

Konekt Limited

ABN 79 009 155 971

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of Konekt Limited (the "Company") will be held at the offices of BDO Accountants, Level 19, 2 Market Street Sydney NSW 2000 on Thursday 18 November 2010 at 10:00am (EDT).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The annual report is available online at the following web address:

<http://www.konekt.com.au/investors/annual-reports/>

ORDINARY BUSINESS

Item 1: Financial Statements and Reports

To receive and consider the Annual Report of the Company for the year ended 30 June 2010 which includes the annual financial report of the Company, the directors' report, the directors' declaration and the auditor's report.

During consideration of these items, shareholders are invited to ask questions or make comments in relation to each of those reports.

A representative of the Company's auditor, BDO Kendalls Chartered Accountants, will be in attendance to respond to any questions raised of the auditor or of the Auditor's Report in the terms of Section 250T of the *Corporations Act 2001* (Cth).

Resolution 1: Remuneration Report

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

"That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Company adopts the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2010."

The vote on this resolution does **not bind** the directors or the Company.

Section 250SA of the *Corporations Act 2001* (Cth) requires that a reasonable opportunity be allowed to shareholders at the meeting to ask questions about, or make comments on, the Remuneration Report.

Resolution 2: Re-Election of Director – Mr John Randall

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

"That Mr John Randall, who retires as a director by rotation in accordance with clauses 3.6 and 3.7 of the Company's Constitution, be re-elected as a Director of the Company"

Voting Entitlements

All members are entitled to vote on resolution 2.

SPECIAL BUSINESS

Resolution 3: Increase in aggregate maximum sum of non-executive Directors' remuneration

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

“That in accordance with Listing Rule 10.17 and clause 10.2(a) of the Company’s Constitution, the total amount that can be paid to Konekt Limited’s Non-executive Directors for their services to the Company in any financial year be increased by \$150,000 to an aggregate maximum sum of \$350,000.”

Voting entitlements

The Company will disregard any votes cast on resolution 3 by:

- (i) any Director of the Company; or
- (ii) any associate of any Director of the Company.

However, the Company need not disregard a vote if:

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

Further information in relation to the reasons for this increase are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Other Business

In compliance with section 250S of the *Corporations Act 2001* (Cth) 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 and the *Corporations Act 2001* (Cth).

By order of the Board

Frank Hardiman
Company Secretary
7 October 2010

Voting Entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears on the Share Register at 7.00 pm Australian Eastern Daylight Saving Time on Tuesday 16 November 2010. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Annual General Meeting.

Required majority

- (a) In accordance with the *Corporations Act 2001* (Cth) 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 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 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

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. A member who is entitled to 2 or more votes may appoint not more than 2 proxies to attend and act for the member. Such member may specify the percentage of votes each proxy is appointed to exercise, and if that member does not so specify the percentage or number of votes that each proxy may exercise, then each such proxy may exercise half of the votes that that member is entitled.

The Proxy Form must be received by the share registry of the Company, Computershare Investor Services Pty Ltd

By mail:

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

In person:

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building,
45 St Georges Terrace Perth WA 6000 Australia,

Alternatively you can fax your form to:

(within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555, no later than **10.00 am Eastern Daylight Saving Time on Tuesday, 16 November 2010**

A Proxy Form accompanies this Notice of Meeting.

For Intermediary Online Subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

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EXPLANATORY NOTES

IMPORTANT NOTICE

These Explanatory Notes are an explanation of, and contain information about, the Resolutions to be considered at the Annual General Meeting and are set out in the accompanying Notice of Annual General Meeting to assist shareholders to determine how they wish to vote on the Resolutions.

Shareholders should read this Explanatory Notes in full because individual sections do not give a comprehensive review of the Resolutions. This Explanatory Statement forms part of the accompanying Notice of Annual General Meeting and should be read together with the Notice of Annual General Meeting.

If you are in doubt about what to do in relation to the Resolutions contemplated in these Explanatory Notes, you should consult your financial or other professional advisor.

These Explanatory Notes are dated 7th October 2010.

INTRODUCTION

The Annual General Meeting is being held so that the Directors can table the financial statements and reports of the Company for the previous financial year and so that Shareholders can vote on the election of Directors. This is known as the Ordinary Business of the meeting. At the Annual General Meeting, Shareholders will also be asked to consider additional Resolutions set out in the accompanying Notice of Annual General Meeting 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.

Words or expressions used in the Notice of Annual General Meeting and in this Explanatory Statement are defined in the Glossary. Unless otherwise stated, all references to sums of money '\$' and 'dollars' are references to Australian currency.

ORDINARY BUSINESS

Financial statements and Directors' and audit report

The *Corporations Act 2001* and the Company's Constitution require the financial statements, Directors' Report and Auditor's Report for the financial year ended 30 June 2010 to be tabled before the 2010 Annual General Meeting, and the Company's Constitution provides for such statements and reports to be received and considered at that Meeting. Neither the *Corporations Act 2001* nor the Company's Constitution requires a vote of Shareholders at the 2010 Annual General Meeting on such statements and reports.

The Annual General 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 2010.

In addition, shareholders may at the meeting ask questions of the Company's auditors in relation to the following matters:

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

Members may submit written questions to the auditors in relation to the above items. Any written questions to the auditors must be submitted to the Company no later than the 5th business day before the AGM.

A representative from the Company's auditor, BDO Kendalls Chartered Accountants, will be present at the Annual General Meeting to answer any questions relating to the preparation of the audit report from shareholders.

Resolution 1 – Remuneration Report

The *Corporations Act 2001* (Cth) requires that a resolution must be put to shareholders that the Remuneration Report of the Company be adopted. In the terms of section 250R(3), of the *Corporations Act 2001* (Cth), the vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Directors of the Company will take into account the discussion on this item and the outcome of this vote when considering future remuneration arrangements of the Company.

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

Recommendation of the Board

The Board unanimously recommends that shareholders vote in favour to adopt the Remuneration Report.

Resolution 2 – Re-Election of Director – Mr John Randall

Mr John Randall was elected as a director of the Company at an Extraordinary General Meeting on 27 March 2009. Clause 3.6 of the Company's Constitution requires that one third of the directors of the Company retire at each annual general meeting. Clause 3.7 of the Company's Constitution requires that the directors who retire pursuant to clause 3.6 of the Company's Constitution are those that have held office the longest since last being elected or appointed.

In accordance with the requirements of clauses 3.6 and 3.7 of the Company's Constitution, Mr John Randall is retiring as a director of the Company by rotation, and seeks re-election.

Recommendation of the Board

The Directors recommend that you vote in favour of this resolution.

Special Business

Resolution 3 – Increase in aggregate maximum sum of non-executive Directors' remuneration

Currently the aggregate sum approved for payment of non-executive directors is \$220,000. Listing Rule 10.17 and clause 10.2(a) of the Company's Constitution requires that any change to the total amount that can be paid to the Company's Non-executive Directors for their services to the Company in any financial year be approved by shareholders at a general meeting. The current limit is insufficient to enable payment to any additional non-executive Directors. The proposed additional sum of \$150,000 is recommended to cover the potential for adding a director in line with revised ASX corporate governance guidelines on diversity. It would also enable the flexibility to enhance the Board skills should the need arise, particularly in relation to potential acquisitions. It would also enable minor changes to Directors' remuneration where justified.

Recommendation of the Board

The Directors recommend that you vote in favour of this resolution.