

**FONIX MOBILE PLC**  
**23 Heddton Street, London, W1B 4BQ**  
**Company number: 05836806**

**LETTER FROM THE CHAIRMAN**

Dear Shareholder,

**Annual General Meeting of Fonix Mobile plc**

I am pleased to enclose notice of Fonix Mobile plc's (the "**Company**") annual general meeting ("**AGM**") which will be held at 3:00 p.m. on Thursday 18 November 2021 at finnCap, 1 Bartholomew Close, London, EC1A 7BL.

*Arrangements*

As at the date of the notice, shareholders may attend the AGM in person subject to social distancing measures or Government guidance that may be in place at the time of the AGM. The Directors kindly request that any shareholders who wish to attend the AGM in person pre-register their intentions to attend by emailing [investors@fonix.com](mailto:investors@fonix.com) no later than close of business on 17 November 2021. All shareholders who wish to attend the AGM in person will be required to wear a mask.

Given the evolving circumstances surrounding the Covid-19 pandemic, shareholders are encouraged to monitor the Company's website (<https://www.fonix.com>) for any changes to the arrangements for the AGM described in the notice of AGM and for details of any social distancing arrangements in place at the meeting.

Please note that shareholders must not attend the AGM in person if they have symptoms that may be caused by Covid-19, or if they are waiting for a test, or if they have received a positive Covid-19 test result, or live with someone with Covid-19 symptoms, or with someone who has tested positive for Covid-19.

*Voting*

I strongly encourage you to complete and submit your proxy vote in advance of the AGM in accordance with the guidance notes appended to the notice of AGM.

The Company will conduct the votes on all resolutions by way of a poll to ensure that votes of all shareholders are counted.

The Directors believe that the proposed resolutions set out in the notice of AGM are in the best interests of shareholders as a whole. The Directors will be voting in favour of them and unanimously recommend that you do so as well.

*Annual Report*

The full annual report and accounts of the Company in respect of the financial year ended 30 June 2021 have been published and a copy of the report is available on the Company's website (<https://fonix.com/investors>).

Yours faithfully,

**Edward Spurrier**  
**Chairman**

21 October 2021

## **Notice of Annual General Meeting**

Notice is hereby given that the 2021 annual general meeting of the Company will be held at finnCap, 1 Bartholomew Close, London, EC1A 7BL at 3:00 p.m. on 18 November 2021 for the following purposes:

### **Ordinary Resolutions**

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the audited annual accounts and reports for the financial year ended 30 June 2021.
2. To reappoint Michael Andrew Foulkes as a Director.
3. To reappoint William Richard Neale as a Director.
4. To reappoint Lucinda Emma Joanna Sharman-Munday as a Director.
5. To reappoint Edward John Marston Spurrier as a Director.
6. To reappoint Robert Henry Weisz as a Director.
7. To reappoint UHY Hacker Young LLP as auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company.
8. To authorise the Directors to determine UHY Hacker Young LLP's remuneration as auditors of the Company.
9. To declare a final dividend of £0.0353 (3.53p) per ordinary share for the year ended 30 June 2021 to be paid on 30 November 2021 to the holders of ordinary shares on the register of members at the close of business on 19 November 2021.
10. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £66,666.66 comprising:
  - (a) an aggregate nominal amount of £33,333.33 (whether in connection with the same offer or issue as under (b) below or otherwise); and
  - (b) an aggregate nominal amount of £33,333.33 in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an

offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company in 2022, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired

## Notice of Annual General Meeting continued

### Special Resolutions

To consider and, if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

11. That subject to the passing of resolution 10, the Directors be empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 10 as if section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) any such allotment of equity securities in connection with an offer of equity securities by way of a rights issue or other pre-emptive offer or issue made to holders of ordinary shares on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, subject to such exclusions or other arrangements as the Directors may deem necessary, appropriate or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
  - (b) any such allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £5,000.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 10 expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

12. That, in addition to any authority granted under resolution 11 and subject to the passing of resolution 10, the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 10 as if section 561 of that Act did not apply to any such allotment, provided that this power shall be:

- (a) limited to any such allotment of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £5,000; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 10 expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired

**The Directors believe that the proposals in resolutions 1 to 12 are in the best interests of shareholders as a whole. The Directors will be voting in favour of them and unanimously recommend that you do so as well.**

On behalf of the board of Directors

**Michael Andrew Foulkes**

Company Secretary

21 October 2021

Registered office: 23 Heddon Street, London, W1B 4BQ

Registered in England and Wales with company number 05836806

## Notes

1. A shareholder is entitled to appoint another person as that shareholder's proxy to exercise all or any of that shareholder's rights to attend and to speak and vote at the annual general meeting ("**AGM**"). A shareholder may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company but must attend the AGM to represent the shareholder. If you are appointing more than one proxy you will need to state clearly on each form of proxy the number of shares in relation to which the proxy is appointed, and ensure that, taken together, the numbers of shares stated on the forms of proxy do not exceed your holding. Appointment of a proxy will not prevent a shareholder from attending the AGM and voting in person (subject to any Covid-19 restrictions or Government guidance which may apply in relation to in-person attendance at general meetings). You are strongly encouraged to appoint the Chair of the AGM as your proxy, rather than a named person, to ensure that your vote is counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting.
2. A personalised form of proxy for use in connection with the AGM is enclosed with the document of which this notice forms part. If you do not have a personalised form of proxy and believe that you should, or you require additional proxy forms, please contact the Company's registrars, Neville Registrars Limited on +44 (0) 121 585 1131.
3. To appoint a proxy or proxies shareholders must complete:
  - (a) a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notary certified copy of such authority, to the Company's registrars, Neville Registrars Limited, at Neville House, Steelpark Road, Halesowen B62 8HD. In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company; or
  - (b) a CREST Proxy Instruction (see note 5 below); or
  - (c) an online proxy appointment at [www.sharegateway.co.uk](http://www.sharegateway.co.uk) by using the Personal Proxy Registration Code as shown on the Form of Proxy,in each case so that it is received no later than 3:00 p.m. on 16 November 2021.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available

via <http://www.euroclear.com>). CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 7RA11) by the latest time for receipt of proxy appointments set out in paragraph 3 above or, in the event of an adjournment of the AGM, 48 hours (excluding non-working days) before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (*SI 2001/3755*).
8. Only those shareholders included in the register of members of the Company at 6.00 p.m. on 16 November 2021 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two working days before the time for holding any adjourned meeting, will be entitled to attend, to speak and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the AGM.

9. A corporation that is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that they do not do so in relation to the same shares.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
11. As at 20 October 2021 (being the last practicable date before publication of this notice), the Company's issued share capital consists of 100,000,000 ordinary shares of £0.001 each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 20 October 2021 are 100,000,000.
12. To the extent practicable in the present circumstances, copies of the Directors' service contracts and letters of appointment are available for inspection at the Company's registered office during normal business hours on any weekday (excluding public holidays) from the date of this notice until the end of the AGM.
13. You may not use any electronic address provided in this notice of meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

## **Notice of Annual General Meeting continued**

### **Explanatory Notes to the Notice of Annual General Meeting**

The following notes provide an explanation as to why the resolutions set out in the notice of the Annual General Meeting of the Company to be held on 18 November 2021 are to be put to shareholders.

**Resolutions 1 to 10 are ordinary resolutions. These resolutions will be passed if more than 50% of the votes cast for or against are in favour.**

#### **Resolution 1 – Laying of Accounts**

The Directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the Directors (including the Strategic Report) and auditors, and the audited accounts of the Company, for the year ended 30 June 2021. The reports of the Directors and the audited accounts have been approved by the Directors, and the report of the auditors has been approved by the auditors, and a copy of each of these documents may be found in the annual accounts and reports, starting at page 32.

#### **Resolutions 2 to 6 – Reappointment of the Directors**

The Company's articles of association require that any Director who was not appointed or reappointed at either of the last two annual general meetings before this meeting must retire, although they may offer themselves for reappointment. Given this is the first AGM since the adoption of the revised articles with this requirement, all the Directors are retiring and seeking reappointment. Biographical information for Michael Andrew Foulkes, William Richard Neale, Lucinda Emma Joanna Sharman-Munday, Edward John Marston Spurrier and Robert Henry Weisz is shown on pages 30 and 31 of the annual report and accounts.

#### **Resolution 7 – Auditors' appointment**

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. This resolution seeks shareholder approval for the reappointment of UHY Hacker Young LLP. The Audit Committee keeps under review the independence and objectivity of the external auditors, further information on which can be found in the annual report and accounts on page 38. After considering relevant information, the Audit Committee recommended to the board of Directors that UHY Hacker Young LLP be reappointed.

#### **Resolution 8 – Auditors' remuneration**

This resolution gives the Directors the authority to determine the remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

**Resolution 9 - Declaration of final dividend**

Subject to the final dividend, as set out in resolution 9, being approved by the Company's shareholders, the final dividend will be paid on 30 November 2021 to ordinary shareholders whose names appear on the register of members of the Company at close of business on 19 November 2021.

**Resolution 10 – Authority to the Directors to allot shares**

The Companies Act 2006 provides that the Directors may only allot shares or grant rights to subscribe for or to convert any security into shares if authorised by shareholders to do so. resolution 10 will, if passed, authorise the Directors to allot shares up to a maximum nominal amount of £66,666.66, which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 20 October 2021, the latest practicable date prior to the publication of the notice. As at that date, the Company did not hold any treasury shares.

As provided in paragraph (a) of the resolution, up to half of this authority (equal to one-third of the issued share capital of the Company) will enable Directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue or open offer in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue or open offer. Where usage of this authority exceeds the one-third of the issued share capital, the Directors intend to follow emerging best practice as regards its use (including as to the requirement for Directors to stand for re-election).

The authority will expire at the earlier of (i) the date falling 15 months after the date of passing of the resolution and (ii) the conclusion of the next annual general meeting of the Company.

Passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise in the future, by issuing new shares and the Directors therefore consider these powers to be desirable. There are no current plans to issue new shares except in connection with employee share schemes.

## **Explanatory Notes to the Notice of Annual General Meeting continued**

**Resolutions 11 and 12 are special resolutions. These resolutions will be passed if not less than 75% of the votes cast for and against are in favour.**

### **Resolutions 11 and 12 – Disapplication of statutory pre-emption rights**

The Companies Act 2006 prescribes certain pre-emption rights under which, if the Company issues new shares, or grants rights to subscribe for or to convert any security into shares, for cash, it must first offer them to existing shareholders in proportion to their current holdings.

Under resolution 11, it is proposed that the Directors be authorised to issue shares for cash without offering them first to existing shareholders in accordance with statutory pre-emption rights:

- (i) up to an aggregate nominal amount of £5,000 (up to 5,000,000 new ordinary shares of £0.001 each). This amount represents 5% of the Company's issued share capital as at 20 October 2021, the latest practicable date prior to the publication of the notice. This part of the authority is designed to provide the board of Directors with flexibility to raise further equity funding and to pursue acquisition opportunities as and when they may arise; or
- (ii) in respect of a rights issue, open offer or other offer that generally provides existing shareholders with the opportunity to subscribe for new shares pro rata to their existing holdings. This part of the authority is designed to give the Directors flexibility to exclude certain shareholders from such an offer where the Directors consider it necessary or desirable to do so in order to avoid legal, regulatory or practical problems that would otherwise arise.

Under resolution 12, it is proposed that the Directors be authorised to disapply statutory pre-emption rights in respect of an additional 5% of the Company's issued share capital (as at 20 October 2021, the latest practicable date prior to the publication of the notice). The Directors consider that proposing this resolution is appropriate for the Company's circumstances and, in accordance with the Pre-Emption Group's Principles, the Directors confirm that the authority will be used only in connection with an acquisition or specified capital investment that is announced contemporaneously with the issue, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

If passed, the authorities in resolutions 11 and 12 will expire at the same time as the authority to allot shares given pursuant to resolution 10. The Directors consider these powers desirable due to the flexibility they give. The Directors have no present intention of issuing any equity securities for cash pursuant to the disapplication proposed under resolutions 11 and 12.