

# CONNEXION MEDIA LIMITED

ABN 68 004 240 313

## NOTICE OF GENERAL MEETING & EXPLANATORY STATEMENT

For the General Meeting to be held:

at **9 am (EST)**

on **10 August 2016**

at the offices of Perpetual Consulting Group Pty Ltd, **Level 3, 600 St Kilda Road, Melbourne VIC 3004**

In this document you will find:

1. Notice of Meeting.
2. An Explanatory Statement containing an explanation of, and information about, the proposed resolutions to be considered at the General Meeting.
3. Proxy Form.

## NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of CONNEXION MEDIA LIMITED (**Company**) will be held at **9 am (EST) on 10 August 2016** at Perpetual Consulting Group Pty Ltd, **Level 3, 600 St Kilda Road, Melbourne VIC 3004**.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

## AGENDA

### 1 Resolution 1: Ratification of issue of Shares

---

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the issue of 9,267,233 Shares to professional and sophisticated investors on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue of Shares and any associates of those persons, except where the votes are cast: (a) 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) 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.

### 2 Resolution 2: Approval of issue of Unlisted Options

---

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 4,633,617 Unlisted Options to professional and sophisticated investors on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Unlisted Options, a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed and any associates of those persons, except where the votes are cast: (a) 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) 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.

### 3 Resolution 3: Ratification of issue of Tranche A Series 2 Notes

---

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, approval is given for:*

- (a) *the ratification of the issue of 6,948 Tranche A Series 2 Notes with an aggregate face value of \$694,800 to professional and sophisticated investors; and*
- (b) *the right to convert the Tranche A Series 2 Notes in whole or in part into Shares at the conversion price described in the Explanatory Statement, at any time between 1 July 2017 and the maturity date of the Tranche A Series 2 Notes; and*
- (c) *the issue of the maximum number of Shares that may be required to be issued to noteholders upon the exercise of their rights to convert the Tranche A Series 2 Notes to Shares,*

*on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the Tranche A Series 2 Notes and any associates of those persons, except where the votes are cast: (a) 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) 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.

#### 4 Resolution 4: Approval of issue of Tranche B Series 2 Notes

---

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for:*

- (a) *the issue of 43,000 Tranche B Series 2 Notes with an aggregate face value of \$4,300,000 to professional and sophisticated investors; and*
- (b) *the right to convert the Tranche B Series 2 Notes in whole or in part into Shares at the conversion price described in the Explanatory Statement, at any time between 1 July 2017 and the maturity date of the Tranche A Series 2 Notes; and*
- (c) *the issue of the maximum number of Shares that may be required to be issued to noteholders upon the exercise of their rights to convert the Tranche B Series 2 Notes to Shares,*

*on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Tranche B Series 2 Notes, a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed and any associates of those persons, except where the votes are cast: (a) 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) 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.

#### 5 Resolution 5: Approval of the issue of Amended Series 1 Notes

---

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rules 7.1 and for all other purposes, approval is given for:*

- (a) *the issue of 20,000 Amended Series 1 Notes with an aggregate face value of \$2,000,000 to professional and sophisticated investors; and*
- (b) *the right to convert the Amended Series 1 Notes in whole or in part into Shares at the conversion price described in the Explanatory Statement, at any time before the maturity date of the Amended Series 1 Notes; and*
- (c) *the issue of the maximum number of Shares that may be required to be issued to noteholders upon the exercise of their rights to convert the Amended Series 1 Notes to Shares,*

*on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Amended Series 1 Notes, a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed and any associates of those persons, except where the votes are cast: (a) 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) 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.

#### 6 Resolution 6: Approval of issue of Shares to Lucerne Australia Pty Ltd

---

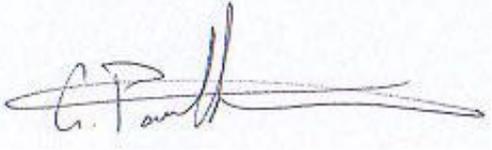
To consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 2,000,000 Shares to Lucerne Australia Pty Ltd on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

For personal use only

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue, a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed and any of their associates, except where the votes are cast: (a) 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) 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.

By order of the Board

A handwritten signature in blue ink, appearing to read 'G. Parthimos', with a long horizontal flourish extending to the right.

George Parthimos

Director

**Date: 8 July 2016**

For personal use only

## PROCEDURAL NOTES

These notes form part of the Notice of Meeting.

### 1 Determination of Shareholders' Right to Vote

---

In accordance with regulations 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Company's share register as at 7.00pm on 8 August 2016.

### 2 Appointment of Proxy

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. You may appoint the Chair of the meeting or someone else.

Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then each proxy may exercise one-half of the votes.

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Shareholders;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### 3 Bodies Corporate

---

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**4 Incorporation of Explanatory Statement**

---

The Explanatory Statement attached to this Notice of Meeting, is hereby incorporated into and forms part of this Notice of Meeting.

**5 Questions from Shareholders**

---

At the General Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions in relation to the Resolutions to be put to the meeting.

For personal use only

## EXPLANATORY STATEMENT

This information forms part of the Notice of Meeting. The main purpose of this Explanatory Statement is to provide Shareholders with information concerning the Resolutions.

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### 1 Resolutions 1 and 2: Ratification of the issue of Shares and approval of the issue of Unlisted Options

---

#### 1.1 Background

As previously announced by the Company, on 3 May 2016, the Company issued 9,267,233 Shares to new professional and sophisticated investors raising \$1,668,101.94 before costs pursuant to a private placement (**May Placement**).

Pursuant to the terms of the May Placement, subject to shareholder approval, the investors are entitled to be issued 1 Unlisted Option for every 2 Shares allotted pursuant to the May Placement.

The Company intends to use the proceeds of the May Placement to accelerate the Company's current growth initiation including servicing the anticipated uplift in General Motors Commercial Link customer demand. The proceeds will also be used for general working capital.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 9,267,233 Shares the subject of the May Placement.

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 4,633,617 Unlisted Options the subject of the May Placement. Subject to obtaining this approval, these options will be issued pursuant to a prospectus to be lodged by the Company on or about the date of this Explanatory Statement.

#### 1.2 ASX Listing Rule 7.1 & 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

The 9,267,233 Shares the subject of the May Placement were issued under the Company's annual placement capacity. By ratifying the issue of Shares the subject of the May Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Shareholders approve the issue of Unlisted Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

#### 1.3 Information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 1:

For personal use only

|   |  |
|---|--|
| <b>The number of securities issued</b>  | 9,267,233 Shares   |
| <b>The price at which the securities were issued</b>  | 18 cents per Share   |
| <b>The terms of the securities</b>  | The Shares have the same terms and rank equally in all respects with existing Shares in the Company and are quoted on the ASX. |
| <b>The names of the persons to whom the Company issued the Shares or the basis on which those persons were determined</b> | Various professional and sophisticated investors who are clients of JB Advisory Pty Ltd ACN 128 893 247.                       |
| <b>The use (or intended use) of the funds raised</b>  | See section 1.1 of this Explanatory Statement.   |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.   |

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Unlisted Options the subject of Resolution 2:

|   |   |
|---|---|
| <b>The maximum number of securities the Company is to issue</b>   | 4,633,617 Unlisted Options  |
| <b>The date by which the entity will issue the securities</b>   | No later than 3 months after the date of the General Meeting  |
| <b>The issue price of the securities</b>  | \$nil   |
| <b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b> | Persons to whom the Company issued the Shares the subject of the May Placement.   |
| <b>The terms of the securities</b>  | An Unlisted Option will entitle the holder to acquire 1 Share at an exercise price of \$0.25 and may be exercised up to the second anniversary of their issue<br><br>The full terms and conditions of the Unlisted Options are set out in Annexure 1.   |
| <b>The use (or intended use) of the funds raised</b>  | The Company will not raise any funds pursuant to this issue of Unlisted Options.<br><br>If all 4,633,617 Unlisted Options are exercised, the Company will raise \$1,158,404 (before costs). Any funds raised from the exercise of any of the Unlisted Options will be applied towards capital expenditure and working capital requirements of the Company at that time. |
| <b>The issue date</b>   | No later than 3 months after the date of the General Meeting  |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.  |

#### 1.4 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolutions 1 and 2.

## 2 Resolution 3 to 5 (inclusive): Convertible Notes

---

### 2.1 Series 1 Notes

On 19 August 2015, the Company announced that it raised \$2,000,000 through the issue of convertible notes to sophisticated and professional investors (**Series 1 Notes**). The Series 1 Notes have the following key terms:

- (a) a face value of \$100 each (\$2 million in aggregate);
- (b) bear interest at 12% per annum (payable quarterly in advance, subject to accumulation);
- (c) Mature (and are redeemable) on the second anniversary of issue;
- (d) are secured by a registered security interest over all the present and after acquired property of the Company; and
- (e) are convertible into 400 Shares each (8,000,000 Shares in aggregate) based on a fixed conversion price of \$0.25.

Shareholders ratified the issue of the Series 1 Notes at the general meeting held on 8 April 2016.

### 2.2 Series 2 Notes

On 22 June 2016, the Company announced that it had secured funding of up to \$5,000,000 through the proposed issue of a new series of convertible notes to sophisticated and professional investors (**Series 2 Notes**). The Series 2 Notes have the following key terms:

- (a) a face value of \$100 each (\$4,994,800 in aggregate);
- (b) bear interest at 9.95% per annum (payable quarterly in advance, subject to accumulation);
- (c) mature (and are redeemable) on the second anniversary of issue;
- (d) are secured by a registered security interest over all the present and after acquired property of the Company (ranking equally with the security provided in respect of the Series 1 Notes); and
- (e) are redeemable at the election of the Company at any time after the first anniversary of the issue date by giving 60 days' notice. If the Company elects to redeem the Series 2 Notes before the maturity date, the notes are redeemable for an amount equal to:
  - the aggregate face value of the notes the subject of redemption; plus
  - an early redemption premium of 10% of the face value; plus
  - 5% of the face value of the note if the total revenue of the Company for the financial years ended 30 June 2017 and 30 June 2018 as set out in its annual financial report (or management accounts for the 2018 financial year if required) for the relevant financial year is less than \$10,000,000 (**Revenue Premium**); plus
  - 5% of the face value of the note if the remuneration paid to the non-executive Directors for the financial years ended 30 June 2017 and 30 June 2018 as set out in its annual financial report (or management accounts for the 2018 financial year if required) for the relevant financial year exceeds \$300,000 and either:
    - (A) the net profit after tax of the Company as set out in that annual financial report or management accounts for that financial year is less than \$3,000,000; or

- (B) the operating cash flow of the Company is not positive for four consecutive quarters as set out in the management accounts provided by the Company to the Security Trustee pursuant to these Note Terms (**Remuneration Premium**).

The Company will be issuing the Series 2 Notes in two tranches as follows:

- (a) Tranche A Series 2 Notes with a total face value (issue price) of \$694,800 and which are convertible in whole or in part into Shares in the Company, at a conversion price of the lesser of:
- (i) \$0.15; and
  - (ii) subject to the ASX Listing Rules, 80% of the last issue price at which the Company issued Shares for cash consideration after the issue of Series 2 Notes but prior to the date of the conversion notice, (**Conversion Price**) at any time after 30 June 2017 up until the maturity date (**Tranche A Series 2 Notes**); and
- (b) Tranche B Series 2 Notes with a total face value (issue price) of \$4,300,000, which, subject to approval by the Shareholders of the right to convert those notes into Shares for the purposes of ASX Listing Rule 7.1 (as proposed by Resolution 4), are convertible in whole or in part into Shares of the Company, at the Conversion Price at any time after 30 June 2017 up until the maturity date (**Tranche B Series 2 Notes**).

If the aggregate face value of all Series 1 Notes and Series 2 Notes that have been converted on the maturity date equals or exceeds \$3.5 million:

- (a) each noteholder that converted Series 2 Notes will receive one free option over unissued shares for every Share issued to it on conversion; and
- (b) each noteholder that has not converted all or part of its Series 2 Notes will receive one free option over unissued shares for every Share that would have been issued to it at the maturity date had it converted its Series 2 Notes into Shares at a conversion price of \$0.15,

(**Bonus Options**). The Bonus Options (if issued) will be issued under a disclosure document pursuant to Part 6D.2 of the Corporations Act and lodged with ASIC following the Maturity Date.

A summary of the terms of the Series 2 Notes is attached at Annexure 2.

### 2.3 Purpose of the issue of the Series 2 Notes

The purpose of the issue of the Series 2 Notes is to raise funds that are required to drive sales and marketing activities with the Company's two key partners, GM and Oracle. This includes the continued growth of Commercial Link and Flex Subscribers, MiRoamer licensing fees and continued customisation work, and to fund working capital of the Company.

### 2.4 Effect of the issue on capital structure

The capital structure of the Company following the issue of the Series 2 Notes is set out below (assuming the Company receives applications for the maximum amount of \$4,994,800):

For personal use only

| Type of security  | Securities prior to the issue of Tranche A Series 2 Notes | Securities following the issue of the Tranche A Series 2 Notes | Securities following the issue of the Tranche A and Tranche B Series 2 Notes |
|---|---|--|--|
| <b>Shares</b>   | 101,929,174   | 101,929,174  | 101,929,174  |
| <b>Listed options</b>   | 81,577,598  | 81,577,598   | 81,577,598   |
| <b>Unlisted options (including the options the subject of Resolution 2)</b> | 10,205,788  | 10,205,788   | 10,205,788   |
| <b>Series 1 Notes</b>   | 20,000  | 20,000   | 20,000   |
| <b>Series 2 Notes</b>   | -   | 6,948  | 49,948   |

Noteholders can elect to convert the Tranche A Series 2 Notes (in whole or in part) into Shares at any time between 1 July 2017 and the maturity date. Subject to Shareholder approval pursuant to ASX Listing Rule 7.1 (Resolution 4), noteholders can also elect to convert the Tranche B Series 2 Notes (in whole or in part) into Shares at any time between 1 July 2017 and the maturity date.

The number of Shares issued on conversion of each Series 2 Note will be calculated by dividing the face value plus all accrued and unpaid interest and any Revenue Premiums and/or Remuneration Premiums (as described above) by the Conversion Price.

Accordingly, the number of Shares that may be issued on conversion of the Series 2 Notes is contingent on a number of factors.

Assuming:

- Shareholders approve the conversion rights of the Tranche B Series 2 Notes (Resolution 4);
- noteholders elect to convert all Series 2 Notes;
- a conversion price of \$0.15 and no adjustments; and
- no Revenue Premium or Remuneration Premium (as described above) being payable,

then the following Shares (subject to rounding) would be issued:

|  |                    |          |                          |
|--|--------------------|----------|--------------------------|
| Tranche A Series 2 Notes Face Value                  | \$694,800          | @ \$0.15 | 4,632,000 Shares         |
| Tranche A Series 2 Notes Accrued and unpaid interest | \$138,265          | @ \$0.15 | 921,766 Shares           |
| Tranche B Series 2 Notes Face Value                  | \$4,300,000        | @ \$0.15 | 28,666,666 Shares        |
| Tranche B Series 2 Notes Accrued and unpaid interest | \$855,700          | @ \$0.15 | 5,704,666 Shares         |
| <b>Total</b>   | <b>\$5,988,765</b> |          | <b>39,925,098 Shares</b> |

As noted above, the Conversion Price is contingent on the issue price at which the Company may issue Shares in the future (but before conversion). The table below depicts the effect the issue price of future issues will have on the conversion price and accordingly the number of Shares to be issued on conversion of the Series 2 Notes (based on the other assumptions set out in the above example):

| <b>If the Company issues Shares at this price</b> | <b>The Conversion Price will be this</b> | <b>And the following Shares would be issued (subject to rounding)</b> |
|---|--|---|
| 7.5 cents   | 6 cents                                  | 99,812,748 Shares   |
| 15 cents  | 12 cents                                 | 49,906,374 Shares   |
| 30 cents  | 15 cents                                 | 39,925,098 Shares   |

The Company will apply for all Shares issued on conversion to be quoted on ASX.

### **3 Resolution 3: Ratification of the issue of Tranche A Series 2 Notes**

#### **3.1 Background**

Resolution 3 seeks:

- (a) shareholder ratification of the issue of 6,948 Tranche A Series 2 Notes; and
- (b) shareholder approval of the issue of the maximum number of Shares that may be required to be issued to noteholders upon exercise of their right to convert the Tranche A Series 2 Notes to Shares.

#### **3.2 ASX Listing Rule 7.1 & 7.4**

Section 1.2 above provides a summary of ASX Listing Rules 7.1 and 7.4.

By ratifying the issue of the Tranche A Series 2 Notes (and the issue of the maximum number of Shares that may be required to be issued to noteholders upon exercise of their rights to convert Tranche A Series 2 Notes to Shares), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

#### **3.3 Information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Tranche A Series 2 Notes the subject of Resolution 3:

|   |   |
|---|---|
| <b>The number of securities issued</b>  | 6,948 Tranche A Series 2 Notes were issued  |
| <b>The price at which the securities were issued</b>  | Each Tranche A Series 2 Note has a face value of \$100. The aggregate face value (issue price) of all Tranche A Series 2 Notes is \$694,800.  |
| <b>The terms of the securities</b>  | The terms of the Tranche A Series 2 Notes are outlined in Annexure 2.<br><br>Shares issued on the conversion of the Tranche A Series 2 Notes will have the same terms and rank equally in all respects with existing Shares in the Company. |
| <b>The names of the persons to whom the Company issued the securities or the basis on which those persons were determined</b> | Professional and sophisticated investor clients of Lucerne Australia Pty Ltd  |
| <b>The use (or intended use) of the funds raised</b>  | See section 2.3 of this Explanatory Statement.  |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.  |

### 3.4 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 3.

## 4 Resolution 4: Approval of issue of Tranche B Series 2 Notes

### 4.1 Background

Resolution 4 seeks shareholder approval for:

- (a) the issue of 43,000 Tranche B Series 2 Notes;
- (b) the right to convert the Tranche B Series 2 Notes into Shares; and
- (c) the issue of the maximum number of Shares that may be required to be issued to noteholders upon exercise of their right to convert the Tranche B Series 2 Notes to Shares.

### 4.2 ASX Listing Rules 7.1 and 7.2 (Exception 4)

A summary of Listing Rule 7.1 is set out in Section 1.2 above.

### 4.3 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Tranche B Series 2 Notes the subject of Resolution 4:

For personal use only

|   |   |
|---|---|
| <b>The maximum number of securities the Company is to issue</b>   | 43,000 Tranche B Series 2 Notes   |
| <b>The date by which the entity will issue the securities</b>   | No later than 3 months after the date of the General Meeting  |
| <b>The issue price of the securities</b>  | Each Tranche B Series 2 Note has a face value of \$100. The aggregate face value (issue price) of all Tranche B Series 2 Notes is \$4,300,000.  |
| <b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b> | Professional and sophisticated investor clients of Lucerne Australia Pty Ltd  |
| <b>The terms of the securities</b>  | The terms of the Tranche B Series 2 Notes are outlined in Annexure 2.<br><br>Shares issued on the conversion of the Tranche B Series 2 Notes will have the same terms and rank equally in all respects with existing Shares in the Company. |
| <b>The use (or intended use) of the funds raised</b>  | See section 2.3 of this Explanatory Statement.  |
| <b>The issue date</b>   | The issue of Tranche B Series 2 Notes will occur progressively  |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.  |

#### 4.4 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 4.

## 5 Resolution 5: Approval of the issue of Amended Series 1 Notes

### 5.1 Background

If the Company issues Series 2 Notes with an aggregate face value of at least \$2 million (**Condition Precedent**), the Company has agreed (subject to noteholder consent) to permit all holders of Series 1 Notes to exchange their Series 1 Notes for replacement notes (**Amended Series 1 Notes**) on the following terms:

- (a) at the election of the noteholder, a maturity date:
- the same as the Series 1 Notes, being 11 August 2017; or
  - the same as the Series 2 Notes, namely 24 months after the issue date of the Series 2 Notes; and
- (b) otherwise on identical terms as the Series 2 Notes.

Resolution 5 seeks shareholder approval to authorise the Company to, subject to the satisfaction of the Condition Precedent, issue the Amended Series 1 Notes and the maximum number of Shares that may be required to be issued to noteholders upon the exercise of its rights to convert the Amended Series 1 Notes to Shares.

### 5.2 Advantages and disadvantages of amending the Series 1 Notes

The Board considers that amending the terms of the Series 1 Notes has the following key advantages for the Company:

- (a) noteholder can elect to extend the maturity date, which would extend the redemption obligations of the Company;
- (b) the interest rate payable by the Company is lower; and
- (a) the Company will have the ability to redeem early (although the Company must pay an early repayment premium of 10%).

The Board considers that amending the terms of the Series 1 Notes has the following key disadvantages for the Company:

- (b) the number of Shares that may be issued on conversion will increase, which has the potential to dilute Shareholders;
- (c) the amended terms carry the conditional right to receive Bonus Options, which again has the potential to dilute Shareholders; and
- (d) the Company may have to pay the Remuneration Premium and/or the Revenue Premium to noteholders on redemption of the notes or issue additional Shares on conversion of the notes.

### 5.3 Effect on capital structure

As with the Series 2 Notes, holders of Amended Series 1 Notes will be able to elect to convert the Amended Series 1 Notes (in whole or in part) into Shares at any time between 1 July 2017 and the maturity date.

The number of Shares issued on conversion of each Amended Series 1 Note will be calculated by dividing the face value plus all accrued and unpaid interest and any Revenue Premiums and/or Remuneration Premium (as described above) by the Conversion Price.

Accordingly, the number of Shares that may be issued on conversion of the Amended Series 1 Notes is contingent on a number of factors.

Assuming:

- (a) noteholders elect to wholly convert all Amended Series 1 Notes;
- (b) a conversion price of \$0.15 and no adjustments;
- (c) no interest is paid prior to conversion and assuming all noteholders of Amended Series 1 Notes elect to have a maturity date the same as Series 2 Notes; and
- (d) no Revenue Premium or Remuneration Premium (as described above) being payable,

then the following Shares (subject to rounding) would be issued:

|                                   |                    |          |                          |
|-----------------------------------|--------------------|----------|--------------------------|
| Amended Series 1 Notes Face Value | \$2,000,000        | @ \$0.15 | 13,333,333 Shares        |
| Accrued and unpaid interest       | \$398,000          | @ \$0.15 | 2,653,333 Shares         |
| <b>Total</b>                      | <b>\$2,398,000</b> |          | <b>15,986,666 Shares</b> |

As noted above, the Conversion Price is contingent on the issue price at which the Company may issue Shares in the future (but before conversion). The table below depicts the effect the issue price of future issues will have on the conversion price and accordingly the number of Shares to be issued on conversion of the Amended Series 1 Notes (based on the other assumptions set out in the above example):

For personal use only

| <b>If the Company issues Shares at this price</b> | <b>The Conversion Price will be this</b> | <b>And the following Shares would be issued (subject to rounding)</b> |
|---|--|---|
| 7.5 cents   | 6 cents                                  | 39,966,666 Shares   |
| 15 cents  | 12 cents                                 | 19,983,332 Shares   |
| 30 cents  | 15 cents                                 | 15,986,666 Shares   |

The Company will apply for all Shares to be issued on conversion of the Amended Series 1 Notes to be quoted on ASX.

**5.4 ASX Listing Rules 7.1 and 7.2 (Exception 4)**

A summary of Listing Rule 7.1 is set out in Section 1.2 above.

**5.5 Information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Amended Series 1 Notes:

|   |   |
|---|---|
| <b>The maximum number of securities the Company is to issue</b>   | 20,000 Amended Series 1 Notes   |
| <b>The date by which the entity will issue the securities</b>   | No later than 3 months after the date of the General Meeting  |
| <b>The issue price of the securities</b>  | Each Amended Series 1 Note has a face value of \$100. The aggregate face value (issue price) of all Amended Series 1 Notes is \$2,000,000.<br><br>The total amounts owing by the Company to the noteholders in respect of the Series 1 Notes will be applied to the payment of the issue price of the Amended Series 1 Notes. |
| <b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b> | Series 1 Noteholders  |
| <b>The terms of the securities</b>  | The terms and conditions of the Amended Series 1 Notes are set out in Annexure 2, subject to the provisions set out in section 5.1.<br><br>The Share issued on the conversion of the Amended Series 1 Notes will have the same terms and rank equally in all respects with existing Shares in the Company.                    |
| <b>The use (or intended use) of the funds raised</b>  | No funds will be raised from the issue.   |
| <b>The issue date</b>   | The issue will occur progressively.   |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.  |

**5.6 Recommendation**

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 5.

## 6 Resolution 6: Approval of the issue of Shares to Lucerne

---

### 6.1 Background

In January 2016, Lucerne Australia Pty Ltd ACN 609 346 581 (**Lucerne**) and the Company entered into a mandate for Lucerne to provide advisory services to the Company in relation to a proposed capital raising.

In the course of providing these services, Lucerne introduced the Company to Oracle Corp (NYSE:ORCL) (**Oracle**), a computer software company. As announced to the market in March, the Company has signed a commercial contract with Oracle to work in partnership to build and deploy a new module on Oracle's CRM Platform to analyse real-time data collected through the Company's miRoamer and Flex services.

In order to compensate Lucerne for this introduction, the Company and Lucerne have entered into a placement agreement pursuant to which the Company has agreed to issue 2,000,000 Shares to Lucerne (**First Tranche**). Lucerne must also enter into a restriction agreement under which the First Tranche will be held in voluntary escrow for a period of 24 months from the date of issue and on substantially the same terms as Appendix 9A of the Listing Rules.

If the Company or its related bodies corporate achieve \$5 million in software-based sales revenue from Oracle customers (excluding dongle hardware sales) then the Company has agreed to issue a further 1,000,000 Shares to Lucerne (**Second Tranche**).

If the Company or its related bodies corporate achieve \$5 million from Oracle certification of service oriented architecture integration with CRM, then the Company has agreed to issue a further 2,000,000 Shares to Lucerne (**Third Tranche**).

If the Company fails to issue any Shares to Lucerne when required under the placement agreement, the Company must pay Lucerne a cash amount equivalent to the value of the Shares that have not been issued to Lucerne based on the volume weighted average price of Shares.

Resolution 6 seeks shareholder approval in respect of the First Tranche.

### 6.2 ASX Listing Rules 7.1 and 7.2 (Exception 4)

A summary of Listing Rule 7.1 is set out in Section 1.2 above.

### 6.3 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares the subject of Resolution 6:

For personal use only

|   |  |
|---|--|
| <b>The maximum number of securities the Company is to issue</b>   | 2,000,000 Shares.  |
| <b>The date by which the entity will issue the securities</b>   | Within 5 Business Days after the date of the meeting.  |
| <b>The issue price of the securities</b>  | \$nil.   |
| <b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b> | Lucerne Australia Pty Ltd ACN 609 346 581 or its nominee(s)  |
| <b>The terms of the securities</b>  | The Shares have the same terms and rank equally in all respects with existing Shares in the Company. |
| <b>The use (or intended use) of the funds raised</b>  | The Company will not raise any funds pursuant to this issue of Shares.                               |
| <b>The issue date</b>   | Within 5 Business Days after the date of the meeting.  |
| <b>Voting Exclusion Statement</b>   | A voting exclusion statement is included in the Notice of Meeting.                                   |

## 6.4

**Recommendation**

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 6.

## 7 Glossary

---

The following words and expressions used in the notice of meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

**ASIC** means Australian Securities and Investment Commission.

**ASX** means ASX Limited ACN 98 008 624 691

**Board** means the board of directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Victoria.

**Chair** means the chairman of the Company.

**Company** means Connexion Media Limited (ABN 68 004 240 313).

**Constitution** means the Company's constitution.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the notice of meeting for the Meeting.

**General Meeting** means the general meeting of the Company to be held at 9 am on 10 August 2016.

**Listing Rules** means the Listing Rules of the ASX.

**May Placement** has the meaning given in section 1.1 of the Explanatory Statement.

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolution** means a resolution proposed in the Notice of Meeting.

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

**Shareholder** means a holder of Shares.

For personal use only

## Annexure 1 Terms of Unlisted Options

A summary of the key terms of each Unlisted Option is set out below. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights and liabilities of noteholders.

- (a) Each Unlisted Option entitles the holder to subscribe for 1 New Share upon exercise of the option and payment of the Exercise Price.
- (b) Each Unlisted Option is exercisable at any time at the Exercise Price payable in full on exercise of the option.
- (c) Each Unlisted Option automatically expires at 5.00pm on the Expiry Date.
- (d) The Unlisted Options will be unlisted and the Company will not apply to the ASX for official quotation of the Unlisted Options.
- (e) Unlisted Options will not confer an entitlement to receive dividends declared and paid by the Company, nor an entitlement to vote at general meetings of the Company unless the holder of the Unlisted Options has exercised the Unlisted Options before the record date for determining these entitlements and participates as a result of holding Shares.
- (f) The Company will apply to the ASX for official quotation of the Shares issued upon exercise of Unlisted Options within the time period required by the Listing Rules.
- (g) A holder of Unlisted Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder pursuant to the exercise of the Unlisted Options.
- (h) In the event of a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holders of Unlisted Options (including, without limitation, the number of Options to which the option holder is entitled to and the Exercise Price) will be changed (as appropriate) in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (i) If the Company makes a pro-rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the Unlisted Options before the record date for determining entitlements to the issue, the Exercise Price of each Unlisted Option will be reduced in the manner permitted by the Listing Rules applying at the time of the pro-rata issue.
- (j) If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that Unlisted Option before the record date for determining entitlements to the issue, then the number of Shares over which that Unlisted Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.

For personal use only

## Annexure 2 Terms of Series 2 Notes

A summary of the key terms of the Series 2 Notes is set out below. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights and liabilities of noteholders.

| ITEM                                       | DESCRIPTION   |
|--|---|
| <b>Notes</b>                               | Secured unlisted notes.   |
| <b>Maturity Date</b>                       | 2nd anniversary of the issue date   |
| <b>Face Value</b>                          | Each note will have a face value of \$100 to raise up to a principal amount of \$4,994,800.   |
| <b>Status of note</b>                      | Each note is secured by a General Security Agreement over all present and after acquired property of the Company.   |
| <b>Interest</b>                            | The Company will pay interest on a quarterly basis from the date of issue and on the Maturity Date at an interest rate of 9.95% per annum.  |
| <b>Conversion rights</b>                   | <p>The Tranche A notes may be converted, in whole or in part, into Shares at any time after 30 June 2017 up until the Maturity Date at the Conversion Price.</p> <p>Tranche B notes will not be convertible until Shareholders approve those conversion rights in accordance with ASX Listing Rule 7.1. If Shareholders approve the conversion rights of Tranche B notes, those may be converted, in whole or in part, into Shares at any time after 30 June 2017 up until the Maturity Date at the Conversion Price.</p> <p>The Noteholder may elect to exercise a conversion right by giving a conversion notice to the Company no less than 2 Business Days before the date of conversion.</p> |
| <b>Conversion Price</b>                    | <p>The lesser of:</p> <ul style="list-style-type: none"><li>• \$0.15; and</li><li>• subject to the ASX Listing Rules, 80% of the last issue price at which the Company issued Shares for cash consideration after the issue of Series 2 Notes but prior to the date of the conversion notice.</li></ul>   |
| <b>Conversion Shares</b>                   | <p>The Shares issued on conversion will rank equally in all respects with the Shares on issue.</p> <p>The Company will apply for official quotation by ASX of the conversion Shares after the conversion date.</p>  |
| <b>Adjustments to the Conversion Price</b> | Where the Shares are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities, the Conversion Price must be adjusted in a manner consistent with the ASX Listing Rules.   |
| <b>Bonus Options</b>                       | <p>If on the Maturity Date holders of existing convertible notes and the Series 2 Notes have elected to convert notes with an aggregate face value of at least \$3.5 million:</p> <ul style="list-style-type: none"><li>• each Noteholder that converted notes will receive a free option for every Share issued to it on conversion; and</li></ul>   |

For personal use only

|                          |  |
|--------------------------|--|
|                          | <ul style="list-style-type: none"> <li>• each Noteholder that has not converted all or part of its notes will receive a free option for every Share that would have been issued to it at the Maturity Date had it converted its notes into Shares (at a conversion price of \$0.15).</li> </ul> <p>The Bonus Options will be issued subject to the Company lodging with ASIC a disclosure document in accordance with the Corporations Act.</p>  |
| <b>Redemption</b>        | <p>The Company can at any time after the first anniversary of the issue date (<b>Redemption Period</b>) by giving 60 days' notice, elect to redeem any or all of the notes for an amount equal to:</p> <ul style="list-style-type: none"> <li>• the aggregate face value of the notes the subject of redemption; plus</li> <li>• an early redemption premium of 10% of the face value;</li> <li>• 5% of the face value of the note if the total revenue of the Company for the financial years ended 30 June 2017 and 30 June 2018 as set out in its annual financial report (or management accounts for the 2018 financial year if required) for the relevant financial year is less than \$10,000,000 (<b>Revenue Premium</b>); plus</li> <li>• 5% of the face value of the note if the remuneration paid to the non-executive Directors for the financial years ended 30 June 2017 and 30 June 2018 as set out in its annual financial report (or management accounts for the 2018 financial year if required) for the relevant financial year exceeds \$300,000 and either: <ul style="list-style-type: none"> <li>○ the net profit after tax of the Company as set out in that annual financial report or management accounts for that financial year is less than \$3,000,000; or</li> <li>○ the operating cash flow of the Company is not positive for four consecutive quarters as set out in the management accounts provided by the Company to the Security Trustee pursuant to these Note Terms (<b>Remuneration Premium</b>).</li> </ul> </li> </ul> <p>Unless earlier redeemed or converted, the Company must on the Maturity Date redeem all of the notes for an amount equal to:</p> <ul style="list-style-type: none"> <li>• the aggregate face value of the notes the subject of redemption; plus</li> <li>• the Revenue Premium and the Remuneration Premium (if applicable).</li> </ul> |
| <b>Events of Default</b> | <p>If an Event of Default occurs a Noteholder may by notice in writing to the Company declare that any of its notes are due and payable.</p> <p>Events of default include:</p> <ul style="list-style-type: none"> <li>• an insolvency event;</li> <li>• a change of control of the Company;</li> <li>• the sale of the business or the main undertaking of the Company;</li> </ul>   |

|                                |   |
|--------------------------------|---|
|                                | <ul style="list-style-type: none"> <li>• the Company being delisted from the official list of the ASX;</li> <li>• if the Company defaults in fully performing, observing and fulfilling any material provision of the note terms, provided that in the case of a default capable of remedy, that default has not been remedied within 20 Business Days of receipt of a written notice from the Noteholder requiring that party to remedy such default;</li> <li>• the note terms become void, voidable or unenforceable in whole or in part; or</li> <li>• at any time it is or becomes unlawful for the Company to perform any of its obligations under the note terms.</li> </ul> <p>If an event of default occurs and a Noteholder serves a notice on the Company declaring the Convertible Note to be immediately redeemable, the Company must immediately redeem the Convertible Note on the same basis set out above.</p> |
| <b>New issue of securities</b> | The Company undertakes not issue or take on any secured debt or enter into any arrangement to issue or take on any secured debt (other than in the ordinary course of the Company's business) without the prior consent of the security trustee prior to the Maturity Date.   |
| <b>Transferability</b>         | A Noteholder may only transfer the notes in circumstances where such sale of them does not require disclosure under Part 6D.2 of the Corporations Act.  |
| <b>Rights of noteholder</b>    | A note does not entitle a noteholder to vote at a general meeting of the Company, to receive dividends or other distributions or participate in the issue of securities.  |

# Connexion Media Limited: Proxy Form

## Section 1: Security Holder

Name(s) \_\_\_\_\_

Address \_\_\_\_\_

Security Holder Reference Number \_\_\_\_\_

## Section 2: Appointment of Proxy

I/We being a member/s of the Company hereby appoint:

**The Chair of the Meeting**  
(mark with an "x")

OR

\_\_\_\_\_

(Write here the name of the person you are appointing if this person/s is someone other than the Chair of the meeting)

\_\_\_\_\_

(Write here the name of the person you are appointing if you are appointing a second proxy)

\_\_\_\_\_

Write here % of votes or number of shares if appointing 2 proxies

\_\_\_\_\_

Write here % of votes or number of shares if appointing 2 proxies

or failing the person/s named, or if no person/s is named, the Chair of the meeting, as my/our proxy and to act generally at the meeting on my/our behalf and to vote in accordance with the directions in Section 3 below (or if no directions have been given, as the proxy sees fit) at the General Meeting of Connexion Media Limited to be held at Level 3, 600 St Kilda Road, Melbourne VIC 3004 at **9 am on 10 August 2016** and at any adjournment or postponement of that meeting.

## Section 3: Items of Business

I/We direct as follows:

|              |   | For | Against | Abstain |
|--------------|---|-----|---------|---------|
| Resolution 1 | Ratification of issue of Shares to professional and sophisticated investors       |     |         |         |
| Resolution 2 | Approval of issue of Unlisted Options to professional and sophisticated investors |     |         |         |
| Resolution 3 | Ratification of issue of Tranche A Series 2 Notes                                 |     |         |         |
| Resolution 4 | Approval of issue of Tranche B Series 2 Notes                                     |     |         |         |
| Resolution 5 | Approval of issue of Amended Series 1 Notes                                       |     |         |         |
| Resolution 6 | Approval of issue of Shares to Lucerne Australia Pty Ltd                          |     |         |         |

*Please note:*

- If you have appointed a proxy and do not mark any direction box for an item, your proxy is authorised to vote or abstain from voting on the relevant item in their absolute discretion.*
- If you have appointed a proxy and 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.*
- The Chair of the meeting intends to vote undirected proxies in favour of each item of business. In exception circumstances, the Chair of the meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.*

## Section 4: Authorised Signature/s

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Security Holder 1 (Individual)  
\_\_\_\_\_

Sole Director and Sole Company Secretary

Security Holder 2 (Individual)  
\_\_\_\_\_

Director

Security Holder 3 (Individual)  
\_\_\_\_\_

Director/Company Secretary (delete one)

( )

Contact Name

Contact day time telephone

Email

Date

**YOUR VOTE IS IMPORTANT - PLEASE READ THE INFORMATION BELOW**

If you are unable to attend the meeting, you are encouraged complete and lodge this form.

**Appointing a 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 as they choose. If you mark more than one box on an item your vote will be invalid for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares 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 of 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 shares 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 shares for each in Section 2 overleaf.

A proxy need not be a shareholder of the Company.

**Signing Instructions**

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

Joint Holding: Where the holding is in more than one name, all of the shareholders 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.

**Attending the Meeting**

Please bring this form to assist registration. If a representative of a corporate shareholder 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 Perpetual Consulting Group Pty Ltd, Level 3, 600 St Kilda Road, Melbourne VIC 3004.

**For your vote to be effective it must be received no later than 7pm on 8 August 2016**

**Lodging a proxy form**

Send completed forms to:

|                   |  |
|-------------------|--|
| <b>By Fax:</b>    | <b>+61 3 8640 0779</b>   |
| <b>By Mail:</b>   | <b>Connexion Media Limited, Level 3, 600 St Kilda Road, Melbourne VIC 3004</b> |
| <b>In Person:</b> | <b>Connexion Media Limited, Level 3, 600 St Kilda Road, Melbourne VIC 3004</b> |