



Beam Communications Holdings Limited

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The Manager
Market Announcements Platform
Australian Securities Exchange

Terms of Options to Investors and Broker

Attached below is the set of terms of the unquoted options proposed to be issued to investors and the broker under the capital raising announced on 12 October 2020. These terms are referred to as Annexure A in the Company's Notice of Annual General Meeting Explanatory Notes.

As advised the AGM will be held on Monday 30 November 2020 at 10.00am (AEDST via webinar conferencing facility).

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Payne".

Dennis Payne
Company Secretary

ANNEXURE A

TERMS OF OPTIONS

1. Interpretation

- (a) *ASX* means ASX Limited (ACN 008 624 691);
- (b) *Board* means the board of directors of the Company;
- (c) *Business Day* means a day not being a Saturday, Sunday or public holiday, on which banks are generally open for business in Victoria;
- (d) *Company* means Beam Communications Holdings Limited (ACN 010 568 804);
- (e) *Corporations Act* means the Corporations Act 2001 (Cth) as amended from time;
- (f) *Listing Rules* means the official listing rules of the ASX;
- (g) *Official List* has the meaning given to that term in the Listing Rules;
- (h) *Option* and *Options* means the options to be issued to the Optionholder on the terms detailed in these Terms of Options;
- (i) *Quotation* has the meaning given to that term in the Listing Rules;
- (j) *Shareholder* and *Shareholders* means a person who owns shares in the capital of the Company, notwithstanding that those shares may not be fully paid; and
- (k) *Shares* means fully paid ordinary shares in the capital of the Company.

Terms of Options

2. Entitlement

- 2.1. Each Option entitles the Optionholder to subscribe for, and be allotted, one Share.
- 2.2. Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

3. Exercise of Option

- 3.1. The Options are exercisable at any time from the date of issue.
- 3.2. The final date and time for exercise of the Options is 5:00 p.m. (AEDT) on 31 December 2022.
- 3.3. The exercise price of each Option is \$0.50.
- 3.4. Each Option is exercisable by the Optionholder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's share registry.
- 3.5. Remittances must be made payable to 'Beam Communications Holdings Limited' and cheques should be crossed 'Not Negotiable'.
- 3.6. All Options will lapse on the earlier of the:

- (a) receipt by the Company of notice from the Optionholder that the Optionholder has elected to surrender the Options; or
- (b) expiry of the final date and time for exercise of the Option as set out in paragraph 3.3.

3.7. In the event of liquidation of the Company, all unexercised Options will lapse.

4. Quotation

4.1. The Company does not intend to apply to the ASX for official quotation of the Options.

4.2. The Company may apply for quotation of the Options on ASX, in its sole discretion and if the Options satisfy all applicable criteria for quotation on ASX.

4.3. If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 business days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

5. Participation in Securities Issues

Subject to paragraph 6 below, the holder is not entitled to participate in new issues of securities without exercising the Options.

6. Participation in a Reorganisation of Capital

6.1. In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Optionholder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Optionholder which is not conferred on shareholders of the Company.

6.2. In any reorganisation as referred to in paragraph 6.1, Options will be treated in the following manner:

- (a) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (b) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (c) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (e) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (f) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Optionholder which are not conferred on shareholders.

7. Adjustments to Options and Exercise Price

7.1. Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph 7.2 to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.

7.2. The method of adjustment for the purpose of paragraph 7.1 shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(a) **Pro Rata Cash Issues**

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

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

where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is Exercisable.

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

S = the subscription price for a security under the pro-rata issue.

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

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

(b) **Pro-Rata Bonus Issues**

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

8. Takeovers and Schemes of Arrangement

8.1. If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Optionholder of the offer and from the date of such notification, the Optionholder has 60 days within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options or

arrangement. If the Options are not exercised within 60 days after notification of the offer, the Options may be exercised at any other time according to their terms of issue.

- 8.2.** If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Optionholder will be entitled to exercise Options held by him/her within the period notified by the Company.

9. Transfer of Options

- (a) Subject to paragraph 9(b), a holder of Options may transfer each of them by:
- (i) an instrument in writing in any usual form or in a form approved by the Company which is signed by or on behalf of both the transferor and the transferee; and
 - (ii) sending the completed transfer to the Company or the Company's share registry for registration accompanied by any evidence the Company or the share registry requires to prove the title of the transferor or the transferor's right to the Option and any other evidence the Company or the share registry requires to prove the right of the transferee to be registered as the owner of the Options.
- (b) A transferor of Options remains the holder of the Options transferred until:
- (i) the transfer is registered; and
 - (ii) the name of the transferee is entered in the register of holders of Options for the Options transferred.
- (c) The Company may retain any registered instrument of transfer for the period that the Company thinks fit.
- (d) Except in the case of fraud, the Company must return any instrument of transfer which the Company declines to register, to the person who sent it to the Company together with any documents which accompanied the transfer.
- (e) To the extent permitted by law, the Company may waive all or any of the requirements for transfers of Options under the terms of the Options in this section 9 which are to be satisfied by the transferor or transferee.

10. Registration of transfers

Subject to the terms of the Options, the Corporations Act and the ASX Listing Rules, the Company may decline to register a transfer of an Option.

11. Power to suspend registration of transfers

The Company may at any time suspend the registration of a transfer of Options for any period not exceeding 30 days in a year.

12. Transmission of Options

- (a) If an Optionholder dies, the only persons the Company recognises as having any title to the holder's Options or any benefits accruing in respect of those Options are:
- (i) the legal personal representative of the deceased, if the deceased was a sole holder; and
 - (ii) the survivor or survivors, if the deceased was a joint holder.

- (b) Nothing in paragraph 12(a) above releases the estate of a deceased Optionholder from liability in respect of an Option, whether the deceased held that Option solely or jointly.
- (c) A person who becomes entitled to Options because of a transmission event may
 - (i) sign a written notice stating that the person wishes to register as the holder of the Options and serve it on the Company; or
 - (ii) execute a transfer of the Options to another person;
 - (iii) subject to proving that person's entitlement by producing any evidence that the Company requires.
- (d) The rules about transferring Options apply with the necessary changes to a transfer under paragraph 12(c)(ii) as if:
 - (i) the relevant transmission event had not occurred; and
 - (ii) the person entitled to the Options because of the transmission event were the registered holder of the Options.
- (e) If 2 or more persons are jointly entitled to Options because of a transmission event, then upon being registered, they hold the Options as joint tenants with rights of survivorship.
- (f) Despite paragraph 12(a), the Company may register a transfer of Options which the holder of the Options signs prior to a transmission event, even though the Company has notice of the transmission event.

13. Listed company

- (a) The terms under this paragraph 13 only apply whilst the Options are granted official quotation by ASX and the terms in paragraphs 9 to 12 will not apply to the extent that they are inconsistent with this paragraph 13.
- (b) Subject to the terms of the Options, a holder of an Option may transfer an Option:
 - (i) if the Option is, or is in a class of securities that is, an Approved Financial Product, through CHES in accordance with the ASX Settlement Operating Rules;
 - (ii) if another prescribed clearing and settlement facility is approved by the board of Directors of the Company to deal with the transfer of Options, through that facility in accordance with its operating rules; or
 - (iii) if another method of transfer is approved by the board of directors of the Company to deal with the transfer of Options and under the Corporations Act or otherwise at law that method is valid and effective to transfer the Option, in accordance with that method.
- (c) The Company may only decline to register a transfer of Options (including by applying a holding lock, or requesting that a holding lock be applied to prevent a transfer of the Options) if permitted to do so by the ASX Listing Rules.
- (d) The Company must:
 - (i) decline to register a transfer of Options; or
 - (ii) apply a holding lock, or request that a holding lock be applied to prevent a transfer of the Options;

if:

- (iii) the ASX Listing Rules require the Company to do so; or
 - (iv) the transfer is in breach of the ASX Listing Rules or a restriction agreement.
- (e) If in the exercise of its rights set out in this paragraph 13 the Company refuses to register a transfer of Options or applies a holding lock, or requests that a holding lock be applied, to prevent a transfer of the Options, the Company must notify:
- (i) in the case of refusing to register a paper-based transfer, the person lodging the transfer with the Company for registration; and
 - (ii) in the case of applying a holding lock, or requesting that a holding lock be applied, to prevent a transfer of the Options, the holder of the Options;
 - (iii) in writing of the refusal or the holding lock (as the case may be) and the reason for it, within the time limit prescribed by the ASX Listing Rules. Failure to give such notice does not invalidate the decision of the Company to refuse registration or otherwise prevent the transfer.

14. Notices

Notices may be given by the Company to the Optionholder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Optionholder.

15. Rights to Accounts

The Optionholder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Optionholder is not a Shareholder, it will not have any right to attend or vote at these meetings.