 Shares held by Mr Rahul Agarwal (and/or his nominee); and
- (c) 3,900,000 Shares held by Mr Steven Elfman (and/or his nominee),

on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 256C(2) of the Corporations Act, any votes cast on this Resolution (other than by a person as proxy for a member who is entitled to vote, in accordance with the directions of the relevant Proxy Form) by any person who is to receive consideration as part of the reduction and their respective associates with be disregarded.

4. RESOLUTION 4 – SECTION 195 APPROVAL

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 subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolution 3."

Dated: 25 September 2020

By order of the Board

Tim Slate
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 Blackwall Legal, Level 26, 140 St Georges Terrace, Perth, Western Australia on 26 October 2020 at 9am (WST).

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:	Overview of the Proposed Transaction
Section 4:	Resolution 1 – Disposal of Main Undertaking
Section 5:	Resolution 2 – Modification of Constitution
Section 6:	Resolution 3 – Selective Capital Reduction
Section 7:	Resolution 4 – Section 195 Approval
Schedule 1:	Definitions
Schedule 2:	Unaudited Pro-forma Statement of Financial Position

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

The Notice may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and assumptions about the industry in which it operates, and beliefs and assumptions regarding the Company's future performance.

Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company.

Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in the Notice. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in the Notice speak only at the date of issue of the Notice.

Subject to any continuing obligations under applicable law and the Listing Rules, the Company does not undertake any obligation to update or revise any information or any of the forward looking statements in the Notice or any changes in events, conditions or circumstances on which any such forward looking statement is based.

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;
- (a) a proxy need not be a member of the Company; and
- (b) 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.

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9am (WST) on 24 October 2020, being at least 48 hours before the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

The Proxy Form attached to the Notice provides further details on appointing proxies and lodging Proxy Forms.

2.2 Meeting Attendance

The Company advises that the Meeting will be held in compliance with the government's restrictions on public gatherings, as is applicable on the day of the Meeting.

Due to the public health measures mandated by various regulatory authorities as means of combating the ongoing COVID-19 pandemic, for the health and safety of all Shareholders and Company officers, the Company encourages shareholders to vote by proxy, rather than attending the Meeting in person.

As at the date of this Notice, the Company intends to hold a physical in-person Meeting, so long as the number of attendees remains within the limits permitted under the latest public gathering restriction guidelines. In the event that the number of attendees exceeds that permitted, the Meeting Chairperson will adjourn the Meeting in the interests of the safety of all involved, for it to be resumed at a later date.

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

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at www.syntonic.com.

2.3 Conditional Resolution

Resolution 3 is conditional on the passing of Resolution 1 and completion of the Proposed Transaction (defined below), meaning that Resolution 3 will only take effect if the requisite majority of Shareholders vote at the Meeting to approve Resolution 1 and completion of the Proposed Transaction occurs.

3. OVERVIEW OF THE PROPOSED TRANSACTION

3.1 Background

As detailed in the Company's announcement dated 23 March 2020 and quarterly reports dated 30 April 2020 and 31 July 2020, the Company's business has been impacted by the COVID-19 pandemic, in particular:

- (a) by reason of the decline in consumer mobile spending; and
- (b) the suspension of South American soccer which has impacted its FOX Sports Gol content service.

Having regard to the above matters, the Company has pursued various initiatives to ensure a sufficient cash position to remain operational and has investigated various courses of action including debt and equity financing and the divestment of its core assets. The Board evaluated a number of prospective alternatives and determined that the Proposed Transaction (detailed below) is the best course of action in the present circumstances.

3.2 Proposed Transaction

As announced on 25 September 2020, the Company has entered into a share purchase agreement (**Share Purchase Agreement**) pursuant to which, subject to the satisfaction of certain conditions (including the execution of a share purchase agreement and Shareholder approval), First Orion Corp. (**First Orion**), a US corporation, will acquire the Company's entire interest in the outstanding issued share capital of its subsidiaries Syntonic Wireless Inc. (**Syntonic Wireless**) and Syntonic US Inc. (including Syntonic Brasil Tecnologia LTDA (**Syntonic Brazil**), a wholly owned subsidiary of Syntonic US Inc) (**Syntonic US**) (together, the **Syntonic US Companies**) (**Proposed Transaction**).

By disposing of the Syntonic US Companies, the Company will effectively be disposing of its entire business undertaking and all of its key assets. Refer to Section 3.12 for the future intentions of the Company following the disposal.

3.3 Material Terms of the Proposed Transaction

The Proposed Transaction will be on the following terms and conditions:

(a) Consideration

First Orion will pay to the Company, as consideration for the acquisition of the entire issued share capital of the Syntonic US Companies (**Sale Shares**), a purchase price of US\$1,220,000 as follows:

- (i) US\$1,000,000, comprising a deposit of US\$85,000 (**Deposit**) and payment of US\$915,000 in cash on completion of the Proposed Transaction; and
- (ii) US\$220,000 payable in four (4) equal monthly instalments of US\$55,000.00 beginning January 4, 2021 and on the first day of each month thereafter with the last payment payable on April 1, 2021.

In addition to the Deposit, First Orion has also advanced US\$30,000 to Syntonic and may advance additional amounts prior to completion (together, the **Advanced Amounts**) for working capital purposes. First Orion may withhold and/or deduct from the monthly instalments (detailed in (ii) above):

- (i) any amounts owing to First Orion by Syntonic under the Share Purchase Agreement, including by reason of a claim made by First Orion in respect to a "buyer indemnity" (which include a breach of a representation or warranty under the Share Purchase Agreement by Syntonic); and/or
- (ii) the Advanced Amounts, if certain receivables are not received by the Syntonic US Companies on or before 31 January 2021.

If the Share Purchase Agreement is terminated prior to 31 October 2020 for any reason (save for a termination by the Company due to a breach of the agreement by First Orion or due to matters arising outside of the control of the Company), the Deposit will be repaid to First Orion.

The Sale Shares are being sold on the basis that the Syntonic US Companies will have no indebtedness or liabilities at completion of the Proposed Transaction and, on this basis, the above first tranche of the purchase price is subject to a deduction of liabilities associated with the Syntonic US Companies (refer to Section 3.4 for further details).

(b) Conditions

Completion of the Proposed Transaction is subject to the satisfaction of certain conditions, including (but not limited to) the Company obtaining the requisite shareholder approval pursuant to Listing Rule 11.2 (being Resolution 1). All additional conditions precedent are customary for a transaction of this nature.

(c) Termination

Termination may occur any time prior to completion, if (amongst other matters) any of the following occur:

- (i) by written agreement between the Company and First Orion; and
- (ii) by written notice from First Orion or the Company if the Proposed Transaction does not occur on or before 31 October 2020.

3.4 Proposed Use of Funds

If the Proposed Transaction completes, the funds raised from the Proposed Transaction are proposed to be utilised by the Company as follows:

Indicative Allocation of Funds	Amount (US\$)
Settlement of liabilities associated with the Syntonic US Companies ¹	US\$706,066
Working Capital and pursuit of new opportunities (refer to Section 3.12)	USD\$513,934
Total	US\$1,220,000²

Notes:

1. Comprises US\$485,499 of existing liabilities as at 30 June 2020 and anticipated liabilities of approximately US\$220,567 to be incurred between 1 July 2020 to 30 September 2020. The liabilities are inclusive of transaction costs and administrative costs to completion of the Proposed Transaction and also includes US\$187,508.00 to Adroit Business Solutions, a consulting company associated with Mr Rahul Agarwal, a Director, for product engineering contracting services provided in the financial year of 2020.
2. Assumes that the subsequent instalment payments are not deducted and/or withheld (refer to Section 3.3(a)).

3.5 Information about First Orion

First Orion helps the world's leading carriers, enterprises and mobile apps provide mobile users with the protection they need from scams and the identity verification they need to answer trusted calls. The flagship First Orion Call Protection Suite currently provides call control, blocking, transparency and management solutions to tens of millions of mobile handsets. Additionally, First Orion's Call Enhancement Suite, INFORM™ and ENGAGE®, tells mobile subscribers who is calling and why,

empowering them with the ability to take action, while also providing businesses the ability to verify their identity when calling their customers. With First Orion enterprises, hospitals, government entities, non-profits, last-mile logistics, banks and more can now deliver critical communications and have their calls answered.

First Orion powers communication transparency solutions for T-Mobile, Metro by T-Mobile, Boost Mobile, Sky, Virgin Mobile and Sprint Prepaid mobile networks along with PrivacyStar and other mobile apps. Established in 2008 and led by Charles Morgan (former Founder & CEO of Acxiom), First Orion is headquartered in North Little Rock, Arkansas, has offices in Seattle, London, and Dubai, and employs nearly 250 people globally.

Refer to First Orion's website at <https://firstorion.com/> for further details.

3.6 Financial Effect of the Share Sale on the Company

Upon completion of the Proposed Transaction, the Company will no longer have any title or ownership interest in the Syntonic US Companies. As a consequence, the Company will not generate any further operating revenue and cash receipts from the Syntonic US Companies (and by extension the Company will not generate any material revenue given this is the Company's sole business undertaking).

Schedule 2 provides an indicative pro-forma unaudited statement of financial position of the Company that has been prepared to enable Shareholders to make an assessment of the potential effect of the Proposed Transaction on the financial position of the Company as at 30 June 2020.

3.7 Advantages and Disadvantages of the Proposed Transaction

(a) Advantages

The Board considers the advantages in respect to the Proposed Transaction are as follows:

- (i) the Proposed Transaction will add approximately US\$1.28 million (in staged payments) to the Company's cash reserves (refer to Section 3.3 for further details) reducing the probability that the Company will be required to raise any additional equity capital in the short term;
- (ii) the completion of the Proposed Transaction would mean that the Company will cease to have the burden of the financial obligations it would otherwise have in relation to the Syntonic US Companies, including future capital requirements, operating costs and expenses incurred by the Company in relation to the businesses;
- (iii) the Proposed Transaction removes exposure to key risks pertaining to the Syntonic US Companies and the A\$ / US\$ / BRL\$ exchange rates; and
- (iv) the Proposed Transaction will allow the Company to refocus its objectives and explore other projects and business acquisition opportunities.

(b) Disadvantages

The Board considers the disadvantages in respect to the Proposed Transaction are as follows:

- (i) the Proposed Transaction involves the Company selling its sole business undertaking, which may not be consistent with the investment objectives of Shareholders;
- (ii) upon completion of the Proposed Transaction, the Company will no longer have any title or ownership interest in Syntonic Wireless Inc. and Syntonic US Inc. As a consequence, the Company will not generate any further operating revenue and cash receipts from these businesses, or benefit from any favourable movements in the A\$ / US\$ / BRL\$ exchange rate, should they occur;

- (iii) there are risks associated with the Company proceeding with the Proposed Transaction in respect to the continued quotation of the Securities on the ASX (refer to Section 3.10 for further details).

3.8 Directors' Interests in the Proposed Transaction

The Directors (other than Mr Rahul Agarwal) do not have any financial or other material interest in the outcome of Resolution 1 other than as a result of their interests arising solely in the capacity as Shareholders.

As detailed in Section 3.4, the Company intends to utilise a portion of the proceeds received from the Proposed Transaction to pay the outstanding liabilities of the Syntonic US Companies, including certain related party liabilities owing to Mr Rahul Agarwal, a Director (**Agarwal Payments**).

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. The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the Agarwal Payments as the exceptions in the Corporations Act applies. The Agarwal Payments are being made in respect to outstanding invoices in respect to the existing arrangements with Adroit Business Solutions which are on arm's length terms.

Shareholders are advised that, subject to Shareholders approving Resolution 1 and completion of the Proposed Transaction, Mr Gary Greenbaum, the Managing Director and CEO, has agreed to release Syntonic Wireless (and by extension the Company) of its obligation to pay his outstanding and deferred salary of US\$110,348 for the calendar year 2020 and severance payment of US\$87,500 in respect to his engagement as Chief Executive Officer and Mr Agarwal has agreed to release Syntonic Wireless (and by extension the Company) of its obligation to pay his outstanding and deferred salary of US\$110,348 for the calendar year 2020 and his severance payment of US\$87,500.

As at the date of this Notice, the Directors have a relevant interest (held directly and indirectly) in the securities of the Company as detailed in the following table:

Director	Shares	Performance Rights	Options
Mr Gary Greenbaum	602,528,061	199,300,830	25,000,000
Mr Rahul Agarwal	602,528,061	199,300,830	25,000,000
Mr Steven Elfman	3,900,000	-	-
Mr David Wheeler	-	-	-

Subject to Shareholders approving Resolution 1 and completion of the Proposed Transaction, to implement a more appropriate capital structure to facilitate the Company's pursuit of future business opportunities (refer to Section 3.12):

- (a) the Company will undertake a selective capital reduction pursuant to which 602,528,061 Shares held by Mr Gary Greenbaum (and/or his nominee), 602,528,061 Shares held by Mr Rahul Agarwal (and/or his nominee) and 3,900,000 Shares held by Mr Steven Elfman (and/or his nominee) will be cancelled (**Capital Reduction**), being the subject to Resolution 3; and
- (b) the Company will cancel all of the existing Performance Rights and Options of Messrs Greenbaum and Agarwal (and/or their nominees) (being an aggregate of 398,789,660 Performance Rights and 50,000,000 Options) for nil consideration.

Refer to Section 6 for further details.

3.9 Changes to Company's Board and Senior Management

If the Proposed Transaction completes, Messrs Gary Greenbaum, Rahul Agarwal and Steven Elfman will resign as Directors. The Company will seek to identify suitable director candidates prior

to the completion of the Proposed Transaction, with a view to appointing new Directors at completion of the Proposed Transaction.

No Company key executive or directors will be appointed to the board of First Orion. Messrs Greenbaum and Agarwal will be engaged by First Orion as consultants for a period of three months post-completion of the Proposed Transaction to facilitate the integration and transition of the Syntonic US Companies' businesses and operations to First Orion.

3.10 Risk Factors

Following completion of the Proposed Transactions, Shareholders will be subject to (amongst other matters) the following risk factors:

- (a) following completion of the Proposed Transaction, the Company will cease to have any material operations and the Company may be unable to source or otherwise acquire a suitable business;
- (b) any continued lack of operation or material assets for any extended period is likely to reduce the Company's access to further capital, whether by debt or equity, and as such there is a risk that the Company will cease to be a going concern; and
- (c) if the Company cannot acquire a further suitable business within six months of shareholders approving Resolution 1, ASX will suspend trading in the Company's securities. Any future acquisition will require re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on reinstatement of the Company's Securities. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Securities may consequently remain suspended from quotation and ultimately removed from the official list of the ASX.

3.11 Indicative Timetable

The anticipated timetable for completion of the Proposed Transaction is as follows:

Event	Indicative Date
Latest date and time for receipt of Proxy Forms	9am (WST) on 24 October 2020
Date and time for determining eligibility to vote	9am (WST) on 24 October 2020
Meeting	9am (WST) on 26 October 2020
Indicative date for completion of the Proposed Transaction	30 October 2020

These dates are indicative only and are subject to change. Subject to the Corporations Act and Listing Rules, the above dates may be varied. Any changes to the above timetable will be announced to ASX.

Unless otherwise stated, all references to time in this document are references to WST.

3.12 Future Intentions of the Company

If Resolution 1 is approved by Shareholders and the disposal of Syntonic US Companies as contemplated by the Proposed Transaction proceeds, the funds raised from the Sale Shares will be used to explore other projects and business acquisition opportunities (which may not be in the technology space / sector).

If the Company cannot acquire a further significant business within six months of the Company disposing of its main undertaking (being completion of the Proposed Transaction), ASX will suspend

trading in the Company's securities which may ultimately result in the Company being removed from the official list of the ASX.

If the disposal of Syntonic US Companies as contemplated by the Proposed Transaction does not proceed, the Board considers that it is likely that, the Company will continue to deplete its existing cash reserves and, if the Company is unable to raise further capital, it will be unable to meet its financial obligations, which is likely to result in the Company entering into voluntary administration and/or liquidation.

3.13 Recent Market Price of Shares

The highest and lowest market sale prices of Shares on ASX during the twelve (12) months immediately preceding the date of this Notice and the respective dates of those sales were:

Highest:	\$0.001 per Share on 25 September 2019.
Lowest:	\$0.001 per Share on 31 July 2020.

The latest available market sale price of Shares on ASX prior to the date of this Notice was A\$0.001 per Share on 30 July 2020.

4. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

4.1 General

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 11.2 for the Company to complete the Proposed Transaction, under which it will dispose of the Sale Shares to First Orion pursuant to the Share Purchase Agreement.

Listing Rule 11.2 is summarised in Section 4.2 below.

A summary of the key terms of the Proposed Transaction is detailed in Section 3 above.

Resolution 1 is an ordinary resolution.

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

4.2 Listing Rule 11.2

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to a disposal of its main undertaking. The Proposed Transaction is a disposal of the Company's main undertaking for these purposes.

Resolution 1 seeks the required Shareholder approval to the Proposed Transaction under and for the purposes of Listing Rule 11.2.

If Resolution 1 is passed, the Company will be able to proceed with the Proposed Transaction to dispose of its main undertaking to First Orion by completing the Share Purchase Agreement without breaching Listing Rule 11.2.

If Resolution 1 is not approved by Shareholders, the Proposed Transaction will not proceed.

A voting exclusion statement is included in the Notice for Resolution 1.

4.3 Directors' Recommendation and Voting Intentions

The Directors believe that Resolution 1 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution 1. The Directors' intend to vote in favour of Resolution 1.

5. RESOLUTION 2 – MODIFICATION OF CONSTITUTION

5.1 General

It is proposed that the Company's constitution (**Constitution**) be updated to comply with recent changes to the Listing Rules. The modified constitution has been notified to ASX as required under the Listing Rules.

Resolution 2 seeks Shareholder approval for the modification of the Constitution in accordance with section 136 of the Corporations Act.

A copy of the modified Constitution will be sent to any Shareholder on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting and available for inspection at the Meeting.

The modified Constitution will be effective from the close of the Meeting.

Resolution 2 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 Chairman intends to exercise all available proxies in favour of Resolution 2.

5.2 Summary of proposed modifications

Article 17 of the Constitution be amended to insert the following:

- (g) The Company must comply with the Listing Rules in respect of restricted securities:
 - (i) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
 - (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (iv) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
 - (v) if a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

Article 17 of the modified Constitution provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new wording) took effect from 1 December 2019 and apply to restricted securities after this date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

5.3 Reasons for proposed modifications

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "Simplifying, clarifying and enhancing the integrity and efficiency of the Listing Rules", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime came into effect from 1 December 2019. A two-tiered escrow regime was introduced.

The first tier of escrow involves ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant

restriction agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier applies where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime replaced the previous requirement where all holders of restricted securities were required to enter into a formal escrow agreement.

Listing Rule 15.12 from 1 December 2019 requires the constitution of listed entities to reflect the modified escrow regime. This includes the Constitution expressly providing for securities to be the subject of a holding lock where they are in a class of quoted securities and further providing that the holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

5.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

6 RESOLUTION 3 – SELECTIVE CAPITAL REDUCTION

6.1 General

Resolution 3 seeks shareholder approval for a selective capital reduction and cancellation of the following securities:

- (a) 602,528,061 Shares held by Mr Gary Greenbaum (and/or his nominee);
- (b) 602,528,061 Shares held by Mr Rahul Agarwal (and/or his nominee); and
- (c) 3,900,000 Shares held by Mr Steve Elfman (and/or his nominee),

(together, the **Director Shares**).

In addition, subject to Shareholder approval being obtained under Resolution 1 and completion of the Proposed Transaction, the Company will cancel all of Messrs Greenbaum and Agarwal's (and/or their nominees) existing Performance Rights and Options in the Company (being an aggregate of 398,789,660 Performance Rights and 50,000,000 Options).

Resolution 3 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).

Resolution 3 is subject to Shareholders approving Resolution 1 and completion of the Proposed Transaction occurring.

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

6.2 Corporations Act requirements

Section 256B of the Corporations Act provides that a Company may reduce its share capital by cancelling shares if the reduction:

- (a) is fair and reasonable to the Company's shareholders;
- (b) does not materially prejudice the company's ability to pay its creditors; and
- (c) is approved by shareholders under section 256C of the Corporations Act.

To enable the Company to make the Capital Reduction by cancelling the Director Shares, section 256C(2) of the Corporations Act requires a special resolution of all the Shareholders passed at a general meeting as the Capital Reduction proposed for the Company is a selective reduction

because the terms of the reduction will not be the same for all Shareholders; only the Director Shares will be cancelled. No votes will be cast in favour of the resolution by any persons who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates.

A separate meeting of Messrs Greenbaum, Agarwal and Elfman has been convened to be held at the later of the conclusion of the Meeting, and 10am on 26 October 2020 (being the same date as the Meeting) at the same venue as the Meeting. At this Meeting, a resolution will be put to Messrs Greenbaum, Agarwal and Elfman pursuant to section 256C of the Corporations Act for the Capital Reduction of the Director Shares held by Messrs Greenbaum, Agarwal and Elfman (and/or their nominees).

6.3 Effect of proposed Capital Reduction

The Company believes the proposed Capital Reduction is fair and reasonable to Shareholders as a whole because the Director Shares will be cancelled for no consideration, and will implement a more appropriate capital structure for the Company following completion of the Proposed Transaction. The Company also believes that the proposed Capital Reduction will not materially prejudice the Company's ability to pay its creditors as no consideration will be provided to Messrs Greenbaum, Agarwal or Elfman for the cancellation of the Director Shares.

The Director Shares being cancelled comprise 17.41% of the total Shares currently on issue, which will result in an increase in the total percentage of Shares held by all other Shareholders.

There is no information known to the Company that is material to the decision on how to vote on Resolution 3 other than what has been disclosed in this Notice.

Pursuant to the Corporations Act, the Company may cancel the Director Shares 14 days after the lodgement of Resolution 3 (once the requisite Shareholder approvals have been received and completion of the Proposed Transaction occurs) with the ASIC.

6.4 Director Recommendation

Mr David Wheeler recommends that Shareholders vote in favour of Resolution 3.

7 RESOLUTION 4 – SECTION 195 APPROVAL

In accordance with section 195 of the Corporations Act, a director of a public company may not vote to be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors (other than Mr David Wheeler) have a material personal interest in the outcome of Resolution 3.

In the absence of this Resolution 4, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 3. The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 4 is an ordinary resolution.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum:

A\$ means Australian Dollars.

Advanced Amount has the meaning given in Section 3.3(a).

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.

Capital Reduction has the meaning given in Section 3.8.

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

Constitution means the constitution of the Company (as amended from time to time).

Company or **Syntonic** means Syntonic Limited (ACN 123 867 765).

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

Director means a director of the Company.

Director Shares has the meaning given in Section 6.1.

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

First Orion means First Orion Corp.

Listing Rules means the listing rules of ASX.

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.

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

Performance Right means a right which entitles the holder to subscribe for a Share.

Placement means the Placement announced by the Company on 15 November 2019.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Sale Shares has the meaning given in Section 3.3.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means a Share, Option, Performance Right or other security in the issued capital of the Company.

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

Shareholder means a shareholder of the Company.

Syntonic US has the meaning given in Section 3.2.

Syntonic US Companies has the meaning given in Section 3.2.

Syntonic Wireless has the meaning given in Section 3.2.

US\$ means US Dollar.

WST means Western Standard Time.

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SCHEDULE 2: PRO-FORMA STATEMENT OF FINANCIAL POSITION

	30 June 2020 (unaudited)	Adjustments	Following the Proposed Transaction
	A\$	A\$	A\$
	Pre		Post
ASSETS			
Current assets	220,861	734,191	955,052
Cash and cash equivalents	649,784	- 634,296	15,488
Trade and other receivables	138,338	- 123,792	14,546
Other assets	-	-	-
Total current assets	1,008,983	- 23,897	985,086
Non-current assets			
Other financial assets	10,724	- 10,724	-
Right-of-use-asset	136,026	- 136,026	-
Property, plant and equipment	14,377	- 14,377	-
Intangible assets	1,077,849	- 1,077,849	-
Total non-current assets	1,238,976	- 1,238,976	-
TOTAL ASSETS	2,247,959	- 1,262,873	985,086
LIABILITIES			
Current liabilities			
Trade and other payables	1,679,420	- 1,503,860	175,560
Loans and borrowings	136,895	- 136,895	-
Lease liability	125,993	- 125,993	-
Total current liabilities	1,942,308	- 1,766,748	175,560
Non-Current liabilities			
Contingent Consideration	973,587	- 973,587	-
Lease liability	22,110	- 22,110	-
Total non-current liabilities	995,697	- 995,697	-
TOTAL LIABILITIES	2,938,005	- 2,762,445	175,560
NET ASSETS	- 690,046	1,499,572	809,526
EQUITY			
Contributed equity	44,095,864	- 1,208,956	42,886,908
Reserves	2,861,690	- 289,903	2,571,787
Accumulated losses	- 47,647,600	2,998,432	- 44,649,168
TOTAL EQUITY	- 690,046	1,499,572	809,526

The pro forma statement of financial position presented above is based on the statement of financial position of Syntonic (unaudited) as at 30 June 2020 and gives effect to pro forma adjustments relating to the Proposed Transaction and certain other matters as if they had occurred on 30 June 2020. Unless specifically described, the pro forma adjustments relating to the business of Syntonic occurring after 30 June 2020 does not include adjustments to the business of Syntonic occurring after 30 June 2020 that do not relate to the Proposed Transaction or the cancellation of all of the Shares, Options and Performance Rights held by Messrs Gary Greenbaum, Rahul Agarwal and Steve Elfman. The pro forma adjustments are as follows:

1. The receipt of all tranches of the purchase price by the Company, as adjusted for liabilities associated with the Syntonic US Companies and assuming that the subsequent instalment payments are not deducted and withheld (refer to Section 3.3(a)).
2. The settlement of existing and estimated liabilities of the Syntonic US Companies of US\$706,066 as at 30 September 2020 (refer to Section 3.4).
3. Release of an aggregate amount of US\$220,696, being outstanding amounts owing by Syntonic Wireless to Messrs Gary Greenbaum and Rahul Agarwal. Messrs Gary Greenbaum and Rahul Agarwal have also agreed to release an aggregate amount of US\$175,000 in respect to severance payments owing by Syntonic Wireless following completion of the Proposed Transaction. Refer to Section 3.8.
4. The cancellation of all of the Shares, Options and Performance Rights held by Messrs Gary Greenbaum, Rahul Agarwal and Steve Elfman for nil consideration (refer to Section 3.8).
5. An exchange rate of AUD/USD 0.70.