

19 November 2024  
The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

Shareholders of Beam Communications Holdings Limited  
Dear Beam Shareholders

### **AGM Voting – Importance and Context**

Ahead of the Annual General Meeting of the Shareholders of Beam Communications Holdings Limited (**BCC/ Beam**), scheduled for 10.00am on Thursday 28 November 2024, Beam's Board of Directors (**Board**) seeks to offer shareholders and the broader market further insight into:

- (a) the importance of voting;
- (b) the commercial context in which that vote will occur; and
- (c) the priorities of Beam's subsisting Non-Executive Directors, each of whom seek re-election at the upcoming AGM.

### **Background**

As disclosed within BCC's ASX announcements, released on 24 October 2024 and 30 October 2024, the decision of the Canadian arbitrator relating to the ZOLEO Inc. joint venture between Beam and its joint venture partner (**Award**) was both unwelcome, and operationally and financially significant.

Swiftly, the Board and Senior Executive Team of Beam considered and then reacted to this decision to prioritise the immediate reduction of BCC's cost base. This reduction, some of which had commenced prior to the arbitration outcome, was manifestly necessary.

With BCC now to be a seller or vendor of its interest in ZOLEO Inc, rather than the purchaser it had hoped to become, certain cost centres were a particular focus of the Board's deliberations and unanimous decisions, although all areas of Beam were immediately assessed for efficiency and resource reallocation.

As part of these measures, Non-Executive Directors of Beam volunteered reductions of 10% to their fees, for a period of 6 months. Since then, the third independent Director, Mark Chartres resigned, also acknowledging the need to reduce or 'right-size' the Board's size and remuneration for Beam's go-forward cost base.

Beam's Chair, Simon Wallace, in an expression of accountability, albeit shared with all officers and legal service providers, for the Award outcome, also confirmed to the ASX that he would seek to retire in the period following the 2024 AGM, but in any event before the 2025 AGM.

### **CEO Contract Notice**

Importantly, Beam's Board of Directors was unanimously aligned on all decisions made following receipt of the Award, until the decision was proposed and ultimately made to issue BCC's CEO, Mr Michael Capocchi with nine months' notice under his existing executive employment contract, which will terminate on 30 July 2025.

Mr Capocchi is disappointed with the unanimous decision made by the Beam Non-Executive Directors.

The decision to provide the CEO with notice under his contract (which expires July 2025), was taken in order to provide the Company with required operating and financial flexibility to assist with fully right sizing the cost base for "Lean Beam", this naturally extends to the current CEO base salary and superannuation

which for FY24 was \$676,390 (as disclosed in the 2024 Annual Report). Mr Capocchi's previous offer to the Board to reduce his remuneration, by \$20,000 for a period of 6 months, was promptly withdrawn after he received his contractual notice.

Sunsetting the terms of that CEO contract, by providing nine months' notice, such that Beam can more suitably assess and better align the CEO's remuneration with Lean Beam's capacity and requirements, was and remains an entirely reasonable and, in our view, the only fiscally responsible decision to have taken.

The Board has agreed to assess closer to 30 July 2025 (being the date of termination of Mr Capocchi's employment) whether any new employment, pursuant to a new employment contract, can and should be offered by Beam to Mr Capocchi. The Board, of course, would not control Mr Capocchi's response to any such offer, if made. The Board looks forward to Mr Capocchi continuing to make valuable contributions to Beam during his notice period and we are pleased that he has, at this stage, indicated his willingness to do so.

We also note that in the Notice of Meeting issued to shareholders on 25 October 2024 (**NoM**) was contained the Board's unanimous recommendation that shareholders vote in favour of all resolutions to be put to members the AGM.

### **Acting in Association**

Since shortly prior to the release of Beam's announcement to the market on 30 October 2024 and return to trading, the Board has received both requests and demands for the installation of certain persons as new, or even replacement, Directors of the Company.

In written correspondence from or issued on behalf of those persons, it has been asserted to the Board that, if appointed to the Board, the reversal of the Board's decision regarding the notice provided under Mr Capocchi's employment contract would be the first priority of those appointees.

The Board is also alive to the possibility that a group of Shareholders may be "acting in concert" and therefore properly regarded as "Associates" within the meaning of the Corporations Act 2001, in their coordinated campaign to contact and encourage shareholders to vote against most resolutions at the AGM. For the purposes of ASX disclosures, such an association would require a notification to be made to the market as to their aggregated shareholdings.

As yet, the market has not been notified of any Shareholders who are "acting in concert".

### **Summary**

The issues presently confronting Beam are varied and fiscally meaningful, and, at this time, being managed appropriately. Indeed, the leanness and focus of BCC's go-forward business model for Lean Beam, together with the opportunities for liquidity events that will be pursued, make BCC an investable proposition.

Not one of those issues confronting the Board and Management will cease following the AGM, regardless of the outcome. It is on those issues that Mr Wallace and Mr Kopanidis continue to be focused, in the interests of all shareholders.

Mr Capocchi was invited to attach his signature to this letter, but has elected not to do so. He has also indicated that he now withdraws his endorsement of the Directors seeking re-election at the AGM.

We encourage all shareholders to vote ahead of the AGM, in one of the manners set out in the NoM.

Yours sincerely



Simon Wallace  
Chairman



Peter Kopanidis  
Director