

**Comms Group Limited (ASX:CCG)
ACN 619 196 539**

Notice of Meeting and Explanatory Statement

Date: Monday, 25 January 2021

Time: 11.00am (Sydney time)

Place: Held virtually (online) at <https://web.lumiagm.com/383924012>

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THE DOCUMENT IN ITS ENTIRETY BEFORE YOU DECIDE WHETHER OR NOT TO VOTE IN FAVOUR OF THE RESOLUTIONS. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER.

If, after reading this document, you have any questions, please contact CCG for more information or alternatively seek independent professional advice on any aspects of which you are not certain.

Important Notices

General

This Notice of Meeting and explanatory statement is dated 24 December 2020.

This document is important. The explanatory statement provides additional information on matters to be considered at the Meeting and forms part of the Notice of Meeting. You should read this document in its entirety before making a decision on how to vote on the Resolutions to be considered at the Meeting.

A Proxy Form for the Meeting is also enclosed. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Given the current restriction on gatherings and travel imposed by governments as a consequence of the COVID-19 virus, the Federal Treasurer has made a determination modifying the operation of provisions of the Corporations Act and the Corporations Regulations under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Determination)* to allow companies who are required or permitted to hold meetings to hold those meetings remotely as virtual meetings, instead of in person. No hard copy of the Notice of Meeting and explanatory statement will be circulated, and Shareholders will instead be notified of how to access the Notice of Meeting and explanatory statement.

To avoid needing to attend the meeting, Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chairman before 11.00am (Sydney time) on Saturday, 23 January 2021. Instructions for lodging proxies are included on your personalised proxy form.

The Meeting will be held virtually (online) via an online platform (<https://web.lumiagm.com/383924012>). There will be no physical attendance at the meeting. This is an important health and safety measure. Attending the meeting online enables Shareholders to view the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress. We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting.

In accordance with the Determination, each Resolution considered at the Meeting will be decided on a poll. As the situation regarding the management of COVID-19 is evolving, Shareholders are encouraged to monitor CCG's ASX announcements for any further updates in relation to the arrangements for the Meeting. CCG appreciates the understanding of Shareholders during this difficult time. We look forward to your virtual attendance and participation at the Meeting.

Interpretation

Capitalised terms used in the Notice of Meeting are defined in the Glossary at the end of this document, or where the relevant term is first used.

Any documents reproduced in this Notice of Meeting may have their own defined terms, which are sometimes different from those in the Glossary.

All numbers are rounded unless otherwise indicated. A reference to \$ and cents is to Australian currency, unless otherwise stated. All times referred to in this Notice of Meeting are references to the time in Sydney, Australia, unless otherwise stated.

A reference to a Section is to a section in the Notice of Meeting, unless otherwise stated.

Responsibility for information

CCG is responsible for this document but accepts no responsibility for any errors, omissions or misstatements in the Notice of Meeting that are attributable to errors, omissions or misstatements in publicly available information or third party sources or otherwise. Subject to the Corporations Act, CCG makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

ASIC and ASX

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Notice of Meeting.

Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of CCG, its directors, officers, or any person named in this document or involved in the preparation of this document, make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward looking statements in this document reflect views held only as at the date of this document. CCG has no obligation to disseminate after the date of this document any updates or revisions to any such statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless required under the Corporations Act to update or correct this document or pursuant to CCG's continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

No financial product advice

This document is not financial product or investment advice nor is it a recommendation in respect of the Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders and other persons should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation, financial and other advice appropriate to their jurisdiction and circumstances. CCG is not licensed to provide financial product advice in respect of the Shares.

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Key dates

Issue date of the Placement Shares Tranche 1	Wednesday, 23 December 2020
Date of this Notice of Meeting	Thursday, 24 December 2020
Last date and time for receipt of Proxy Form by CCG	11.00am (Sydney time) on Saturday, 23 January 2021
Time and date for determining eligibility to vote at the Meeting	7.00pm (Sydney time) on Saturday, 23 January 2021
Time and date of the Meeting	11.00am (Sydney time) on Monday, 25 January 2021
Anticipated date for: <ul style="list-style-type: none"> • Completion of the Acquisition • Payment of the Upfront Cash Payment • Issue of the Subscription Shares Tranche 1 	Friday, 29 January 2021
Anticipated issue date of the Placement Shares Tranche 2	Monday, 1 February 2021
Anticipated date for issue of the Subscription Shares Tranche 2	October 2021

The above dates are indicative only and are subject to change. Any changes to the above timetable will be announced through the ASX announcement platform.

Letter from the Chairman

24 December 2020

Dear Shareholder,

I am pleased to introduce the Placement and the Acquisition (together, the **Transactions**) for your consideration.

The Placement

On 17 December 2020, CCG announced the Placement to the market, being the raising of \$6.25 million through the issue of a total of 78,125,000 Shares at \$0.08 per Share to sophisticated and professional investors in two tranches. There are separate Resolutions for Shareholders to consider in connection with the Placement.

CCG seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 46,678,574 Shares at an issue price of \$0.08 per Share issued to sophisticated and professional investors on 23 December 2020 to raise a total of approximately \$3,734,000 (before costs) (the **Placement Tranche 1**). The Shares the subject of the Placement Tranche 1 (the **Placement Shares Tranche 1**) fall within CCG's existing placement capacity.

CCG also seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 31,446,426 Shares at an issue price of \$0.08 per Share to sophisticated and professional investors on or about 1 February 2021 to raise a total of approximately \$2,516,000 (before costs) (the **Placement Tranche 2**). Subject to Shareholder approval, the Shares the subject of the Placement Tranche 2 (the **Placement Shares Tranche 2**) are anticipated to be issued on or about 1 February 2021.

The funds raised by the Placement will be applied towards the cash consideration payable pursuant to the terms of the Acquisition, general working capital expenditure, acquisition integration and transaction costs associated with the Transactions and to strengthen the balance sheet to support additional funding to support future acquisitions.

Resolution 1 seeks Shareholder ratification for the issue of the Placement Shares Tranche 1 pursuant to ASX Listing Rule 7.4.

Resolution 3 seeks Shareholder approval for the issue of the Placement Shares Tranche 2 pursuant to ASX Listing Rule 7.1.

Directors are participating in the Placement Tranche 2 – their participation is subject to Shareholder approval under Resolutions 4, 5, 6 and 7.

The Acquisition

On 17 December 2020, CCG announced that it had entered into the Share Purchase Agreement pursuant to which it has agreed to acquire the entire issued share capital of Next Telecom Pty Ltd ACN 074 728 724 (**Next Telecom**) (the **Acquisition**).

The material terms of the Share Purchase Agreement are set out in Section 6.2. Completion of the Acquisition is subject to the conditions precedent detailed in Section 6.2.

It has been agreed that the total consideration payable to the Next Telecom Vendors by CCG under the Acquisition will be a minimum of \$8,670,000 and a maximum of \$12,000,000 and will comprise of:

- an upfront cash payment of \$2,000,000 (subject to standard and usual working capital and net debt adjustments) (the **Upfront Cash Payment**) and the issue of 70,812,456 new Shares at an issue price of \$0.0942 per Share (worth \$6,670,000) (the **Subscription Shares Tranche 1**) payable at completion of the Acquisition; and

- the issue of up to an additional 33,300,000 new Shares at an issue price of \$0.10 per Share (worth up to \$3,330,000) (the **Subscription Shares Tranche 2**) to be issued in or around October 2021 if certain performance targets are met by Next Telecom.

Resolution 2 seeks Shareholder approval for the issue of the Subscription Shares Tranche 1 and the Subscription Shares Tranche 2 pursuant to ASX Listing Rule 7.1.

Benefits of the Acquisition

Your Directors believe that the Acquisition will benefit CCG and CCG shareholders as Next Telecom's complementary customer base will expand CCG's customer base, particularly in the corporate mid-market sector (200 - 1,000 seats) across retail, legal distribution, freight, finance, hospitality and manufacturing industries, and will greatly reduce CCG's reliance on any one customer. In fact, a key benefit of the Acquisition for CCG is the ability for CCG to strategically leverage Next Telecom's customer base in Australia to grow CCG's existing business in the ICT sector.

In addition, the Board has determined that there is good product and technology compatibility across Next Telecom's voice, data and managed services.

The Acquisition will provide CCG with access to Next Telecom's high quality people with significant industry experience (demonstrated by strong and award recognised service levels) including key sales and operations executives staying on board to run Next Telecom. CCG aims to leverage off Next Telecom's successful direct to customer sales approach to expand its own customer base.

Further, the Acquisition should result in CCG's ability to realise synergies including expected cost of goods reductions and cross-selling of other services in FY22 as well as additional cost synergies including reduction in rent in FY22.

Conclusion

Further detailed information about the Resolutions and the Transactions are set out in the enclosed explanatory statement. Noting that the Directors believe that the benefits of the Transactions are in the best interests of CCG, we recommend you vote in favour of the Resolutions (with each Director who has an interest in the outcome of the relevant Resolution abstaining from making a recommendation in respect of the Resolution that they have an interest in).

I strongly encourage you to read the full contents of the accompanying documents carefully and participate in the voting process.

If you have any questions or queries about this Notice of Meeting or the Transactions, please contact CCG at engage@Commsgroup.com, for more information or alternatively seek independent professional advice on any aspects of which you are not certain.

I look forward to your participation at the Meeting.

If you have any queries regarding your holding of CCG shares or other CCG Share Registry matters, please contact Boardroom Pty Limited.

Yours sincerely

John Mackay
Chairman
Comms Group Limited

1 What to do now and how to vote

1.1 What to do now

(a) Carefully read this document

Shareholders are being asked to consider, and if thought fit approve, the Resolutions set out in this Notice of Meeting.

This document sets out information about the Transactions and provides Shareholders with the information to assist them in deciding how to vote on the Resolutions to be considered at the Meeting. This information is important.

You should read this document carefully, and in its entirety, before making a decision as to how to vote at the Meeting.

(b) Seek further information if required

If you have any queries about any matter contained in this document, please contact CCG for more information or alternatively seek independent professional advice on any aspects of which you are not certain.

1.2 How to vote

(a) Vote in person

There will be no ability to attend the Meeting in person as the Meeting is being convened virtually.

(b) Vote virtually

To vote at the Meeting virtually, login into (<https://web.lumiagm.com/383924012>) before 11.00am (Sydney time) on Monday, 25 January 2021.

(c) Vote by proxy

If you are not able to attend the Meeting, please complete and sign the Proxy Form enclosed with the Notice of Meeting as soon as possible.

To complete the Proxy Form, record your vote on the Proxy Form in relation to each Resolution to be considered at the Meeting as follows:

- if you wish to approve the Resolution, place a cross (X) in the space provided under the word 'FOR' in respect of that Resolution;
- if you do not wish to approve the Resolution, place a cross (X) in the space provided under the word 'AGAINST' in respect of that Resolution; and
- if you do not wish to vote in respect of the Resolution, place a cross (X) in the space provided under the word 'ABSTAIN' in respect of that Resolution.

The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by CCG at least 48 hours before the time for holding the Meeting (i.e. by no later than 11.00am (Sydney time) on Saturday, 23 January 2021):

- (i) online: <https://www.votingonline.com.au/ccgeg2021>;
- (ii) by fax: + 61 2 9290 9655; or
- (iii) by mail: Comms Group Limited, c/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2000; or
- (iv) by hand: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000.

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Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or CCG's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a Shareholder appoints the chairperson of the Meeting as the Shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that Shareholder, in favour of the item on a poll.

(d) **Vote by corporate representatives**

Corporate Shareholders or proxies wishing to vote by corporate representative should obtain an appointment of corporate representative form from the Share Registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by CCG before the start or resumption of the Meeting at which the representative is to vote, in person or by post in the reply paid envelope provided.

(e) **Vote through broker or nominees**

If you hold your Shares through a broker or nominee holder, you should contact them as soon as possible to instruct them to vote on your behalf.

(f) **Voting procedure on a poll**

Every question arising at this Meeting will be decided on a poll. Upon a poll, every person entitled to vote who is present at the virtual meeting or by proxy will have one vote for each voting share held by that person

(g) **Scrutineer**

CCG's registrar, Boardroom Pty Limited, will act as scrutineer for the polls required at the Meeting.

2 Important information about the Transactions

This Section provides a summary only of important information about the Transactions and the Resolutions, as well as information on how to vote at the Meeting. This Section also highlights key information about Next Telecom and the Enlarged CCG, and explains where you can find more detailed information about the Transactions within the Notice of Meeting. This Section should be read in conjunction with the entire Notice of Meeting before you decide how to vote on the Resolutions.

Information about the Placement	
What is the Placement Tranche 1?	Pursuant to the Placement Tranche 1, on 23 December 2020, CCG issued 46,678,574 new Shares at an issue price of \$0.08 per Share to sophisticated and professional investors to raise a total of approximately \$3,734,000 (before costs).
What is the Placement Tranche 2?	Pursuant to the Placement Tranche 2, CCG intends to issue 31,446,426 new Shares at an issue price of \$0.08 per Share to sophisticated and professional investors, including Directors, to raise a total of approximately \$2,516,000 (before costs).
How will the proceeds of the Placement be used?	The funds raised by the Placement will be applied towards the Upfront Cash Payment payable by CCG pursuant to the terms of the Acquisition, general working capital expenditure for CCG, acquisition integration and transaction costs associated with the Transactions and to strengthen the balance sheet to support additional funding to support future acquisitions.
Information about the Acquisition	
What is the Acquisition?	The Acquisition involves CCG acquiring 100% of the issued share capital in Next Telecom for total consideration of up to \$12,000,000 payable as \$2,000,000 in cash and the issue of up to 104,112,456 new Shares (in two tranches).
What is the consideration CCG has agreed to pay under the Acquisition?	<p>The total consideration for the Next Telecom Shares under the Share Purchase Agreement is the aggregate of:</p> <ul style="list-style-type: none"> • \$2,000,000 cash subject to standard and usual net working capital and net debt adjustments as detailed in the Share Purchase Agreement payable at completion of the Acquisition; • \$6,670,000 worth of new Shares (being 70,812,456 new Shares) at an issue price of \$0.0942 per Share to be issued at completion of the Acquisition; and • additional new Shares (up to a maximum of 33,300,000 Shares) to be issued in or around October 2021 at an issue price of \$0.10 per Share (worth up to \$3,330,000) with a cumulative value equal to: <ul style="list-style-type: none"> ○ nil, if the audited FY21 Pro Forma EBITDA is less than or equal to \$1,445,000; ○ the aggregate of \$6 for each \$1 of audited FY21 Pro Forma EBITDA above \$1,445,000 but less than \$2,000,000 plus abnormal, non-recurring or non-continuing cash payments received by Next Telecom from suppliers after completion of the Acquisition but before 30 June 2021 (capped at \$3,330,000); and

	<ul style="list-style-type: none"> o \$3,330,000, if the audited FY21 Pro Forma EBITDA is above or equal to \$2,000,000.
What is CCG acquiring under the Acquisition?	CCG is acquiring all of the issued shares in the capital of Next Telecom and therefore all of the assets and trading liabilities of Next Telecom as calculated on a debt free cash free basis and including a normal level of working capital.
What are the conditions to the Acquisition being completed?	<p>Completion of the Acquisition is conditional on (amongst others items):</p> <ul style="list-style-type: none"> • approval by Shareholders of Resolution 2 at the Meeting; • there being no material adverse change in relation to Next Telecom before completion of the Acquisition; and • other conditions common for an acquisition of this nature. <p>See Section 6.2 for a summary of the key terms and conditions of the Share Purchase Agreement, including all of the conditions precedent.</p>
What will happen to my Shares if the Acquisition proceeds?	<p>Nothing will happen to the Shares held by existing Shareholders under the Acquisition, except that their proportionate ownership of CCG will be diluted by the issue of new Shares under the Acquisition.</p> <p>See Section 4.5 for the dilutive impact the Acquisition will have on existing Shareholders.</p>
How will the structure of CCG's ownership change if the Acquisition proceeds?	<p>If Shareholders vote in favour of the Resolutions, upon completion of the Acquisition and the Placement, approximately 20.80% of the CCG Shares will be held (in aggregate) by the Next Telecom Vendors.</p> <p>Interests associated with Ryan O'Hare, Next Telecom's majority shareholder, will hold approximately 12.35% of the CCG Shares.</p> <p>Ryan O'Hare is not associated with any other Next Telecom Vendors other than members of his own family.</p>
Will there be management changes if the Acquisition proceeds?	<p>Ryan O'Hare, a current director of Next Telecom, will be appointed as a non-executive Director of CCG on completion of the Acquisition.</p> <p>See Section 3.3 for further information about the CCG management team.</p>
Will CCG remain listed on ASX if the Acquisition proceeds?	Yes, CCG will remain listed on ASX after completion of the Acquisition.

Will the CCG Shares issued to Next Telecom Vendors under the Acquisition be escrowed?

Yes, the new CCG Shares to be issued under the Acquisition will be escrowed for the following periods:

Next Telecom Vendors	Escrow Particulars
Nashar Pty Limited ACN 071 435 231 as trustee for the Ryan O'Hare Family No. 2 Discretionary Trust ABN 88 592 272 398 (ie. Ryan O'Hare)	50% of the Subscription Shares Tranche 1 will be escrowed for a period of 12 months commencing from completion of the Acquisition. The remaining 50% of the Subscription Shares Tranche 1 will be escrowed for a period of 18 months commencing from completion of the Acquisition. 50% of the Subscription Shares Tranche 2 will be escrowed for a period commencing on their date of issue and ending 12 months after completion of the Acquisition. The remaining 50% of the Subscription Shares Tranche 2 will be escrowed for a period commencing on their date of issue and ending 18 months after completion of the Acquisition.
All other Next Telecom Vendors receiving Subscription Shares	100% of the Subscription Shares Tranche 1 will be escrowed for a period of 12 months commencing from completion of the Acquisition. 100% of the Subscription Shares Tranche 2 will be escrowed for a period commencing on their date of issue and ending 12 months after completion of the Acquisition.

Under each of the escrow arrangements, if at the end of the relevant minimum escrow period there are any outstanding claims against the Next Telecom Vendors under the Share Purchase Agreement, then the relevant escrow period is extended until all such claims are resolved. This is unless an amount sufficient to pay the outstanding claims is deposited with the Next Telecom Vendors' solicitor to be held on trust pending resolution of the outstanding claims.

What will happen if the Acquisition does not proceed?

If Resolution 2 is not passed by Shareholders, or the other conditions precedent are not satisfied or waived, the Acquisition will not proceed. If the Acquisition does not proceed, CCG will seek alternative attractive acquisition targets.

Key information about CCG, Next Telecom and the Enlarged CCG

What is the Enlarged CCG?

The Enlarged CCG will be created on completion of the Acquisition.

The bulk of the cost savings and synergies to be derived from the Acquisition are expected to relate to the sharing of senior management, technical expertise and support services, as well as additional cost synergies including reduction in rent in FY22.

Following completion of the Acquisition, the scale of CCG's existing operations will be expanded. The shared technical and sales capabilities and expertise will create broader information and communication technology business services to be provided by the Enlarged CCG.

What will be the strategy of the Enlarged CCG?	<p>The acquisition of Next Telecom will provide the Enlarged CCG with the following:</p> <ul style="list-style-type: none"> • access to a diverse and complementary customer base; • shared resources and expertise; and • important cost savings and synergies. <p>The enhanced scale and strategic benefits associated with the acquisition of Next Telecom are expected to facilitate other inorganic growth opportunities for the Enlarged CCG.</p>
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Information about Shareholder approvals required for the Transactions

Why is Shareholder approval required for the Transactions?	<p>In order to preserve CCG's full ASX Listing Rule 7.1 placement capacity following implementation of the Transactions, Shareholder ratification and approval of the issue of new Shares is being sought under ASX Listing Rule 7.1. Resolutions 1, 2 and 3 seek such approval.</p> <p>The Directors are participating in the Placement Tranche 2 – approval of the issue of new Shares is being sought under ASX Listing Rule 10.11. Resolutions 4, 5, 6 and 7 seek such approval.</p>
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What am I being asked to vote on?	<p>Shareholders are being asked to vote on Resolutions which provide the following approvals:</p> <ul style="list-style-type: none"> • Resolution 1: CCG seeks Shareholder ratification for the issue of the Placement Shares Tranche 1 to sophisticated and professional investors on 23 December 2020 pursuant to ASX Listing Rule 7.4. • Resolution 2: CCG seeks Shareholder approval for the issue of the Subscription Shares to the Next Telecom Vendors pursuant to ASX Listing Rule 7.1. • Resolution 3: CCG seeks Shareholder approval for the issue of the Placement Shares Tranche 2 to sophisticated and professional investors on or about 1 February 2021 pursuant to ASX Listing Rule 7.1. • Resolutions 4, 5, 6 & 7: CCG seeks Shareholder approval for the issue of Shares from the Placement Tranche 2 to each of the Directors pursuant to ASX Listing Rule 10.11.
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What are the voting intentions of the Chairman as proxy?	<p>The CCG Chairman, John Mackay, intends to vote all undirected proxies over which he has control in favour of the Resolutions.</p>
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When and where will the Meeting be held?	<p>The Meeting will be held virtually (online at https://web.lumiagm.com/383924012) at 11.00am (Sydney time) on Monday, 25 January 2021.</p>
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What are the voting approval thresholds for the Resolutions?	<p>Each of the Resolutions is an ordinary resolution, requiring simple majority approval. This means that more than 50% of the votes cast on each of the Resolutions, respectively, by Shareholders who are eligible to vote on the Resolution must be cast in favour of the Resolution in order for it to be passed.</p> <p>See the Notice of Meeting for further information.</p>
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Are the Resolutions inter-conditional?	<p>No.</p>
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Who is eligible to vote on the Resolutions?	<p>In accordance with the Corporations Regulations, the Board has determined that the Shareholders entitled to attend and vote at the Meeting shall be those persons who are recorded in CCG's share register at 7.00pm (Sydney time) on Saturday, 23 January 2021.</p>
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See the Notice of Meeting for further information. Some voters may not be allowed to vote on the Resolutions. Please refer to the voting exclusion statement in the Notice of Meeting.

Is voting compulsory?

Voting is not compulsory. However, your vote is important.

If you cannot attend the Meeting, you are strongly encouraged to complete and return the Proxy Form that is enclosed with the Notice of Meeting.

If you hold your Shares through a broker or nominee holder, you should contact them as soon as possible to instruct them to vote on your behalf.

If you require any assistance in completing or lodging your proxy form, please contact the Share Registry on (02) 9290 9600, or contact your professional advisor.

Board Recommendation

What are the recommendations of the Board?

The Board unanimously recommends that Shareholders vote in favour of the Resolutions at the Meeting (with each Director who has an interest in the outcome of the relevant Resolution abstaining from making a recommendation in respect of the Resolution that they have an interest in).

Each eligible Director intends to vote the Shares that the Director controls in favour of each of the Resolutions proposed at the Meeting.

Transaction timetable

What is the indicative timetable for the Transactions?

Issue date of the Placement Shares Tranche 1	Wednesday, 23 December 2020
Date of this Notice of Meeting	Thursday, 24 December 2020
Last date and time for receipt of Proxy Form by CCG	11.00am (Sydney time) on Saturday, 23 January 2021
Time and date for determining eligibility to vote at the Meeting	7.00pm (Sydney time) on Saturday, 23 January 2021
Time and date of the Meeting	11.00am (Sydney time) on Monday, 25 January 2021
Anticipated date for: <ul style="list-style-type: none"> • Completion of the Acquisition • Payment of Upfront Cash Payment • Issue of the Subscription Shares Tranche 1 	Friday, 29 January 2021
Anticipated date for issue of the Placement Shares Tranche 2	Monday, 1 February 2021
Anticipated date for issue of the Subscription Shares Tranche 2	October 2021

The above dates are indicative only and are subject to change. Any changes to the above timetable will be announced through the ASX announcement platform.

Further questions

What should I do if I have further questions about the Transactions?

If you have any queries about any matter contained in this document please contact CCG for more information or alternatively seek independent professional advice on any aspects of which you are not certain.

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3 Information about Next Telecom

This Section provides information on Next Telecom.

3.1 What is Next Telecom?

Next Telecom was established in 2008 and is a privately-owned telecommunication service provider servicing the medium to corporate business markets in Australia in the ICT sector.

Next Telecom's mission is to provide the most sophisticated service levels available in the industry delivered through an award winning provisioning team and skilled empowered account management.

Telecommunication and information technology managed services provided by Next Telecom include corporate fibre services, managed data services, cloud IP telephony services, SIP voice services, business mobile services, specialist inbound number services, and managed information technology services.

Next Telecom's particular expertise is in providing telecommunications services, including IP telephony, nbn products and voice/mobile/inbound and business telephone systems, in Australia.

In the financial year ending 30 June 2020, Next Telecom generated (unaudited) revenue of \$15.6 million, with a normalised EBITDA of \$1.4 million.

For more information on Next Telecom go to <https://www.nexttelecom.com.au/>.

3.2 How is Next Telecom structured?

The corporate structure of Next Telecom is straightforward, being an Australian proprietary company with 9 shareholders.

Next Telecom has no subsidiaries.

3.3 Who are the directors and senior management of Next Telecom?

Executive	Expertise, experience and qualifications
Ryan O'Hare, Executive Chairman and Chief Executive Officer	<p>Ryan O'Hare's career began in retail distribution before assuming control of the U.S. operations of a global energy and telecommunications services business.</p> <p>In 1993, to capitalise on the imminent deregulation of the telecommunications industry, Ryan founded a telecommunications service provider, corpTEL Communications, which became one of the largest privately owned telecommunication service providers in Australia, recording revenues over \$150,000,000 in 1998. Ryan was its major shareholder, Chief Executive and Chairman until its sale to AAPT Limited.</p> <p>People Telecom Limited was co-founded by Ryan in 2000. Five years later, annual revenues had grown to over \$150,000,000. Today it is part of the Vocus Group that generates revenues of over \$1 billion per annum.</p> <p>Next Telecom was founded by Ryan in 2008 and has since become a multi award-winning IP telecommunications provider for businesses in Australia and the United Kingdom.</p> <p>On completion of the Acquisition, Ryan O'Hare will cease to be Next Telecom's Chief Executive Officer.</p>
Gavin Roache, Executive Director	Gavin Roache has spent 23 years in the telecommunications industry and is a co-founder of Next Telecom with 13 years as a company director,

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Executive	Expertise, experience and qualifications
and Director of Sales	<p>having previously worked as a commercial manager in the energy industry for Eutillty.</p> <p>Gavin served as General Manager of Business Sales for People Telecom Limited for seven years from its inception through to a fully listed company on ASX where he contributed to its success in reaching revenues of \$150,000,000 per annum.</p> <p>Prior to People Telecom Ltd Gavin worked for Tel.net Media where he was Director of Sales for Asia Pacific and Northern America.</p> <p>Previously, Gavin was Sales Manager for corpTEL Communications Pty Ltd (now part of the AAPT Limited group). Under his management, the sales team generated the highest revenue per sales person in the telecommunications industry.</p> <p>On completion of the Acquisition, Gavin Roache will become Next Telecom's Joint Chief Executive Officer (with Mark Manion).</p>
Mark Manion, Executive Director and Chief Operating Officer	<p>Mark Manion is a co-founder of Next Telecom, having spent 23 years in the telecommunications industry, working both in public and private sectors. Mark was previously General Manager Consumer and Commercial at People Telecom Limited.</p> <p>Prior to that Mark held the positions of National Sales Manager for Consumer and Commercial at AAPT Ltd, National Sales Manager for Century 21 and NSW/ACT State Manager for Telstra "T" Shops.</p> <p>Mark's in-depth knowledge of Customer Service, General Sales and Operations Management from a number of different industries is helping shape our customer service experience.</p> <p>On completion of the Acquisition, Mark Manion will become Next Telecom's Joint Chief Executive Officer (with Gavin Roache).</p>

3.4 Who are the Next Telecom directors being appointed to the CCG board?

Ryan O'Hare, the current Executive Chairman and CEO of Next Telecom, will resign from his role as an executive of Next Telecom and be appointed as a non-executive Director of CCG upon completion of the Acquisition.

Ryan O'Hare is not being appointed as a nominee director of the Next Telecom Vendors, rather his proposed appointment as a non-executive Director of CCG is in his own right. It follows that his position as a Director of CCG going forward is not tied to the performance of Next Telecom or his own CCG shareholding or that of the Next Telecom Vendors.

Mark Manion and Gavin Roache will be appointed as the Joint Chief Executive Officers of Next Telecom upon completion of the Acquisition. As part of their new role, they will report to CCG's Managing Director and Chief Executive Officer, Peter McGrath.

3.5 Is there any litigation affecting Next Telecom?

Throughout the due diligence process, CCG has not become aware of any ongoing litigation impacting Next Telecom.

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4 Information about the Enlarged CCG

4.1 Overview of the Enlarged CCG

This Section provides information about the Enlarged CCG.

CCG is an ICT business, providing a range of telecommunication and information technology related managed services. CCG services clients in Australia and internationally including New Zealand and Singapore.

CCG generates its revenue from the sale of the above-mentioned communications services. These fees consist of recurring charges for access to facilities and capabilities, as well as consumption charges for variable usage of those facilities. Revenue is also derived from the installation and sale of hardware, equipment and consulting services to support the primary products of the business.

The bulk of the cost savings and synergies expected to be delivered by the Acquisition relate to technical expertise, customer base and support services, which will be shared across both entities. Next Telecom's staff will be transitioned to CCG's offices which will result in a reduction in rent in FY22, and some of Next Telecom's services will be shifted onto CCG's telephony platforms.

Following completion of the Acquisition, the scale of CCG's existing operations will be expanded, creating new revenue streams across a larger customer base, particularly in the corporate mid-market sector (200-1,000 seats) across retail, legal distribution, freight, finance, hospitality or manufacturing industries, and reducing CCG's reliance on any one customer.

The Enlarged CCG will comprise:

- CCG's current business of providing a comprehensive range of telecommunication and information technology related managed services with particular expertise and experience in providing hosted voice, data, enterprise networks and cloud based communication and communication enablement services to business customers in Australia and internationally; and
- Next Telecom's telecommunication and information technology managed services business with particular expertise and experience in the fibre and cloud telephony services.

4.2 What will the Enlarged CCG's strategy be?

From a target market and customer viewpoint, CCG will continue its focus on increasing scale and further strengthening its position in the corporate mid-market. Similarly, Next Telecom's focus will remain on expanding its information technology services offering.

The Enlarged CCG will strategically leverage Next Telecom's SME and Corporate customer base in Australia to grow CCG's existing business in the ICT sector.

Following integration of Next Telecom, management intends to explore other complimentary acquisition targets to further accelerate the growth of the Enlarged CCG.

4.3 What are the other intentions for the Enlarged CCG?

The statements set out in this Section 4 are statements of current intentions only which may change as new information becomes available or circumstances change. Any decisions will only be reached after implementation when all material facts and circumstances are known to the Board of the Enlarged CCG.

4.4 What will the Enlarged CCG capital and ownership structure be?

Issued Share Capital	Number of Shares
Existing Shares on issue as at the date of this Notice of Meeting (including the Placement Shares Tranche 1)	238,070,833
Options and Performance Rights on issue as at the date of this Notice of Meeting	20,500,000

Subscription Shares Tranche 1 to be issued on completion of the Acquisition	70,812,456
Placement Shares Tranche 2 to be issued on or about 1 February 2021	31,446,426
Total (undiluted) Shares on issue after completion of the Acquisition and the Placement	340,329,715[^]
Total (fully diluted) Shares on issue after completion of the Acquisition and the Placement	360,829,715[^]
Subscription Shares Tranche 2 to be issued in or around October 2021	33,300,000 ⁺
Total (undiluted) Shares on issue after the issue of the Subscription Shares Tranche 2	373,629,715^{**}
Total (fully diluted) Shares on issue after the issue of the Subscription Shares Tranche 2	394,129,715^{**}

[^] Assumes that Shareholder approval is given for the issue of the Placement Shares Tranche 2 at the Meeting.

⁺ Assumes that the Placement Shares Tranche 2 are issued, and also that all 33,300,000 Subscription Shares Tranche 2 are issued. Subject to the terms of the Share Purchase Agreement, the total Subscription Shares to be issued to the Next Telecom Vendors pursuant to the Acquisition will fall within the range of 70,812,456 to 104,112,456 Shares.

^{**} Assumes that the Placement Shares Tranche 2 are issued, and also that all 33,300,000 Subscription Shares Tranche 2 are issued and no other Shares are issued between the issue of the Subscription Shares Tranche 1 and the Subscription Shares Tranche 2.

4.5 **What is the dilutive impact of Shares issued under the Acquisition and the Placement on existing Shareholders?**

Immediately prior to the announcement of the Acquisition and Placement on 17 December 2020, there were 191,392,259 Shares on issue. After completion of the Acquisition and the Placement, there will be an additional 148,937,456 Shares on issue (340,329,715 Shares in total). Therefore, the dilutive impact of the Acquisition and the Placement is significant.

4.6 **How will the Enlarged CCG be financed?**

It is expected that the Enlarged CCG's operations will be financed out of current cash on hand, proceeds of the Placement and ongoing operating cash flows.

5 Specific Risk Factors

Before deciding how to vote on the Resolutions, you should carefully consider the risk factors discussed in this Section 5, as well as other information contained in this document and seek independent professional advice.

This Section 5 provides a summary of specific risks only. It does not take into account the investment objectives, financial situation, taxation position or particular needs of Shareholders.

Additional risks and uncertainties not currently known to CCG, or which CCG considers to be immaterial, may also have an adverse effect on the value of Shares. The information set out below does not purport to be, nor should it be construed as representing, an exhaustive summary of all possible risks.

5.1 Introduction

This Section 5 outlines the key, but not all, risks associated with an investment in the Enlarged CCG and the value of the Shares and other risks of which Shareholders should be aware.

There are a number of factors, both specific to the Enlarged CCG and of a general nature, which may affect the future operating and financial performance of CCG, its products and services, the industry in which it operates and the outcome of an investment in CCG. There can be no guarantee that CCG will achieve its stated objectives or that forward looking statements will be realised.

This Section describes certain, but not all, specific risks associated with an investment in the Enlarged CCG. Each risk set out below could, if it eventuates, have a materially adverse impact on CCG's operating performance, financial performance, financial position, liquidity and the value of its shares.

The risks outlined below include risks specific to the Acquisition and the Enlarged CCG. Risks of a general nature are not disclosed in this document as the Directors consider they have been recently disclosed by CCG in other documents, including the Investor Presentation.

5.2 Specific Risks

There are a number of specific factors that could have a materially adverse impact on CCG, its growth plans, operating and product strategies and its financial performance and position.

(a) **COVID-19 overall impact**

The ongoing COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, has restricted travel and the ability of individuals to leave their homes and travel to places of work. Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on CCG's business. A number of aspects of CCG's business may be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to CCG's supply chain and workforce. There is a risk that if the duration of events surrounding COVID-19 are protracted, CCG may need to take additional measures in order to respond appropriately. There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of CCG and may be exacerbated in an economic recession or downturn.

(b) **Competition risk**

CCG operates in a competitive market which is subject to increasing competition from companies in Australia and throughout the world, through a combination of established organisations and new entrants to the market. A loss of customers may negatively impact earnings. Additionally, the risk from increased competition may negatively impact on sales and profitability. The actions of an existing competitor or of new competitors may make it difficult for CCG to grow or maintain its business, which in turn may have a material adverse

effect on its profitability. There is a risk that new entrants in the market may disrupt CCG's business and existing market share, Existing competitors and new competitors may engage in aggressive customer acquisition campaigns. Such competitive pressures may materially erode CCG's market share and revenue, and may materially adversely impact CCG's revenue and profitability.

(c) **Information Technology**

The Enlarged CCG will rely heavily on information technology systems to ensure the efficient and effective operation of its business. These information technology systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks and malicious or deliberate hacking could cause major disruption to the Enlarged CCG's business and could adversely affect its operating and financial performance. While there are contingency plans in place to prevent or mitigate the impact of these events, if they were to occur and CCG's disaster recovery plans do not effectively address the issues on a timely basis, the Enlarged CCG could suffer interruptions in its ability to manage its operations, which may adversely affect its business and financial results. Further, as with all technology based products, there is a risk that CCG's technology and platform could be superseded by new technologies that have various advantages over CCG's offerings.

(d) **Intellectual property and patent risk**

The ability of CCG to maintain protection of its proprietary intellectual property and operate without infringing the proprietary intellectual property rights of third parties is an integral part of CCG's business. There can be no assurances that the validity, ownership or authorised use of intellectual property (both owned and licensed) relevant to CCG's business cannot or will not be challenged. CCG's ability to leverage its innovation and expertise largely depends on its ability to protect its intellectual property and any improvements to it. Intellectual property (including copyright and know how) that is important to the Enlarged CCG includes, but is not limited to, its trade names, databases, software systems. A challenge by a third party in respect of the Enlarged CCG's ownership or right to use of its intellectual property may cause the Enlarged CCG to incur significant cost in defending the challenge and may prevent the Enlarged CCG from using certain intellectual property in its business, which could cause material loss to the Enlarged CCG.

(e) **Maintenance of reputation**

CCG's success is reliant on the maintenance of its reputation and any brand names. Any factors that damage the reputation of CCG may potentially result in a failure to win new customers and impinge on the ability to maintain relationships with existing customers, as well as affect its ability to attract key employees. If any of these occur, this could materially adversely affect CCG's business, operating and financial performance.

(f) **Asset impairment risk**

Changes to the carrying amounts of CCG's assets could have an adverse impact on the reported financial performance of CCG in the period that any impairment provision is recorded and could increase volatility of reported earnings in cases where there is further impairment or a reversal of impairment provisions that were recorded in previous periods.

(g) **Dividends**

There is no guarantee as to future earnings of CCG or that CCG will be profitable at any time in the future, and there is no guarantee that CCG will be in a financial position to pay dividends at any time in the future.

(h) **Completion Risks**

Completion of the Acquisition will only occur where all the conditions to completion have been either satisfied or waived, including:

- (i) the Shareholders approving Resolution 2; and

- (ii) the absence of any material adverse change in respect of Next Telecom.

There is no assurance that all of the above conditions will be satisfied, noting however that CCG has no reason to believe that any of the above conditions will not be satisfied.

(i) ***Dilution and Control Risks***

Any further capital raisings or issues of Shares after the Placement may further dilute the interest of Shareholders in the Enlarged CCG.

(j) ***Due Diligence Risks***

Whilst CCG has conducted due diligence on Next Telecom in respect of the Acquisition, CCG is unable to verify the accuracy or the completeness of the information provided to it by Next Telecom and there is no assurance that the due diligence was conclusive and that all material issues and risks in relation to the Transactions and Next Telecom have been identified. To the extent that this information is incomplete, incorrect, inaccurate or misleading, or the actual results achieved by Next Telecom are weaker than those indicated by CCG's analysis, there is a risk that the future results of the operations of the Enlarged CCG may differ (including in a materially adverse way) from CCG's expectations as reflected in this Notice of Meeting, or that additional liabilities of a material nature may emerge. There is also a risk that the due diligence conducted has not identified issues that would have been material to the decision to enter into the Share Purchase Agreement. A material adverse issue that has not been identified in the due diligence process could have an adverse impact on the financial performance or operations of CCG.

(k) ***Disclosure Risks***

On completion of the Acquisition, CCG will assume the liabilities of Next Telecom, including legal and regulatory liabilities, for which it may not be adequately indemnified. The Share Purchase Agreement contains a number of representations, warranties and indemnities. However, the warranties and indemnities may not be sufficient to cover the actual liabilities incurred in connection with any known or unknown liabilities of Next Telecom, and CCG may not be able to recover sufficient funds from the Next Telecom Vendors under the indemnities to cover these actual liabilities. Any material unsatisfied warranty or indemnity claims could adversely affect the Enlarged CCG's business, results of operations or financial condition and performance.

(l) ***Material Contract Risks***

Entities in the Enlarged CCG group are party to contracts containing change of control provisions that, in the absence of counterparty consent, may be triggered by implementation of the Acquisition. If continued business with the counterparties is desirable, there are risks of each counterparty refusing to or imposing onerous or unacceptable conditions on their consent or decreasing the level of business with Next Telecom or CCG following completion of the Acquisition. If a counterparty's consent is not obtained, the Acquisition may not be completed or the Enlarged CCG may lose the benefit of that contract, which may potentially adversely impact the Enlarged CCG's operations and performance.

(m) ***Synergy Risks***

An important factor to the success of the Acquisition will substantially depend on the extent to which the Enlarged CCG is able to realise costs synergies. There is a risk that unforeseen issues or difficulties may arise that may result in integration benefits and/or synergies for the Enlarged CCG being delayed, or being achieved only in part, or not at all. Areas of particular risk include:

- difficulties or unexpected costs in reducing corporate and administration costs and rationalising duplicated operating infrastructure and corporate support services;
- difficulties or unexpected costs relating to integration of management and technology systems;

- unexpected losses of key personnel during or following integration and possible reduction in employee morale caused by uncertainty arising from the Acquisition;
- higher than expected levels of client attrition arising as a result of the Acquisition, and anticipated benefits of the Acquisition, not occurring to the extent anticipated; and
- the extent to which cost savings are offset by any incremental compliance or operating costs that arise as a result of the Enlarged CCG.

In addition, the process of realising costs synergies from the Acquisition may require management of the Enlarged CCG to devote significant time to this task, which may decrease the time they have to manage the Enlarged CCG's businesses and to focus on generating additional revenue.

(n) **Privacy Risks**

Increased cyber-security threats and computer crime also pose a potential risk to the security of the Enlarged CCG's information technology systems, including those of contracted third party service providers, as well as the confidentiality, integrity and availability of the data stored on those systems. Any breach in information technology security systems could result in the disclosure or misuse of confidential or proprietary information, including sensitive employee or investor information maintained in the ordinary course of business. Any such event could cause damage to reputation, loss of valuable information or loss of revenue and could result in large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against similar future events.

(o) **Regulatory Risks**

Changes in the political and regulatory landscape in which the Enlarged CCG operates could adversely affect the Enlarged CCG's operating and financial performance. The Enlarged CCG's business is subject to numerous laws and regulations (federal and state) and the policies of regulatory authorities (for example, ASX, ASIC and the ATO). Changes in laws and regulations and policies, including their interpretation or enforcement, that affect, or may in the future affect, the Enlarged CCG's business or services, including changes in accounting standards, tax laws and regulations, restrictions or requirements related to privacy, licensing, reporting and consumer protection, could adversely affect the Enlarged CCG's financial results.

6 Additional Information

This Section provides you with additional information regarding the Transactions.

6.1 Placement

Under the Placement Tranche 1, 1,46,678,574 Shares at an issue price of \$0.08 per Share were issued on 23 December 2020 to sophisticated and professional investors.

Under the Placement Tranche 2, it is proposed that 31,446,426 Shares be issued at an issue price of \$0.08 per Share, subject to Shareholder approval of the relevant Resolutions at the Meeting. If Shareholder approval is obtained, the Placement Shares Tranche 2 are scheduled to be issued on or around 1 February 2021 to sophisticated and professional investors, including Directors.

6.2 Share Purchase Agreement

As announced by CCG on 17 December 2020, CCG entered into the Share Purchase Agreement with the Next Telecom Vendors for the sale and purchase of the entire issued share capital of Next Telecom.

The key terms of the Share Purchase Agreement are set out below.

Topic	Summary
Outline of proposed transaction	<p>CCG will acquire all the shares in the capital of Next Telecom from the Next Telecom Vendors for a purchase price of not less than \$8,670,000 and not more than \$12,000,000, to be paid by way of a \$2,000,000 upfront cash payment and the issue of the Subscription Shares (in two tranches) to the Next Telecom Vendors.</p> <p>The total number of Subscription Shares to be issued to the Next Telecom Vendors will fall within the range of 70,812,456 and 104,112,456 Shares.</p> <p>The total number of Subscription Shares Tranche 1 to be issued on completion of the Acquisition (scheduled for 29 January 2021) is 70,812,456 Shares.</p>
Purchase price	<p>The purchase price payable to the Next Telecom Vendors by CCG for the Acquisition will not exceed \$12,000,000 and was agreed on the basis that Next Telecom will be as close as is reasonably possible to cash free and debt free on completion of the Acquisition.</p> <p>The purchase price payable will be the aggregate of:</p> <ul style="list-style-type: none"> • the payment of \$2,000,000 cash subject to standard and usual net working capital and net debt adjustments as detailed in the Share Purchase Agreement and payable on completion of the Acquisition which is anticipated to occur on 29 January 2021; • the issue of 70,812,456 new Shares at an issue price of \$0.0942 per Share (worth \$6,670,000) to be issued to the Next Telecom Vendors on completion of the Acquisition which is anticipated to occur on 29 January 2021; and • the issue of up to 33,300,000 additional new Shares at an issue price of \$0.10 per Share (worth up to \$3,330,000) to be issued to the Next Telecom Vendors in or around October 2021 with a cumulative value equal to: <ul style="list-style-type: none"> ○ nil, if the audited FY21 Pro Forma EBITDA is less than or equal to \$1,445,000; ○ the aggregate of \$6 for each \$1 of audited FY21 Pro Forma EBITDA above \$1,445,000 but less than \$2,000,000 plus abnormal, non-recurring or non-continuing cash payments

Topic	Summary
	<p>received completion of the Acquisition but before 30 June 2021 from by Next Telecom after suppliers (capped at \$3,330,000); and</p> <ul style="list-style-type: none"> ○ \$3,330,000, if the audited FY21 Pro Forma EBITDA is above or equal to \$2,000,000.
Conditions precedent	<p>Completion of the Acquisition is subject to the following conditions precedent:</p> <ul style="list-style-type: none"> • There being no material adverse change in respect of Next Telecom before completion of the Acquisition. • Each of the Next Telecom Vendors entering into an escrow agreement in respect of the Subscription Shares in the form set out in the Share Purchase Agreement. • CCG having successfully completed the Placement Tranche 1. • Approval by the Shareholders of Resolution 2. • Each of Mr Mark Manion and Mr Gavin Roache having entered into an employment agreement with CCG (or a related body corporate) in the form set out in the Share Purchase Agreement. • Next Telecom having disposed of all of the shares held by it in the capital of Next Business Energy Pty Ltd ACN 167 937 555 on terms acceptable to CCG (acting reasonably). • Next Telecom and Next Telecom Limited NZCN 6289067 having entered into a new Deed of Assignment of Intellectual Property on terms acceptable to CCG (acting reasonably). • Necessary change of control consents having been obtained from counterparties to certain of Next Telecom's material contracts.
Warranties and indemnities	<p>Each of the Next Telecom Vendors and CCG give warranties and indemnities to each other that would be typical for a seller of shares in Next Telecom (in the case of the Next Telecom Vendors) or buyer of shares in Next Telecom (in the case of CCG).</p>
Period before Completion	<p>Each of the Next Telecom Vendors must ensure that Next Telecom carries on its business in the ordinary and normal course and, in particular, Next Telecom must not agree or commit to do certain specified actions, except as expressly permitted by the Share Purchase Agreement or as consented to by CCG (which must not be unreasonably withheld or delayed).</p>

6.3 Voluntary escrow

The Subscription Shares to be issued under the Acquisition will be escrowed for the following periods:

Next Telecom Vendors	Escrow Particulars
<p>Nashar Pty Limited ACN 071 435 231 as trustee for the Ryan O'Hare Family No. 2 Discretionary Trust ABN 88 592 272 398 (ie. Ryan O'Hare)</p>	<p>50% of the Subscription Shares Tranche 1 will be escrowed for a minimum period of 12 months commencing from completion of the Acquisition. The remaining 50% of the Subscription Shares Tranche 1 will be escrowed for a minimum period of 18 months commencing from completion of the Acquisition.</p> <p>50% of the Subscription Shares Tranche 2 will be escrowed for a minimum period commencing on their date of issue and ending 12 months after completion of the Acquisition. The remaining 50% of the Subscription Shares Tranche 2 will be escrowed for a minimum</p>

	period commencing on their date of issue and ending 18 months after completion of the Acquisition.
All other Next Telecom Vendors receiving Subscription Shares	100% of the Subscription Shares Tranche 1 will be escrowed for a minimum period of 12 months commencing from completion of the Acquisition. 100% of the Subscription Shares Tranche 2 will be escrowed for a minimum period commencing on their date of issue and ending 12 months after completion of the Acquisition.

Under each of the escrow arrangements, if at the end of the relevant minimum escrow period there are any outstanding claims against the Next Telecom Vendors under the Share Purchase Agreement, then the relevant escrow period is extended until all such claims are resolved. This is unless an amount sufficient to pay the outstanding claims is deposited with the Next Telecom Vendors' solicitor to be held on trust pending resolution of the outstanding claims.

6.4 Further information about the Resolutions

(a) Resolution 1 – Ratification of the issue of Shares under the Placement Tranche 1

Explanation

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the placement of 46,678,574 Shares that were issued on 23 December 2020 to sophisticated and professional investors under the Company's capacity to issue securities pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities if the number of securities issued, when aggregated with the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

Under ASX Listing Rule 7.1A, eligible ASX listed companies have the opportunity to extend their placement capacity to 25% in a 12 month period, with shareholder approval. CCG obtained such approval at its Annual General Meeting held on 24 November 2020.

ASX Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of equity securities after it has been made or agreed to be made provided that the issue of securities did not breach the company's placement capacity under ASX Listing Rule 7.1. Upon such ratification, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval.

If the Shareholders ratify the issue of the Placement Shares Tranche 1 that occurred on December 2020 as part of the Placement Tranche 1, those securities will be deemed to have been issued with Shareholder approval

Reasons

Whilst the Placement Shares Tranche 1 were issued under CCG's placement capacity under ASX Listing Rules 7.1 and 7.1A, the Directors consider it prudent to keep available as much of CCG's placement capacity under the ASX Listing Rules as possible from time to time, particularly given CCG's likely need for further capital in the short term to continue to fund CCG's ongoing working capital requirements and to strengthen CCG's balance sheet for other potential acquisition opportunities. It is for this reason that Shareholder approval for the purposes of ASX Listing Rule 7.4 is sought.

The effect of the ratification of the issue of the Placement Shares Tranche 1 under the Placement Tranche 1 is that the Company's placement capacity under the ASX Listing Rules will be reinstated, enabling it to issue further securities, subject to the ASX Listing Rules, in the next 12 months without Shareholder approval.

Specific information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the Company provides the following information:

Number of securities issued: 46,678,574 Shares were issued under the Placement Tranche 1 on the following basis:

- 27,539,348 Shares issued pursuant to ASX Listing Rule 7.1; and
- 19,139,226 Shares issued pursuant to ASX Listing Rule 7.1A.

Fixed issue price per Share: The Placement Shares Tranche 1 were issued at a price of \$0.08 per Share.

Recipients of issue: Sophisticated and professional investors.

Terms of securities: The Placement Shares Tranche 1 are fully paid ordinary shares. The Placement Shares Tranche 1 issued rank equally with other existing fully paid ordinary shares in the Company.

Use of funds raised: The funds raised by the Placement Tranche 1 will be applied towards the cash consideration payable pursuant to the terms of the Acquisition, general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

Voting: A voting exclusion statement is included in the Notice of Meeting.

Board Recommendation

Your Directors unanimously recommend that eligible Shareholders vote in favour of Resolution 1.

(b) Resolution 2 – Approval of issue of Shares to the Next Telecom Vendors**Explanation**

Under the terms of the Share Purchase Agreement, CCG has agreed to acquire all of the issued share capital of Next Telecom.

The total consideration for the Next Telecom Shares under the Share Purchase Agreement is the aggregate of:

- \$2,000,000 cash subject to standard and usual net working capital and net debt adjustments as detailed in the Share Purchase Agreement payable at completion of the Acquisition;
- \$6,670,000 worth of new Shares (being 70,812,456 new Shares) at an issue price of \$0.0942 per Share to be issued at completion of the Acquisition; and
- additional new Shares (up to a maximum of 33,300,000 Shares) to be issued in or around October 2021 at an issue price of \$0.10 per Share (worth up to \$3,330,000) with a cumulative value equal to:
 - nil, if the audited FY21 Pro Forma EBITDA is less than or equal to \$1,445,000;
 - the aggregate of \$6 for each \$1 of audited FY21 Pro Forma EBITDA above \$1,445,000 but less than \$2,000,000 plus abnormal, non-recurring or non-continuing cash payments received by Next Telecom from suppliers after completion of the Acquisition but before 30 June 2021 (capped at \$3,330,000); and
 - \$3,330,000, if the audited FY21 Pro Forma EBITDA is above or equal to \$2,000,000.

Following completion of the Acquisition and the issue of the Subscription Shares Tranche 1, the Next Telecom Vendors are expected to hold (in aggregate) approximately 20.80% of CCG.

If all 33,300,000 Subscription Shares Tranche 2 are issued and there are no other issues of CCG Shares between the issue of the Placement Shares Tranche 2 (scheduled for 1 February 2021) and the date of issue of the Subscription Shares Tranche 2 (expected to be in or around October 2021), the Next Telecom Vendors would be expected to hold (in aggregate) approximately 27.87% of CCG.

Reasons

Approval under ASX Listing Rule 7.1 is being sought as the number of Subscription Shares exceeds CCG's existing placement capacity.

The Subscription Shares are being issued in connection with the Acquisition for a number of reasons, including but not limited to:

- ensuring CCG's shareholders receive good value for money by acquiring Next Telecom for an amount which is correlated with its actual value, as evidenced by its ability (or inability, as the case may be) to generate audited FY21 Pro Forma EBITDA above \$1,445,000;
- incentivising strong performance by each of CCG and Next Telecom's management team to increase value for Shareholders;
- better aligning the long term interests of CCG and Shareholders with Next Telecom and its key people; and
- freeing CCG's cash reserves for working capital and potential future acquisitions.

If Resolution 2 is passed, CCG will be able to proceed with the Acquisition and in particular, the issue of the Subscription Shares. In addition, the issue of the Subscription Shares will be excluded from the calculation of the number of equity securities that CCG can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 2 is not passed, CCG will not be able to proceed with the Acquisition and in particular, the issue of the Subscription Shares.

Specific information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the Company provides the following information:

Number of securities to be issued: Up to a maximum of 104,112,456 Shares will be issued in connection with the Acquisition on the following basis:

- 70,812,456 Shares issued at completion of the Acquisition; and
- up to a maximum of 33,300,000 Shares issued in or around October 2021 if certain performance targets are met by Next Telecom as set out in the Share Purchase Agreement.

CCG determined the number of Subscription Shares to be issued via negotiation with the Next Telecom Vendors. CCG considers that the number of Subscription Shares Tranche 2 to be issued to be appropriate and equitable because:

- there is an appropriate and demonstrable nexus between the relevant performance milestone and the purpose for which the Next Telecom Vendors are being granted the right to be issued with the Subscription Shares Tranche 2;
- the total number of Subscription Shares Tranche 2 to be issued is calculated by reference to a formula that delivers a fixed outcome so that Shareholders can readily understand and have reasonable certainty as to the impact on CCG's capital structure if the relevant milestone is achieved;

- the relevant performance milestone is clearly articulated with reference to the objective financial performance of Next Telecom (being its adjusted EBITDA, objectively measured and audited), providing Shareholders with certainty as to the circumstances under which the milestone will be met; and
- Subscription Shares Tranche 2 will not be issued to the Next Telecom Vendors if the relevant performance milestone is not met in respect of FY21, therefore ensuring Shareholders receive good value for money by acquiring Next Telecom for an amount which is correlated with its actual value.

Fixed issue price per Share: The Subscription Shares Tranche 1 will be issued at a price of \$0.0942 per Share. The Subscription Shares Tranche 2 will be issued at a price of \$0.10 per Share.

Recipients of issue: The Next Telecom Vendors on the following basis:

Next Telecom Vendor	Number of Subscription Shares Tranche 1 to be received by Next Telecom Vendor	Percentage of Subscription Shares Tranche 2 to be received by Next Telecom Vendor
Nashar Pty Limited ACN 071 435 231 as trustee for the Ryan O'Hare No. 2 Discretionary Family Trust ABN 88 592 272 398	41,459,300	55.93%
GMNM Consulting Pty Ltd ACN 128 913 673 as trustee for the GMNM Consulting Trust ABN 97 340 189 395	9,377,864	15.71%
Mark Lawrence Manion	15,668,161	18.06%
Gary Robert Linger	Nil	0.73%
Annette Sylvia Presley and Professional Trustees Limited NZCN 2317528 as joint trustees for the Kylie.co.nz Trust IRD number 083-847-123	2,100,432	5.16%
Pesca Holdings Pty Limited ACN 003 822 384 as trustee for OHare Family Trust ABN 73 878 239 791	566,830	1.39%
Cecpam Pty Ltd ACN 160 608 266 as trustee for the Karen Jones Superfund ABN 86 371 394 224	1,639,869	1.89%
Carol Ann O'Hare	Nil	0.84%

Karen Sandra Jones	Nil	0.29%
Total:	70,812,456	100%

The Subscription Shares Tranche 2 will be issued to the Next Telecom Vendors in proportion to their current shareholding in Next Telecom.

None of the Next Telecom Vendors (nor any of their associates) currently have any relationship with CCG, other than as vendors of Next Telecom under the Share Purchase Agreement.

Terms of securities: The Subscription Shares Tranche 1 are fully paid ordinary shares. The Subscription Shares Tranche 1 issued rank equally with other existing fully paid ordinary shares in the Company.

As the Next Telecom Vendors have a right to receive the Subscription Shares Tranche 2 if certain performance milestones are achieved, the proposed issue of the Subscription Shares Tranche 2 falls within the definition of "performance securities" as set out in ASX Guidance Note 19 (**Performance Securities**). The Performance Securities (ie. the right to be issued Shares on the achievement of the relevant performance milestone) have the following terms:

- The Performance Securities are not quoted.
- The Performance Securities are not transferrable.
- The Performance Securities do not confer any right to vote.
- The Performance Securities do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
- The Performance Securities do not carry an entitlement to a dividend.
- The Performance Securities do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- Each Performance Security is converted into one fully paid ordinary share in the capital of CCG on achievement of the relevant performance milestone.
- If the relevant performance milestone is not met, the Performance Securities will lapse and the right to be issued Shares will cease to exist.

Upon their issue, the Subscription Shares Tranche 2 will be fully paid ordinary shares. The Subscription Shares Tranche 2 issued will rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: The Subscription Shares Tranche 1 will be issued on completion of the Acquisition which is expected to occur on 29 January 2021.

The Subscription Shares Tranche 2 will be issued in or around October 2021, following the achievement of the relevant milestone in respect of FY21.

ASX Listing Rule 7.3.4 provides that the date by which an entity will issue securities must be no later than 3 months after the date of the meeting at which shareholders approved the issue of the securities (**3 Month Constraint**).

Whether or not the relevant milestone for the issue of the Subscription Shares Tranche 2 has been achieved will not be known until the conclusion of the audit of Next Telecom's annual financial accounts in respect of FY21, being more than 3 months after the date of the Meeting. Accordingly, CCG has sought and been granted a waiver from ASX Listing Rule 7.3.4 to allow CCG to issue any Subscription Shares Tranche 2 outside the 3 Month Constraint. The conditions of the waiver are as follows:

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- The Subscription Shares Tranche 2 are issued immediately on the satisfaction of the relevant performance milestone and no later than 12 months from the date of the Meeting.
- The relevant performance milestone is not varied.
- The maximum number of Subscription Shares Tranche 2 to be issued is capped at 33,300,000 Shares and this is stated in the Notice of Meeting and accompanying Explanatory Statement, along with adequate details regarding the potential dilution.
- For any annual reporting period during which any of the Subscription Shares Tranche 2 have been issued or any of them remain to be issued, the Company's annual report sets out the number of Subscription Shares Tranche 2 issued in that annual reporting period, the number of Subscription Shares Tranche 2 that remain to be issued and the basis on which the Subscription Shares Tranche 2 may be issued.
- In any half year or quarterly report for a period during which any of the Subscription Shares Tranche 2 have been issued or remain to be issued, the Company must include a summary statement of the number of Subscription Shares Tranche 2 issued during the reporting period, the number of Subscription Shares Tranche 2 that remain to be issued and the basis on which the Subscription Shares Tranche 2 may be issued.
- The Notice of Meeting and accompanying Explanatory Statement contain the full terms and conditions of the Subscription Shares Tranche 2 as well as the conditions of the waiver.

Use of funds: The Subscription Shares are being issued to the Next Telecom Vendors in consideration for the acquisition by CCG of the entire issued share capital of Next Telecom.

Material terms of Share Purchase Agreement: The material terms of the Share Purchase Agreement are set out in Section 6.2.

Voting: A voting exclusion statement is included in the Notice of Meeting.

Board Recommendation

Your Directors unanimously recommend that eligible Shareholders vote in favour of Resolution 2.

(c) **Resolution 3 – Approval of the issue of Shares under the Placement Tranche 2**

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the placement of 25,946,426 Shares to be issued on or about 1 February 2021 to sophisticated and professional investors pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities if the number of securities issued, when aggregated with the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

Reasons

Approval under ASX Listing Rule 7.1 is being sought as the number of Placement Shares Tranche 2 exceeds CCG's existing placement capacity.

The issue of the Placement Shares Tranche 2 without Shareholder approval would be in breach of ASX Listing Rule 7.1.

Specific information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the Company provides the following information:

Number of securities to be issued: 25,946,426 Shares will be issued in connection with the Placement Tranche 2 to sophisticated and professional investors (who are not also Directors).

Fixed issue price per Share: The Placement Shares Tranche 2 will be issued at a price of \$0.08 per Share.

Recipients of issue: Sophisticated and professional investors.

Terms of securities: The Placement Shares Tranche 2 are fully paid ordinary shares. The Placement Shares Tranche 2 issued rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: It is anticipated that, subject to Shareholder approval, the Placement Shares Tranche 2 will be issued on or about 1 February 2021.

Use of funds raised: The funds raised by the Placement Tranche 2 will be applied towards general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

Board Recommendation

Your Directors unanimously recommend that eligible Shareholders vote in favour of Resolution 3.

(d) **Resolution 4 – Approval of the issue of Shares to Peter McGrath as part of the Placement Tranche 2**

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the placement of 2,500,000 Shares to Peter McGrath, to be issued on or about 1 February 2021.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to directors of the company.

Reasons

Approval under ASX Listing Rule 10.11 is being sought as Peter McGrath is a Director of CCG.

The issue of the Shares to Peter McGrath without Shareholder approval would be in breach of ASX Listing Rule 10.11.

Specific information required by ASX Listing Rule 10.13

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities to be issued: 2,500,000 Shares will be issued to Peter McGrath.

Fixed issue price per Share: These will be issued at a price of \$0.08 per Share.

Terms of securities: The Shares to be issued to Peter McGrath are fully paid ordinary shares and will rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: It is anticipated that, subject to Shareholder approval, the Shares will be issued on or about 1 February 2021.

Use of funds raised: The funds raised by the issue of these Shares will, along with the proceeds of the Placement Tranche 2, be applied towards general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

Board Recommendation

Your Directors (other than Peter McGrath) unanimously recommend that eligible Shareholders vote in favour of Resolution 4.

(e) Resolution 5 – Approval of the issue of Shares to Ben Jennings as part of the Placement Tranche 2

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the placement of 2,500,000 Shares to Ben Jennings, to be issued on or about 1 February 2021.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to directors of the company.

Reasons

Approval under ASX Listing Rule 10.11 is being sought as Ben Jennings is a Director of CCG.

The issue of the Shares to Ben Jennings without Shareholder approval would be in breach of ASX Listing Rule 10.11.

Specific information required by ASX Listing Rule 10.13

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities to be issued: 2,500,000 Shares will be issued to Ben Jennings.

Fixed issue price per Share: These will be issued at a price of \$0.08 per Share.

Terms of securities: The Shares to be issued to Ben Jennings are fully paid ordinary shares and will rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: It is anticipated that, subject to Shareholder approval, the Shares will be issued on or about 1 February 2021.

Use of funds raised: The funds raised by the issue of these Shares will, along with the proceeds of the Placement Tranche 2, be applied towards general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

Board Recommendation

Your Directors (other than Ben Jennings) unanimously recommend that eligible Shareholders vote in favour of Resolution 5.

(f) Resolution 6 – Approval of the issue of Shares to John Mackay as part of the Placement Tranche 2

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the placement of 250,000 Shares to John Mackay, to be issued on or about 1 February 2021.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to directors of the company.

Reasons

Approval under ASX Listing Rule 10.11 is being sought as John Mackay is a Director of CCG.

The issue of the Shares to John Mackay without Shareholder approval would be in breach of ASX Listing Rule 10.11.

Specific information required by ASX Listing Rule 10.13

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities to be issued: 250,000 Shares will be issued to John Mackay.

Fixed issue price per Share: These will be issued at a price of \$0.08 per Share.

Terms of securities: The Shares to be issued to John Mackay are fully paid ordinary shares and will rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: It is anticipated that, subject to Shareholder approval, the Shares will be issued on or about 1 February 2021.

Use of funds raised: The funds raised by the issue of these Shares will, along with the proceeds of the Placement Tranche 2, be applied towards general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

Board Recommendation

Your Directors (excluding John Mackay) unanimously recommend that eligible Shareholders vote in favour of Resolution 6.

(g) Resolution 7 – Approval of the issue of Shares to Clare Bibby as part of the Placement Tranche 2

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the placement of 250,000 Shares to Clare Bibby, to be issued on or about 1 February 2021.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to directors of the company.

Reasons

Approval under ASX Listing Rule 10.11 is being sought as John Mackay is a Director of CCG.

The issue of the Shares to John Mackay without Shareholder approval would be in breach of ASX Listing Rule 10.11.

Specific information required by ASX Listing Rule 10.13

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities to be issued: 250,000 Shares will be issued to Clare Bibby.

Fixed issue price per Share: These will be issued at a price of \$0.08 per Share.

Terms of securities: The Shares to be issued to Clare Bibby are fully paid ordinary shares and will rank equally with other existing fully paid ordinary shares in the Company.

Date of issue: It is anticipated that, subject to Shareholder approval, the Shares will be issued on or about 1 February 2021.

Use of funds raised: The funds raised by the issue of these Shares will, along with the proceeds of the Placement Tranche 2, be applied towards general working capital expenditure, acquisition integration and transaction costs and to strengthen CCG's balance sheet for other identified acquisition opportunities.

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Board Recommendation

Your Directors (excluding Clare Bibby) unanimously recommend that eligible Shareholders vote in favour of Resolution 7.

6.5 Documents available

You can access the Meeting materials online at the Company's website (<https://www.Commsgroup.com/about/investors>) or at the share registry's website (www.InvestorServe.com.au) by logging in and selecting Company Announcements from the main menu.

A complete copy of the Meeting materials has been posted to the ASX Market announcements page (ASX code: CCG).

Notice of meeting

Notice is given that a general meeting of Shareholders will be held virtually (online at <https://web.lumiagm.com/383924012>) at 11.00am (Sydney time) on Monday, 25 January 2021.

The business to be considered at the Meeting is set out below. Information on the resolutions to which the business relates is contained in the explanatory statement.

This Notice of Meeting should be read in conjunction with the explanatory statement. This Notice of Meeting and explanatory statement is not investment advice. You should seek your own financial and professional advice before making any decision on how to vote at the Meeting.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary at the end of this document.

1 Business

Resolution 1 – Ratification of the issue of Shares under the Placement Tranche 1

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the issue by the Company under the Placement Tranche 1 completed on 23 December 2020 of 46,678,574 Shares at an issue price of \$0.08 per Share to sophisticated and professional investors, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 2 – Approval of the issue of Shares to the Next Telecom Vendors

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve and agree to the issue of 70,812,456 Shares to the Next Telecom Vendors under the Share Purchase Agreement, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 3 – Approval of the issue of Shares under the Placement Tranche 2

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve and agree to the issue of 25,946,426 Shares at an issue price of \$0.08 per Share to sophisticated and professional investors, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 4 – Approval of the issue of Shares to Peter McGrath

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 2,500,000 Shares at an issue price of \$0.08 per Share to Peter McGrath, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 5 – Approval of the issue of Shares to Ben Jennings

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 2,500,000 Shares at an issue price of \$0.08 per Share to Ben Jennings, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

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Resolution 6 – Approval of the issue of Shares to John Mackay

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 250,000 Shares at an issue price of \$0.08 per Share to John Mackay, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 7 – Approval of the issue of Shares to Clare Bibby

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 250,000 Shares at an issue price of \$0.08 per Share to Clare Bibby, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

2 Voting exclusion statements

Resolution 1 – Ratification of the issue of Shares under the Placement Tranche 1

CCG will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who has participated in the issue of the Placement Shares Tranche 1 under the Placement Tranche 1 or any associate of that person.

Resolution 2 – Approval of the issue of Shares to the Next Telecom Vendors

CCG will disregard any votes cast in favour of Resolution 2 by or on behalf of any Next Telecom Shareholder (or any of their associates).

Resolution 3 – Approval of the issue of Shares under the Placement Tranche 2

CCG will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who has participated in the issue of the Placement Shares Tranche 2 under the Placement Tranche 2 or any associate of that person.

Resolution 4 – Approval of the issue of Shares to Peter McGrath

CCG will disregard any votes cast in favour of Resolution 4 by or on behalf of Peter McGrath or any associate of Peter McGrath.

Resolution 5 – Approval of the issue of Shares to Ben Jennings

CCG will disregard any votes cast in favour of Resolution 5 by or on behalf of Ben Jennings or any associate of Ben Jennings.

Resolution 6 – Approval of the issue of Shares to John Mackay

CCG will disregard any votes cast in favour of Resolution 6 by or on behalf of John Mackay or any associate of John Mackay.

Resolution 7 – Approval of the issue of Shares to Clare Bibby

CCG will disregard any votes cast in favour of Resolution 7 by or on behalf of Clare Bibby or any associate of Clare Bibby.

All Resolutions

With respect to each of the voting exclusions above, CCG need not disregard a vote cast in favour of a Resolution by a person excluded if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3 Majorities required for the Resolutions to be passed

Each Resolution will be passed if more than 50% of the votes cast on that Resolution (either virtually, by proxy, by attorney or by corporate representative) are in favour of that Resolution.

4 Entitlement to vote

CCG has determined, in accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, that the Shareholders entitled to attend and vote at the Meeting shall be those persons who are recorded on the register of members at 7.00pm (Sydney time) on Saturday, 23 January 2021. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting

5 All Resolutions by Poll

In accordance with section 5(c) of *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Chairman intends to call a poll on each of the Resolutions proposed at the Meeting, using technology that will allow each Shareholder to participate in the vote in real time or in advance of the Meeting. Consequently, each Resolution considered at the Meeting will be conducted by poll, rather than a show of hands.

6 Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder entitled to vote at the Meeting has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder;
- (c) a Shareholder who is 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. If no proportional number is specified, each proxy may exercise half of the Shareholder's votes; and
- (d) a Shareholder may specify the way in which the proxy is to vote on the Resolutions or may allow the proxy to vote at its discretion. If the way in which a proxy is to vote on a Resolution is specified by a Shareholder, the proxy may not vote on that Resolution except as specified by the Shareholder.

7 Voting of proxies

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting.

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
- (b) one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.

A proxy need not be a member of CCG.

If you require an additional proxy form, CCG will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by CCG, at least 48 hours before the time for holding the Meeting (ie. by no later than 11.00am (Sydney time) on Saturday, 23 January 2021, at:

- (a) online: <https://www.votingonline.com.au/ccgegm2021>;
- (b) by fax: + 61 2 9290 9655; or
- (c) by mail: Comms Group Limited, c/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2000; or
- (d) by hand: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000.

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or CCG's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a poll.

8 Voting by corporate representatives

Corporate Shareholders or proxies wishing to vote by corporate representative should obtain an appointment of corporate representative form from the Share Registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by before the start or resumption of the meeting at which the representative is to vote, by post in the reply paid envelope provided.

9 How the Chairman will vote undirected proxies

If you return your Proxy Form but do not nominate a proxy, the Chairman will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman and he will vote on your behalf as you direct on the Proxy Form.

If a proxy is not directed how to vote on an item of business or Resolution, the proxy (including, if applicable, the Chairman) may vote, or abstain from voting, as they think fit.

If you appoint the Chairman as your proxy (or if the Chairman is appointed by default) and do not direct the Chairman how to vote on a particular Resolution, the Chairman will vote your proxy in favour of that item of business, even if the Chairman has an interest in the outcome of that particular Resolution and votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

By order of the Board

Mr Andrew Metcalfe
Company Secretary

24 December 2020

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Glossary

Unless the context otherwise requires, the singular includes the plural and vice versa, and the following terms will have the following meaning:

Acquisition means the proposed acquisition by CCG of 100% of the issued share capital of Next Telecom under the Share Purchase Agreement.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of directors of CCG at the date of this Notice of Meeting.

CCG or Company means Comms Group Limited ACN 619 196 539.

CCG Shares means a fully paid ordinary share in the capital of CCG.

Chairman means John Mackay, the chairman of CCG.

Placement Tranche 1 means the issue of the Placement Shares Tranche 1 to sophisticated and professional investors on 23 December 2020 to raise approximately \$3,734,000 (before costs).

Placement Shares Tranche 1 means 46,678,574 Shares issued at an issue price of \$0.08 per Share.

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

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

Directors means the directors of CCG at the date of this Notice of Meeting (excluding alternate directors).

Enlarged CCG means CCG following completion of the Transactions.

FY21 Pro Forma EBITDA means the actual audited earnings before interest, tax, depreciation and amortisation of Next Telecom for the period commencing on 1 July 2020 and ending on 30 June 2021, but excluding any private, non-core and non-continuing costs, with adjustments to be made to earnings generated up to completion of the Acquisition for such excluded costs as set out in the Share Purchase Agreement.

ICT means information and communication technology.

Investor Presentation means the investor presentation issued by CCG in connection with the Placement and published on ASX's company announcements platform on 17 December 2020.

Meeting means the general meeting of the members of CCG to which this Notice of Meeting and explanatory statement relates, which has been convened to be held virtually at 11.00am (Sydney time) on Monday, 25 January 2021 via <https://web.lumiagm.com/383924012>.

Next Telecom means Next Telecom Pty Ltd ACN 074 728 724.

Next Telecom Vendors means the holders of shares in Next Telecom entitled to receive Subscription Shares under the Share Purchase Agreement, being:

- (a) Nashar Pty Limited ACN 071 435 231 as trustee for the Ryan O'Hare Family No. 2 Discretionary Trust ABN 88 592 272 398;
- (b) GMNM Consulting Pty Ltd ACN 128 913 673 as trustee for the GMNM Consulting Trust ABN 97 340 189 395;
- (c) Mark Lawrence Manion;
- (d) Gary Robert Linger;

- (e) Annette Sylvia Presley and Professional Trustees Limited NZCN 2317528 as joint trustees for the Kylie.co.nz Trust IRD number 083-847-123;
- (f) Pesca Holdings Pty Limited ACN 003 822 384 as trustee for OHare Family Trust ABN 73 878 239 791;
- (g) Cecpam Pty Ltd ACN 160 608 266 as trustee for the Karen Jones Superfund ABN 86 371 394 224;
- (h) Carol Ann O'Hare; and
- (i) Karen Sandra Jones.

Notice of Meeting means this notice of general meeting and explanatory statement.

Placement means the Placement Tranche 1 and the Placement Tranche 2.

Proxy Form means the proxy form that accompanies the Notice of Meeting.

Resolutions means the resolutions that are set out and explained in the Notice of Meeting.

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

Share Purchase Agreement means the share sale and purchase agreement entered into on 16 December 2020 between CCG and the Next Telecom Vendors for the sale of 100% of the issued share capital of Next Telecom to CCG.

Share Registry means Boardroom Pty Ltd.

Shareholder means a holder of one or more Shares.

Subscription Shares means:

- (a) the Subscription Shares Tranche 1; and
- (b) the Subscription Shares Tranche 2.

Subscription Shares Tranche 1 means 70,812,456 new Shares at an issue price of \$0.0942 per Share (worth \$6,670,000) to be issued to the Next Telecom Vendors at completion of the Acquisition in accordance with the terms of the Share Purchase Agreement.

Placement Tranche 2 means the issue of the Placement Shares Tranche 2 to sophisticated and professional investors which, subject to Shareholder approval, is anticipated to complete on or about 1 February 2021 to raise approximately \$2,516,000 (before costs).

Placement Shares Tranche 2 means 31,446,426 new Shares to be issued at an issue price of \$0.08 per Share.

Subscription Shares Tranche 2 means up to 33,300,000 new Shares at an issue price of \$0.10 per Share (worth up to \$3,330,000) to be issued to the Next Telecom Vendors in or around October 2021 if certain performance targets are met by Next Telecom in accordance with the terms of the Share Purchase Agreement.

Transactions means:

- (a) the Placement; and
- (b) the Acquisition.

Upfront Cash Payment means upfront cash consideration in the amount of \$2,000,000 (subject to standard and usual working capital and net debt adjustments) payable by CCG to the Next Telecom Vendors under the Acquisition.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Saturday, 23 January 2021.**

🖥️ TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ccgegm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Saturday, 23 January 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/ccgegm2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

This will be held as a virtual meeting.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Comms Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held **virtually on Monday, 25 January 2021 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of the issue of Shares under the Placement Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Issue of Shares to the Next Telecom Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the Issue of Shares under the Placement Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Issue of Shares to Peter McGrath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Shares to Ben Jennings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Issue of Shares to John Mackay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Issue of Shares to Clare Bibby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021