

**KONEKT LIMITED**  
**(ASX: KKT)**  
**A.C.N. 009 155 971**

**NOTICE OF ANNUAL GENERAL MEETING**  
**AND**  
**EXPLANATORY STATEMENT**

**DATE AND TIME OF MEETING:**

31 October 2014 at 10.00 a.m. (AEDT)

**VENUE OF MEETING:**

Offices of Konekt Limited  
Level 12, 234 Sussex Street  
Sydney NSW 2000

**These documents should be read in their entirety.**

**If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.**

# NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of the Shareholders of Konekt Limited (A.C.N. 009 155 971) (**the Company**) will be held at 10.00 a.m. (AEDT) on 31 October 2014 at the offices of the Company, Level 12, 234 Sussex Street, Sydney, NSW, 2000 (**the Meeting**).

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting (**the Notice**) describes in more detail the matters to be considered at the Meeting.

The Annual Report of the Company for the year ended 30 June 2014 is available online at the following web address: <http://www.konekt.com.au/investors/annual-reports/>

Please refer to section 6 of the Explanatory Statement accompanying this Notice for a glossary of terms and abbreviations used in this Notice and the Explanatory Statement.

## ORDINARY BUSINESS:

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### 1. Item 1: Financial Statements and Reports

*"To receive and consider the Annual Report of the Company for the year ended 30 June 2014 which includes the Annual Financial Report of the Company, the Directors' Report, the Directors' Declaration and the Auditor's Report."*

**Note:** this item of business is **for discussion only and is not a resolution**.

However, pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

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### 2. Resolution 1: Remuneration Report

To consider, and if thought fit, to pass the following resolution as a **non-binding resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act the Company adopts the Remuneration Report for the year ended 30 June 2014 as contained in the Annual Report of the Company for the year ended 30 June 2014."*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 by or on behalf of (in any capacity):

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report.

However, the Company need not disregard a vote if it is cast by:

- (i) a person described above as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the Meeting 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.

**Note:** in accordance with section 250R of the Corporations Act, the vote on this resolution is **advisory only and does not bind** the Directors or the Company.

However, pursuant to section 250SA of the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments on, the Remuneration Report.

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**3. Resolution 2: Re-Election of Director - Mr Douglas Flynn**

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

*“That Mr Douglas Flynn, who retires by rotation in accordance with clause 6.1 of the Constitution of the Company, be re-elected as a Director of the Company.”*

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**4. Resolution 3: Cancellation of Options issued in 2012 under the Konekt Performance Rights and Options Plan**

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

*“For the purposes of ASX Listing Rule 6.23.2 and for all other purposes, that the Directors be permitted to cancel 2,462,381 options issued in 2012 under the Konekt Performance Rights and Options Plan in consideration for the issue in 2014 of 720,000 options under the Konekt Performance Rights and Options Plan, subject to the agreement of the holders of the options to be cancelled and including the Chief Executive Officer, Damian Banks.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by any person that holds an option that is the subject of Resolution 3 or any associate of such a person.

However, the Company need not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the Meeting 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.

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**5. Resolution 4: Approval of the issue of securities under the Konekt Performance Rights and Options Plan**

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

*“For the purpose of Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, that approval be given to the issue of securities under the Konekt Performance Rights and Options Plan as detailed in the accompanying Explanatory Statement.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any associate of a Director.

However, the Company need not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the Meeting 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.

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#### **6. Resolution 5: Issue of Options under the Konekt Performance Rights and Options Plan to the Chief Executive Officer**

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

*“For the purpose of ASX Listing Rule 10.14 and for all other purposes, that the Directors be permitted to issue up to 400,000 options under the Konekt Performance Rights and Options Plan, subject to the level of cancellation of options forthcoming from Resolution 3, to the Chief Executive Officer, Mr Damian Banks.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by any Director of the Company or any associate of a Director.

However, the Company need not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the Meeting 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.

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#### **7. Resolution 6: Approval of additional placement capacity under ASX Listing Rule 7.1A**

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

*“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed or any associate of any such a person.

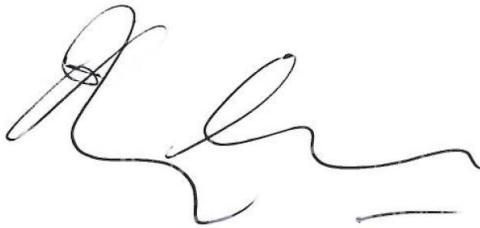
However, the Company need not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the Meeting 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.

### **OTHER BUSINESS:**

In accordance with section 250S of the Corporations Act, the Shareholders are invited to ask questions about, or make comments on, the management of the Company and to raise any other business that may be brought forward at the Meeting in accordance with the Constitution of the Company and the Corporations Act.

### **BY ORDER OF THE BOARD:**

A handwritten signature in dark ink, appearing to be 'Matt Ranawake', written in a cursive style.

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**Matt Ranawake**  
**Company Secretary**  
**Dated: 18 September 2014**

# IMPORTANT INFORMATION

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## Voting Entitlement

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7:00 p.m. (AEDT) on 29 October 2014 (**the Entitlement Time**).

Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after the Entitlement Time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.

## Required Majority

(a) In accordance with the Corporations Act, for the Resolutions to be effective:

- (i) the Resolutions must be passed at a meeting of which not less than 28 days written notice specifying the intention to propose the Resolutions has been given (satisfied by this Notice); and
- (ii) in the case of ordinary resolutions, the Resolutions must be passed by more than 50% of all the votes cast by Shareholders present and entitled to vote on the Resolutions (whether in person or by proxy, attorney or representative); and
- (iii) in the case of special resolutions, the Resolutions must be passed by not less than 75% of all the votes cast by Shareholders present and entitled to vote on the Resolutions (whether in person or by proxy, attorney or representative).

(b) On a show of hands every Shareholder has one vote, and on a poll, every Shareholder has one vote for each fully paid ordinary share of the Company.

## Proxies, Attorneys and Representatives

(a) **(Appointment of Proxies):** A proxy form in the form required by the Corporations Act accompanies this Notice. Shareholders are recommended to use this proxy form.

Notwithstanding this, an appointment of proxy must be made by written notice to the Company:

- (i) that complies with section 250A(1) of the Corporations Act and the ASX Listing Rules; or
  - (ii) in any other form and mode that complies with the ASX Listing Rules and is, and is signed or acknowledged by the Shareholder in a manner, satisfactory to the Board.
- (b) **(Standing Appointments):** A Shareholder entitled to attend and vote at the Meeting may appoint a proxy, attorney or representative to act at the Meeting or make a standing appointment and revoke any appointment. A proxy, attorney or representative may, but need not, be a Shareholder of the Company.
- (c) **(Number of proxies):** A Shareholder may appoint not more than 2 proxies to attend and act for the Shareholder at the Meeting. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes.

- (d) **(Shareholder's attorney):** A Shareholder may appoint an attorney to act, or to appoint a proxy to act, at the Meeting. If the appointed attorney or proxy is an individual, the power of attorney must be signed in the presence of at least one witness.
- (e) **(Corporate representatives):** A Shareholder that is a body corporate may appoint an individual to act as its representative at the Meeting as permitted by section 250D of the Corporations Act.
- (f) **(Deposit of proxy forms and powers of attorney):** To be valid forms of proxy or powers of attorney, the proxy form (and if it is executed by an attorney, the relevant power of attorney or a certified copy of it) or the power of attorney (or a certified copy of it) must be received by the share registry of the Company, Computershare Investor Services Pty Ltd, by no later than 10.00 a.m. (AEDT) on 29 October 2014 (48 hours prior to the Meeting).

The proxy form can be sent to Computershare Investor Services Pty Ltd:

**By Post:**

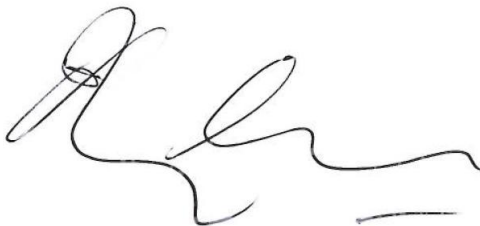
Computershare Investor Services  
GPO Box 2975EE  
Melbourne VIC 3000

**By Facsimile:**

+61 (0)3 9473 2500

**Enquiries**

All enquiries in relation to the contents of the Notice or the Explanatory Statement should be directed to the Company Secretary, Mr Matt Ranawake (02) 9307 4007.



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**Matt Ranawake**  
**Company Secretary**

# EXPLANATORY STATEMENT

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## IMPORTANT INFORMATION

This Explanatory Statement has been prepared for the information of Shareholders of Konekt Limited (A.C.N. 009 155 971) (**the Company**) in connection with the Resolutions to be considered at the Annual General Meeting of Shareholders to be held at 10.00 a.m. (AEDT) on 31 October 2014 at the offices of the Company, Level 12, 234 Sussex Street, Sydney, NSW 2000 (**the Meeting**).

This Explanatory Statement has been prepared for the Shareholders of the Company pursuant to the ASX Listing Rules in order to provide Shareholders with sufficient information to ensure that they are informed of all substantial matters relevant to the Resolutions proposed to be considered at the Meeting by the accompanying Notice of Annual General Meeting (**the Notice**).

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. Further, this Explanatory Statement should be read in conjunction with the Notice.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

## INTRODUCTION

The Meeting is being held so that the Directors can table the financial statements and reports of the Company for the financial year ended 30 June 2014 and so that Shareholders can vote on the election of Directors. This is known as the Ordinary Business of the Meeting.

At the Meeting, Shareholders will also be asked to consider additional resolutions set out in the accompanying Notice under the heading Special Business. Details of these resolutions and an explanation as to why the Company is putting them to Shareholders are set out in this Explanatory Statement.

Please refer to section 6 of this Explanatory Statement for a glossary of terms and abbreviations used in the Notice and this Explanatory Statement.

## ORDINARY BUSINESS

### 1. ITEM 1: Financial Statements and Reports

#### 1.1 Background to Item 1

The Corporations Act 2001 (Cth) (**the Corporations Act**) and the Constitution of the Company requires the financial statements, Directors' Report and Auditor's Report for the financial year ended 30 June 2014 to be tabled before the Meeting, and the constitution of the Company provides for such statements and reports to be received and considered at the Meeting.

Accordingly, the Financial Report, Directors' Report, Remuneration Report and Auditor's Report for the Company for the year ended 30 June 2014 will be laid out before the Meeting.



## **1.2 Corporations Act Requirements**

Neither the Corporations Act nor the constitution of the Company requires a vote of Shareholders at the Meeting on such statements and reports.

However, the Meeting provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the business and operations of the Company for the year ended 30 June 2014.

In addition, in accordance with section 250T of the Corporations Act, a representative of the Company's auditor for the year ended 30 June 2014, BDO East Coast Partnership (A.C.N. 236 985 726) (**BDO**), will be in attendance to respond to any questions raised in relation to BDO or the Auditor's Report.

More specifically, Shareholders may ask BDO questions at the Meeting in relation to the following matters:

- the conduct of the audit;
- the independence of BDO in relation to the conduct of the audit; and
- the accounting policies adopted by the Company for the preparation of the financial statements.

Shareholders may submit written questions to BDO in relation to the above items. Any written questions to BDO must be submitted to the Company by no later than 5:00 p.m. (AEDT) on 24 October 2014 (the fifth business day before the date of the Meeting).

## **2. RESOLUTION 1: Remuneration Report**

### **2.1 Shareholder Approval**

Pursuant to section 250R(2) of the Corporations Act, the Board is seeking the approval of Shareholders to adopt the Remuneration Report of the Company for the year ended 30 June 2014.

The Remuneration Report sets out the Company's remuneration policy and reports the remuneration arrangements in place for the Executive and Non-Executive Directors of the Company and certain executives whose remuneration arrangements are required to be disclosed.

The Remuneration Report forms part of the Directors' Report which is contained in the Annual Report of the Company for the year ended 30 June 2014.

A reasonable opportunity will be provided at the Meeting for Shareholders to ask questions about, or make comments on, the Remuneration Report.

### **2.2 Corporations Act Requirements**

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted, must be put to the vote.

However, pursuant to section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and does not bind the Directors or the Company.

Notwithstanding this, section 250SA of the Corporations Act requires that a reasonable opportunity be allowed for Shareholders at the Meeting to ask questions about, or make comments on, the Remuneration Report.

The Directors may take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under section 250U and following of the Corporations Act, if 25% of more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on whether to convene another meeting within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.

At the 2013 AGM, 93.3% of votes cast were in favour of adoption of the Remuneration Report.

### **3. RESOLUTION 2: Re-Election of Director - Mr Douglas Flynn**

#### **3.1 Shareholder Approval**

In accordance with the requirements of clause 6.1 of the Constitution of the Company and the ASX Listing Rules, Mr Douglas Flynn is retiring as a Director of the Company by rotation, and seeks re-election as a Director.

Mr Flynn has held senior management roles and directorships in major media organisations in Australia and overseas including News Corporation Limited subsidiaries. He was appointed a Non-Executive director of Aegis Group plc board in 1996. Aegis Group is a marketing services Company operating in some sixty countries. After being appointed Chief Executive of Aegis Group in 1999 Doug was instrumental in doubling the size of the Company and established a global market research business Synovate and internet services business Isobar. In April 2005 he joined Rentokil Initial plc, a global business services company, as Chief Executive and after an extensive restructuring of the Company's portfolio, balance sheet and organisation left the Company in 2008. From 2008 to early 2012 he was a consultant to and a director of Qin Jia Yuan Media services Ltd, the leading private television Company in China.

In mid-2008 Doug returned to Australia and in August that year he became a director of West Australian Newspapers Holdings Limited ("WAN"). From the second half of 2010 to deal completion in 2011 he was chairman of the Independent Directors and led the negotiation on their behalf for the \$4.1b acquisition by WAN of Seven Media Group from Seven Group Holdings and KKR. The end result was the creation of Seven West Media Limited.

Doug graduated in chemical engineering from the University of Newcastle, New South Wales. He received an MBA with distinction from Melbourne University in 1979. During his university years he had a number of scholarships including Commonwealth, Commonwealth Postgraduate and Steel Industry Scholarship.

He has an active interest in a Kimberley region cattle station group, Youga Walla, in Australia's north west. He provides corporate financial advice to a number of private and public companies.

He also holds the positions of chairman of iSentia Group Limited and NEXTDC Limited.

Mr Flynn is Chairman of the Board of Directors and is a member of the Audit, Risk and Compliance Committee and the Remuneration Committee.

### 3.2 Board Recommendation

The Directors, excluding Mr Douglas Flynn, unanimously recommend that Shareholders vote in favour of Resolution 2.

## 4. RESOLUTION 3: Cancellation of Options issued in 2012 under the Konekt Performance Rights and Options Plan

### 4.1 Shareholder Approval

Konekt issued 2,735,979 options over ordinary shares with an exercise price of \$0.07 per share to eligible employees in August 2012 under the Konekt Performance Rights and Options Plan (**Plan**). Subsequently 273,598 options were cancelled and 2,462,381 options currently remain on issue.

A copy of the full terms of the Plan can be obtained without charge by request in writing to:

Mr Matt Ranawake  
Company Secretary  
Konekt Limited  
Level 12, 234 Sussex Street  
Sydney NSW 2000

For the reasons outlined below, the Directors wish to cancel these remaining options, and issue a lesser number of new options to executives having the terms summarised in section 4.2 below. The cancellation of an option will be subject to the agreement of its holder, and if the holder does not agree to cancel their options, the holder will not be entitled to participate in the issue of the new options.

Listing Rule 6.23.2 requires shareholder approval for the cancellation of these options as the proposed cancellation of these options and issue of new options represent the cancellation of an option for consideration under that Listing Rule.

Listing Rule 6.23.3 prohibits certain changes to the terms of options, including increasing the period for exercise of the options. The effect of the issue of the new options as consideration for the proposed cancellation of the options issued in 2012 is that it increases the period for exercise of the 2012 options for the purposes of this rule. The Company has applied to ASX for, and been granted, a waiver of this Listing Rule, subject to Shareholders approving Resolution 3. The basis of ASX agreeing to grant the waiver includes the new options will be unquoted and represent a very small percentage of the Company's issued share capital, fewer options are being issued than are being cancelled, and the replacement of the options issued in 2012 with new options is not expected to have a significant effect on the market for the Company's quoted securities.

The key terms and conditions of the **August 2012 Invitation**, governed by the Plan, were as follows:

- The rules of the Konekt Performance Rights and Option Plan allow the board to set service conditions, requiring an eligible employee to remain in the employment of the company for a certain period of time in order to exercise the options and performance conditions which, if not met, may result in some or all of the options lapsing.
- Under the offer eligible employees must remain in the employment of Konekt Limited up to and including 30 June 2015 for 100% of the Options to vest. If they remain an employee until at least 30 June 2014 and employment is subsequently terminated by the company other than for serious non-performance (or in circumstances where the

employee takes up employment with a competitor in breach of restraint undertaking) then 2/3 of the options vest on 30 June 2014 and the number of vested options increases on a pro rata basis between that date and 30 June 2015.

- Vesting of options is also subject to Konekt achieving cumulative earnings per share of at least \$0.075 over the 3 financial years of 2013, 2014 and 2015, with earnings per share in 2015 being a minimum of \$0.02. If cumulative earnings per share are \$0.06 over the same 3 years with the same minimum in 2015 then 50% of the options will vest and there will be pro rata vesting if accumulative EPS is between \$0.06 and \$0.075.
- Options expire on 29 February 2016.
- In the event of a change of control event occurring, the Board will decide on the treatment of unvested options.
- In the event that the option holder leaves the company's employ, the Board will decide whether or not unvested options will lapse.

As part of the issue of 2012 August options, approval was obtained at the 2012 AGM for the issue of 1,641,587 options to the Chief Executive Officer (and Managing Director) Damian Banks. Below is the information which was included with respect to the issue of options to Mr Banks:

- Each option entitles the holder to receive one ordinary share on exercise (i.e. a maximum total of 1,641,587 ordinary shares would be issued if all options issued to Mr Banks referred to in Resolution 3 were exercised).
- The options have an exercise price of \$0.07 per option.
- None of the options, nor shares issued on exercise of options, will be purchased with a loan from the Company.

The Directors believe the options issued during 2012 are unlikely to meet the hurdles set and will not meet the vesting conditions. The executives included in the 2012 issue of options and the Chief Executive Officer realise that these options are unlikely to vest. As the Directors consider that these options no longer effectively incentivise their holders, they consider that it is in the best interests of shareholders that they be cancelled.

## 4.2 Terms of the new options

The total number of new options proposed to be issued following and subject to Shareholders approving Resolution 3, and the agreement of the relevant holder to their cancellation, is 720,000 options (the **November 2014 Invitation**). These include 400,000 options proposed to be issued to Mr Damian Banks, the Chief Executive Officer. The issue of such Options to Mr Banks is also subject to the approval of Shareholders under Resolution 5.

The following table sets out, in respect of each relevant executive, the number of 2012 Options to be cancelled and the number of 2014 Options to be issued in consideration for the cancellation:

Executive	2012 Options to be cancelled	2014 Options to be issued
Damian Banks	1,641,587	400,000
Matthew May	273,598	50,000
Matt Ranawake	273,598	70,000

Philip Paysden	273,598	200,000
<b>Total</b>	<b>2,462,381</b>	<b>720,000</b>

Each vested Option, if any, will, on payment of the exercise price, be converted to one ordinary Share on exercise. Accordingly, the maximum number of Shares that may be acquired by the executives is **720,000** Shares.

The number of Options which will vest in accordance with the rules of the Plan and the invitation is dependent on the vesting conditions which can be summarised as follows:

#### **Vesting Conditions – Service**

- Continuous employment with Konekt Limited up to and including **30 June 2017** for **100%** of the Options to vest (subject to satisfaction of the performance condition at the termination date); or
- Continuous employment with Konekt Limited until at least **30 June 2016**, where employment is subsequently terminated by the Company and the executive is not a “Bad Leaver” under the Rules of the Plan for **pro-rata** vesting of the Options. “Pro rata Vesting” means that (subject to satisfaction of the performance conditions on a pro rata basis at the termination date) 2/3 of the options would vest on 30 June 2016, with the number increasing pro rata after that date. Any vested options would expire at 5pm 6 months after the date of termination of employment.

#### **Vesting Conditions – Earnings Per Share (EPS) Target**

The vesting of Options will also be subject to Konekt achieving the earnings per share (EPS) Target below.

<b>November 2014 Invitation: EPS Target</b>	<b>Percentage of Options to vest if EPS Target achieved and Service to 30 June 2016</b>	<b>Percentage of Options to vest if EPS Target achieved and Service to 30 June 2017</b>
Cumulative EPS of at least <b>\$0.075</b> over the three financial years 2015, 2016 and 2017 <b>with</b> the 2017 EPS being a minimum of <b>\$0.02</b> .	66.67%	100%
Cumulative EPS of at least <b>\$0.06</b> over the three financial years 2015, 2016 and 2017 <b>with</b> the 2017 EPS being a minimum of <b>\$0.02</b> .	33.33%	50%
Cumulative EPS of less than <b>\$0.06</b> over the three financial years 2015, 2016 and 2017.	0%	0%

Pro Rata vesting of Options between 50% and 100% on a straight-line basis for Cumulative EPS between **\$0.06** and **\$0.075**.

For the **November 2014 Invitation**, EPS is defined as **Annual reported Net Profit after Tax**.

**Exercise Price:** \$0.10 per Option

**Vesting Date:** August 2017

**Expiry Date:** 5.00pm (Australian Eastern Standard Time) 31 March 2018

### **Consideration**

As each executive's grant forms part of their LTI remuneration, the Options will be granted to executives at no cost.

The Options will be granted under, and subject to, the Plan.

Options do not carry any dividend or voting rights prior to vesting.

The Company will not apply to the ASX for official quotation of the Options granted under the Plan. Shares issued pursuant to the exercise of Options will rank equally with Shares then on issue.

### **4.3 Board Recommendation**

The Directors, excluding Mr Damian Banks, unanimously recommend that Shareholders vote in favour of Resolution 3.

## **5. RESOLUTION 4: Approval of the issue of securities under the Konekt Performance Rights and Options Plan**

### **5.1 Shareholder Approval**

Shareholders last approved the issue of securities under the Konekt Performance Rights and Options Plan (**Plan**) at the Company's AGM in 2008.

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that comprise in aggregate to more than 15% in number of the existing ordinary shares in the capital of the Company. When calculating the number of securities which have been issued in any 12 month period for the purpose of ASX Listing Rule 7.1, a company need not count securities issued pursuant to an exception under ASX Listing Rule 7.2.

Exception 9 of ASX Listing Rule 7.2 provides that an issue of securities under an employee incentive scheme is an exception to ASX Listing Rule 7.1 if, within 3 years before the date of issue, shareholders approved the issue of securities under the scheme.

As the approval under Exception 9 of ASX Listing Rule 7.2 obtained at the Company's 2008 AGM lapsed in 2011, the Company now seeks new approval from shareholders under that Exception to enable issues of Performance Rights and Options under the Plan made over the next 3 years to be excluded from any calculation made for the purpose of ASX Listing Rule 7.1. If approval is not given, the Company may still issue Performance Rights and Options under the Plan, however these issues will be taken into account when determining whether the Company has reached the limit for new issues under ASX Listing Rule 7.1.

For the purposes of Exception 9 of ASX Listing Rule 7.2, the Company confirms that:

- (a) since the Plan was approved at the Company's AGM in 2008, **4,400,000** Performance Rights and **4,495,979** Options have been granted under the Plan. Of the 4,495,979 Options, none have been exercised and 433,598 have been forfeited or cancelled (not including the 2,462,381 Options proposed to be cancelled in accordance with Resolution 3);
- (b) set out below is a summary of the key terms of the Plan, taking into account amendments to the terms of the Plan made in July 2010.

A copy of the full terms of the Plan can be obtained without charge by request in writing to:

Mr Matt Ranawake  
Company Secretary  
Konekt Limited  
Level 12, 234 Sussex Street  
Sydney NSW 2000

## **5.2 Summary of key terms of the Plan**

### **1. Grant of Rights**

The Board may invite an “Eligible Employee” or their related body corporate to participate in the Plan and apply for options or performance rights (**Rights**) to acquire ordinary shares in the capital of the Company (**Shares**). The invitation will specify, amongst other things, the following matters which will be determined by the Board:

- number of Rights available to the Eligible Employee;
- price payable per Share on exercising the Rights (i.e. the exercise price);
- period in which the Rights can be exercised (i.e. the exercise period); and
- any performance conditions, service conditions, vesting conditions or forfeiture conditions or other criteria that must be satisfied before the Rights can be exercised (i.e. relevant requirements).

An “Eligible Employee” means a permanent full-time or permanent part-time employee of the Company who:

- is an Australian resident for tax purposes; and
- has provided to the Company a valid tax file number.

Following receipt by an Eligible Employee of an invitation, the Eligible Employee may apply for Rights by completing an application form. Following receipt of an application form, the Company may grant the Rights to the Eligible Employee, who will become a “Participant” of the Plan.

### **2. Limits**

The number of Shares that can be issued under the Plan, when aggregated with the number of Shares issued under any of the Company’s employee share plans during the previous 5 years and the number of Shares which would be issued if all other offers or invitations to acquire unissued Shares pursuant to any of those employee share plans were accepted or exercised, must not exceed 5% of the total number of issued Shares at the time, disregarding certain excluded Shares (including those relating to excluded offers under the Corporations Act or issued under a disclosure document).

### **3. Terms**

Subject to the ASX Listing Rules, unless otherwise determined by the Board, each Right is granted on the terms set out below.

#### **a. Exercise of Rights**

Subject to the satisfaction of any relevant requirements, a Right which has not lapsed is exercisable during the exercise period.

#### **b. Lapse of Rights**

A Right will lapse on the earliest to occur of:

- the end of the exercise period;
- the Board determines that Rights lapse as a result of the outcome of any applicable performance hurdle;
- a change in control in a Participant which is a related body corporate without the Company's consent;
- a breach by the Participant of any obligation arising under the Rules;
- the insolvency of the Company or a Participant;
- a Participant becomes a "Bad Leaver" as defined in the Rules (e.g. termination of employment for misconduct).

#### **c. Dealing**

Participants must not sell, transfer, mortgage, charge or otherwise deal with or encumber any Rights without prior Board approval.

#### **d. Quotation**

Rights will not be quoted on ASX. However, where the Company is listed on the ASX, the Shares issued on exercise of Rights will be listed on the ASX.

#### **e. Reconstruction of capital**

In the event of any reorganisation of the issued share capital of the Company, the rights attaching to Rights must be changed to comply with the ASX Listing Rules applying to that reorganisation.

### **4. Amendment to the Rules**

The Board may amend the Rules. However, except in certain circumstances, no amendment may be made which materially reduces the rights of any Participant.



## 5. Termination and Suspension of the Plan

The Board may suspend or terminate the Plan at any time.

### 5.3 Board Recommendation

The Directors, excluding Mr Damian Banks, unanimously recommend that Shareholders vote in favour of Resolution 4.

## 6. RESOLUTION 5: Issue of Options for the Konekt Performance Rights and Options Plan to the Chief Executive Officer

### 6.1 Shareholder Approval

Subject to and following the Shareholder approval of cancellation of Options under Resolution 3, the Directors wish to issue up to **400,000 Options** under the Konekt Performance Rights and Options Plan (**Plan**) to Mr Banks and subject to the terms and conditions of the **November 2014 Invitation**.

Unless one of the exceptions in ASX Listing Rule 10.12 applies, under ASX Listing Rule 10.11 the Company is prohibited from issuing or agreeing to issue securities in the capital of the Company to (relevantly) a related party without shareholder approval. Related parties include directors of the Company. Mr Banks is a Director of the Company.

Exception 4 of ASX Listing Rule 10.12 provides that an issue of securities under an employee incentive scheme made with the approval of ordinary shareholders under ASX Listing Rule 10.14 is an exception to ASX Listing Rule 10.11.

ASX Listing Rule 10.14 prohibits the Company from permitting (relevantly) a director of the Company from acquiring any securities under an employee incentive scheme without shareholder approval. The purpose of Resolution 5 is to seek such approval. If shareholder approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### Terms & Conditions of November 2014 Invitation grant of Options

#### Maximum number of Shares

Each vested Option, if any, will, on payment of the exercise price, be converted to one ordinary Share on exercise. Accordingly, the maximum number of Shares that may be acquired by Mr Banks is **400,000** Shares.

The number of Options which will vest in accordance with the rules of the Plan and the invitation is dependent on the vesting conditions which can be summarised as follows:

#### Vesting Conditions – Service

- Continuous employment with Konekt Limited up to and including **30 June 2017** for **100%** of the Options to vest (subject to satisfaction of the performance condition at the termination date); or
- Continuous employment with Konekt Limited until at least **30 June 2016**, where employment is subsequently terminated by the Company and the Mr Banks is not a “Bad Leaver” under the Rules of the Plan for **pro-rata** vesting of the Options. “Pro rata Vesting” means that (subject to satisfaction of the performance conditions on a pro rata basis at the termination date), 2/3 of the options would vest on 30 June 2016, with the number increasing pro rata after that date. Any

vested options would expire at 5pm 6 months after the date of termination of employment.

#### **Vesting Conditions – Earnings Per Share (EPS) Target**

The vesting of Options will also be subject to Konekt achieving the earnings per share (EPS) Target below.

<b>November 2014 Invitation: EPS Target</b>	<b>Percentage of Options to vest if EPS Target achieved and Service to 30 June 2016</b>	<b>Percentage of Options to vest if EPS Target achieved and Service to 30 June 2017</b>
Cumulative EPS of at least <b>\$0.075</b> over the three financial years 2015, 2016 and 2017 <b>with</b> the 2017 EPS being a minimum of <b>\$0.02</b> .	66.67%	100%
Cumulative EPS of at least <b>\$0.06</b> over the three financial years 2015, 2016 and 2017 <b>with</b> the 2017 EPS being a minimum of <b>\$0.02</b> .	33.33%	50%
Cumulative EPS of less than <b>\$0.06</b> over the three financial years 2015, 2016 and 2017.	0%	0%

Pro Rata vesting of Options between 50% and 100% on a straight-line basis for Cumulative EPS between **\$0.06** and **\$0.075**.

For the **November 2014 Invitation**, EPS is defined as **Annual reported Net Profit after Tax**.

**Exercise Price:** \$0.10 per Option

**Vesting Date:** November 2017

**Expiry Date:** 5.00pm (Australian Eastern Standard Time) 31 January 2018

The Options are granted under, and subject to, the Plan.

Options do not carry any dividend or voting rights prior to vesting.

The Company will not apply to the ASX for official quotation of the Options granted under the Plan. Shares issued pursuant to the exercise of Options will rank equally with Shares then on issue.

#### **Other Information**

The Company also provides the following specific information as required by ASX Listing Rule 10.15:

- The maximum number of securities that may be acquired is 400,000 Options.
- As Mr Bank's grant forms part of his LTI remuneration, the Options will be granted to Mr Banks at no cost.

- Since the date of the last approval, Mr Banks has been granted 2,441,587 options under the Plan; nil are vested.
- The following persons referred to in ASX Listing Rule 10.14 are entitled to participate in the Plan, but as at the date of this Notice of Meeting, have not received either Options or Performance Rights under the Plan:
  - (i) Mr Douglas Flynn;
  - (ii) Mr Philip Small;
  - (iii) Mr Anthony Crawford.
- There is no loan scheme in relation to the Options or the Plan.
- Mr Banks is prohibited from hedging the share price exposure in respect of the Options during the exercise period applicable to those Options.
- Subject to Resolution 3 being passed and Mr Banks agreeing to the cancellation of his current options, the Company will issue the new options to Mr Banks no later than 12 months after the Meeting.

## 6.2 Board Recommendation

The Directors, excluding Mr Damian Banks, unanimously recommend that Shareholders vote in favour of Resolution 5.

## 7. RESOLUTION 6: Approval of additional placement capacity under ASX Listing Rule 7.1A

### 7.1 Shareholder Approval

#### (a) General

Listing Rule 7.1A enables eligible entities to issue “Equity Securities” (as defined in the Listing Rules) of up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (b)(iii) below).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

(b) Description of Listing Rule 7.1A

(i) **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(ii) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has on issue the following classes of Equity Securities:

- (i) listed fully paid ordinary shares;
- (ii) unlisted options exercisable at \$0.07 each prior to 29 February 2016;
- (iii) unlisted options exercisable at \$0.05 each prior to 31 January 2017.

(iii) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(iv) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 75,432,012 Shares and therefore has a capacity to issue:

- (i) 11,314,802 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to Shareholder approval being sought under Resolution 6 7,543,201 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (b)(iii) above).

(v) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price ('VWAP') of Equity Securities in the same class calculated over the 15 'Trading Days' on which trades in that class of Equity Securities were recorded (as defined in the Listing Rules) immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five (5) Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(vi) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

(c) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (i) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class of Equity Securities were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date

in paragraph (i) above, the date on which the Equity Securities are issued.

- (ii) If Resolution 6 is approved by shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table below (in the case of listed options, only if the listed options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.065 50% decrease in Issue Price	\$0.13 Issue Price	\$0.195 50% Increase in Issue Price
<b>Current Variable "A"</b> 75,432,012 shares	<b>10% Voting Dilution</b>	7,543,201 shares	7,543,201 shares	7,543,201 shares
	<b>Funds raised</b>	\$490,308	\$980,616	\$1,470,924
<b>50% increase in current Variable "A"</b> 113,148,018 shares	<b>10% Voting Dilution</b>	11,314,802 shares	11,314,802 shares	11,314,802 shares
	<b>Funds raised</b>	\$735,462	\$1,470,924	\$2,206,386
<b>100% increase in current Variable "A"</b> 150,864,024 shares	<b>10% Voting Dilution</b>	15,086,402 shares	15,086,402 shares	15,086,402 shares
	<b>Funds raised</b>	\$980,616	\$1,961,232	\$2,941,848

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No listed options (including any listed options issued under the 10% Placement Facility) are exercised into shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.13 being the closing price of the shares on ASX on 17 September 2014.
- (iii) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

- (iv) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration for the acquisition of new assets. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised for business expansion and/or general working capital (including product and systems development).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

- (v) The Company has not previously obtained shareholder approval under Listing Rule 7.1A.

### **7.3 Reasons for Seeking Approval**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **7.4 Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.



## 6. Glossary

In this Explanatory Statement the following terms have the meaning set out below:

<b>A.C.N.</b>	Australian Company Number.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (A.C.N. 008 624 691) and the financial market of which it operates at 20 Bridge Street, Sydney, NSW, 2000.
<b>ASX Listing Rules</b>	The official listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>BDO East Coast Partnership or BDO</b>	BDO East Coast Partnership (A.C.N. 236 985 726), Level 10, 1 Margaret Street, Sydney NSW, 2000.
<b>Closely Related Party of a member of the Key Management Personnel</b>	Includes a spouse or child of the member; a child of the member's spouse; a dependent of the member or the member's spouse; anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; a company the member controls; or a person prescribed by the Corporations Regulations 2001.
<b>Company</b>	Konekt Limited (A.C.N. 009 155 971) of Level 12, 234 Sussex Street, Sydney, NSW, 2000.
<b>Corporations Act</b>	The Corporations Act 2001 (Commonwealth) as amended or replaced from time to time.
<b>Corporations Regulations 2001</b>	The Corporations Regulations 2001 (Commonwealth) as amended or replaced from time to time.
<b>The Directors</b>	The directors of the Company as at the date of the Notice and Explanatory Statement.
<b>The Entitlement Time</b>	7:00 p.m. (AEDT) on 29 October 2014.
<b>The Explanatory Statement</b>	The Explanatory Statement accompanying the Notice.
<b>Key Management Personnel</b>	Includes all persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all Directors (whether executive or otherwise) of the Company.
<b>The Notice</b>	The notice convening the Annual General Meeting of Shareholders of the Company for the year ended 30 June 2014.
<b>The Meeting</b>	The Annual General Meeting of the Company to be held at 10.00 a.m. (AEDT) on 31 October 2014 at the offices of the Company, Level 12, 234 Sussex Street, Sydney, NSW, 2000.

<b>Resolutions</b>	The resolutions set out in the Notice and Explanatory Statement.
<b>Share(s)</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder(s)</b>	A person or company registered in the register of Shareholders of the Company as the holder of one or more Shares as at the Entitlement Time.

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

└ 000001 000 KKT  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

 **For your vote to be effective it must be received by 10:00 am (AEDT) Wednesday 29 October 2014**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View the annual report:  
**[www.konekt.com.au](http://www.konekt.com.au)**

Update your securityholding, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

Your secure access information is:

SRN/HIN: 1999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Konekt Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Konekt Limited to be held at Offices of Konekt Limited Level 12, 234 Sussex Street Sydney NSW 2000 on Friday, 31 October 2014 at 10:00 am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Items 1, 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 3, 4 and 5 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

For Against Abstain

1 Remuneration Report

☐☐☐

2 Re-Election of Director - Mr Douglas Flynn

☐☐☐

3 Cancellation of Options issued in 2012 under the Konekt Performance Rights and Options Plan

☐☐☐

4 Approval of the issue of securities under the Konekt Performance Rights and Options Plan

☐☐☐

5 Issue of Options under the Konekt Performance Rights and Options Plan to the Chief Executive Officer

☐☐☐

#### SPECIAL BUSINESS

6 Approval of additional placement capacity under ASX Listing Rule 7.1A

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Date

K K T

1 7 3 4 6 6 A

Computershare +

└ 000002 000 KKTRM  
MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Konekt Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Konekt Limited