

CONNEXION MEDIA LIMITED

ABN 68 004 240 313

NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

For the Annual General Meeting to be held:

at **11.00 am**

on **Friday, 14 November 2014**

at the offices of Perpetual Consulting Group Pty Ltd, **Suite 2, Level 17, 499 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 Annual General Meeting.
3. Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of CONNEXION MEDIA LIMITED (**Company**) will be held at **11.00am on Friday, 14 November 2014** at Perpetual Consulting Group Pty Ltd, **Suite 2, Level 17, 499 St Kilda Road, Melbourne VIC 3004**.

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

AGENDA

1 Discussion of Annual Report

To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2014.

Note: there is no requirement for shareholders to approve these reports and financial statements.

2 Resolution 1: Adoption of Remuneration Report

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

“That for the purposes of section 250R(2) of the Corporations Act, the remuneration report (which forms part of the Directors' report for the year ended 30 June 2014) is adopted”.

Note: Although section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors, there are potentially serious consequences associated with a "No" vote greater than 25%. Please see section 2 of the Explanatory Statement for details.

Voting Exclusion: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company or, if the company is part of a consolidated entity, for the entity.

3 Resolution 2: Re-election of John Cononmos

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

“That, for the purpose of clause 5.2(a)(ii) of the Constitution and for all other purposes, Mr John Cononmos, a Director who was appointed on 29 August 2014, retires, and being eligible, is re-elected as a Director.”

4 Resolution 3: Re-election of Sean Habgood

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

“That, for the purpose of clause 5.2(a)(ii) of the Constitution and for all other purposes, Mr Sean Habgood, a Director who was appointed on 29 August 2014, retires, and being eligible, is re-elected as a Director.”

5 Resolution 4: Re-election of Eric Jiang

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

“That, for the purpose of clause 5.3(b)(i) of the Constitution and for all other purposes, Mr Eric Jiang, retires, and being eligible, is re-elected as a Director.”

6 Resolution 5: Re-election of Ashley Kelly

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

“That, for the purpose of clause 5.3(b)(i) of the Constitution and for all other purposes, Mr Ashley Kelly, retires, and being eligible, is re-elected as a Director.”

7 Resolution 6: Subsequent approval 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 purpose of Listing Rule 7.4 and for all other purposes, the allotment and issue of 500,000 Shares to Raven Investment Holdings Pty Ltd is subsequently approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

8 Resolution 7: Approval for additional capacity to issue securities

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, additional capacity of the Company to issue securities under Listing Rule 7.1A is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of securities and any person who would gain an advantage (other than an advantage solely in the capacity of an ordinary security holder) from the passing of the Resolution 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.

9 Resolution 8: Approval for the issue of Options to Mr George Parthimos

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes, the grant to Mr George Parthimos of 2,000,000 Options, on the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr George Parthimos and any associates of him, 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.

10 Resolution 9: Approval for the issue of Options to Mr Eric Jiang

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 4, the grant to Mr Eric Jiang of 2,000,000 Options, on the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Eric Jiang and any associates of him, 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.

11 Resolution 10: Approval for the issue of Options to Mr Ashley Kelly

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 5, the grant to Mr Ashley Kelly of 2,000,000 Options, on the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ashley Kelly and any associates of him, 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.

12 Resolution 11: Approval for the issue of Options to Mr John Conomos

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 2, the grant to Mr John Conomos of 1,000,000 Options, on the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr John Conomos and any associates of him, 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.

13 Resolution 12: Approval for the issue of Options to Mr Sean Habgood

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes and subject to the passing of Resolution 3, the grant to Mr Sean Habgood of 1,000,000 Options, on the terms and conditions detailed in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Sean Habgood and any associates of him, 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

John Conomos

Chair

13 October 2014

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 Wednesday, 12 November 2014.

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 Annual 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.

In addition, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Nicholas Benbow of William Buck Corporate Finance Pty Ltd as the auditor responsible for preparing the auditor's report for the year ended 30 June 2014 (or his representative) will attend the Annual General Meeting. The Chair will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

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 Financial report and the reports of the Directors and Auditor

The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity to raise questions on all these reports at the meeting.

2 Resolution 1: Remuneration Report

2.1 Background

The Annual Report for the year ended 30 June 2014 contains a Remuneration Report (refer to pages 5 to 6 of the Annual Financial Report) which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for Directors.

The Corporations Act (under section 250R) requires the agenda for an annual general meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company. Under the Corporations Act, if 25% or 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 a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

At the 2013 AGM, no votes that were cast were voted against the adoption of the Remuneration Report.

The remuneration report:

- (a) describes the policy behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- (b) sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- (c) explains the differences between the basis for remunerating Non-Executive Directors and executives of the Company.

A reasonable opportunity for discussion of the remuneration report will be provided at the meeting.

2.2 Recommendation

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

The Chair will be casting undirected proxy votes held by him in favour of Resolution 1, except for any proxies, undirected or otherwise, from Key Management Personnel which are restricted.

3 Resolution 2: Re-election of Mr John Conomos

3.1 Background

Clause 5.2(a)(ii) of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr John Conomos was appointed to the Board on 29 August 2014 and as such retires in accordance with clause 5.2(a)(ii) of the Constitution and being eligible seeks re-election.

3.2 Mr John Conomos

Mr Conomos has a 40 year history with the automotive industry and was appointed President of the Federal Chamber of Automotive Industries in March 2006. Previously, John had been FCAI Treasurer from 1994 and was granted Life Membership of the Federal Chamber in 1995. He has also served as President of the Chamber of Automotive Industries, NSW.

He was Executive Chairman of Toyota Australia and Managing Officer of Toyota Motor Corporation from 2004 to 2006. In 2006 he became Chairman Emeritus and Principal Policy Advisor to Toyota Australia. Mr Conomos was also on the Board of Toyota Financial Services, and Toyota New Zealand.

Mr. Conomos was awarded the Order of Australia in the Queen's Birthday Honours List in June 2005.

Mr Conomos is the non-executive Chairman of the Company.

3.3 Recommendation

The Board supports the re-election of Mr Conomos.

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

The Chair will be casting undirected proxy votes held by him in favour of this Resolution.

4 Resolution 4: Re-election of Mr Sean Habgood

4.1 Background

Clause 5.2(a)(ii) of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Sean Habgood was appointed to the Board on 29 August 2014 and as such retires in accordance with clause 5.2(a)(ii) of the Constitution and being eligible seeks re-election.

4.2 Mr Sean Habgood

Mr Habgood was until 2012 the chief financial officer for Internode Pty Ltd and was actively involved in the sale of Internode to iiNet for \$105m in 2012.

Mr Habgood has completed a Bachelor of Business (accounting).

Mr Habgood is a non-executive director of the Company.

4.3 Recommendation

The Board supports the re-election of Mr Habgood.

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

The Chair will be casting undirected proxy votes held by him in favour of this Resolution.

5 Resolution 4: Re-election of Mr Eric Jiang

5.1 Background

Pursuant to the Constitution and the Listing Rules, Mr Jiang will retire by rotation and seeks re-election.

5.2 Mr Eric Jiang

Mr Jiang has completed a Bachelor of Commerce (Honours) and Bachelor of Arts from Monash University and has 15 years' experience in the financial services sector. In addition to holding senior executive and non-executive positions within several financial advisory firms, he has personally built a substantial financial advice practice advising local and overseas clients.

In addition to his work within the financial services sector, Mr Jiang has developed broad expertise as a corporate consultant and advisor. He is currently an Executive Director of ASX listed Perpetual Resources Limited (ASX:PEC) and has been a non-executive director of a number of listed companies in Australia and overseas.

Mr Jiang is an executive director of the Company and was last re-elected to this position at the Company's 2011 AGM.

5.3 Recommendation

The Board supports the re-election of Mr Jiang.

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

The Chair will be casting undirected proxy votes held by him in favour of this Resolution.

6 Resolution 5: Re-election of Mr Ashley Kelly

6.1 Background

Pursuant to the Constitution and the Listing Rules, Mr Kelly will retire by rotation and seeks re-election.

6.2 Mr Ashley Kelly

Mr Kelly is a senior adviser with Bell Potter Securities Limited, and a responsible executive for the Australian Securities Exchange. He has 18 years' experience advising private, sophisticated and professional investors on the ASX.

Mr Kelly has experience in Australian equities, portfolio management, capital raisings, seed offerings, placements, initial public offerings and fixed interest products.

Mr Kelly has been a director of the Company since February 2012 and is currently an executive director of the Company.

6.3 Recommendation

The Board supports the re-election of Mr Kelly.

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

The Chair will be casting undirected proxy votes held by him in favour of this Resolution.

7 Resolution 6: Subsequent approval of issue of Shares

7.1 Background

On 20 August 2014, the Company issued 500,000 Shares at a deemed issue price of \$0.20 per Share to Raven Investment Holdings Pty Ltd.

The Company engaged Phillip Capital Limited to act as lead manager in respect of its recent offer of shares under a prospectus as part of its application for reinstatement of its securities to official quotation on ASX. Part of the fees payable to Phillip Capital included the issue of 500,000 Shares to Raven Investment Holdings Pty Ltd. These shares are subject to escrow for a period of 24 months.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those 500,000 Shares.

7.2 Listing Rules 7.1 and 7.4

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.

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.3 Information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Shares the subject of Resolution 6:

The number of securities allotted	500,000 fully paid ordinary shares
The price at which the securities were issued	Deemed issue price of \$0.20 per share
The terms of the securities	The shares rank equally with the ordinary shares of the Company but are subject to escrow for a period of 24 months
The names of the allottees or the basis on which allottees were determined	Raven Investment Holdings Pty Ltd
The use (or intended use) of the funds raised	No funds were raised from the issue of these shares as they were issued as part of the consideration payable by the Company to Philip Capital Limited in acting as lead manager to the Company's recent prospectus offer.

7.4 Recommendation

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

The Chair will be casting undirected proxy votes held by him in favour of Resolution 6.

8 Resolution 7: Approval for additional capacity to issue securities

8.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities 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.

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 funds would be used for new projects and/or working capital.

At the date of the Notice of Meeting, the Company has on issue 79,419,770 Shares and therefore has a capacity to issue:

- (a) 11,912,965 Equity Securities under Listing Rule 7.1 (assuming that Resolution 6 is passed); and

- (b) subject to Shareholder approval being granted under Resolution 7, 7,941,977 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.

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 of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) 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 12.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

8.2 Specific information required by Listing Rule 7.3A

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

- (a) 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 immediately before:
- the date on which the price at which the Equity Securities are to be issued is agreed; or
 - if the Equity Securities are not issued within 5 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 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 below table. There is a chance that:
- 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 Meeting; and
 - 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 below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Dilution				
Variable "A" in Listing Rule 7.1A		\$0.073 50% decrease in Issue Price	\$0.145 Issue Price	\$0.29 100% increase in Issue Price
Current Variable A 79,419,770 Shares	10% Voting Dilution	7,941,977 Shares	7,941,977 Shares	7,941,977 Shares
	Funds raised	\$575,793	\$1,151,587	\$2,303,173
50% increase in current Variable A 119,129,655 Shares	10% Voting Dilution	11,912,965 Shares	11,912,965 Shares	11,912,965 Shares
	Funds raised	\$869,646	\$1,727,380	\$3,454,760
100% increase in current variable A 158,839,540	10% Voting Dilution	15,883,954 Shares	15,883,954 Shares	15,883,954 Shares
	Funds raised	\$1,159,589	\$2,303,173	\$4,606,347

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No options (including any Director Options or options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - 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%.
 - 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.
 - 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.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
 - The issue price is \$0.145, being the closing price of the Shares on ASX on 10 October 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.12 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- non-cash consideration for the acquisition of businesses or technology. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- cash consideration. In such circumstances, the Company intends to use the funds raised towards new projects and/or general working capital.

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 the factors including but not limited to the following:

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

Further, if the Company is successful in acquiring new businesses or technology, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8.3 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 7.

For Resolution 7 to be carried, 75% of votes cast by shareholders entitled to vote on the resolution are required to vote in favour of the resolution.

The Chair will be casting undirected proxy votes held by him in favour of Resolution 7.

9 Resolutions 8 to 12: Issue of Options to Directors

9.1 Background

Resolutions 8 to 12 (inclusive) seek Shareholder approval for the grant of options to each of:

- (a) Mr George Parthimos (Executive Director and CEO);
- (b) Mr Eric Jiang (Executive Director);
- (c) Mr Ashely Kelly (Executive Director);
- (d) Mr John Conomos (Non-Executive Chairman); and
- (e) Mr Sean Habgood (Non-Executive Director),

on the terms and conditions set out in Annexure A (together the **Director Options**).

The Director Options are to be granted to provide additional remuneration to the Directors while strengthening the alignment between the interests of the Directors and the interests of the Company. The issue of Director Options as a form of incentive based remuneration is common

practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all shareholders. The Company considers that there do not appear to be any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

The table below provides information relating to the effect that the issue of Director Options will have upon the remuneration of directors.

	George Parthimos	Eric Jiang	Ashley Kelly	John Conomos	Sean Habgood
Number of ordinary shares currently held	48,800,000 (indirectly)	7,500,000 (indirectly)	120,500 (indirectly)	-	-
Number of Director Options proposed to be granted	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000
Current annual remuneration excluding superannuation	\$230,000	\$90,000	\$90,000	\$50,000	\$50,000
Consideration for Director Options to be granted	Nil	Nil	Nil	Nil	Nil

9.2 Listing Rule 10.11

Shareholders are being asked to consider the issue of the Director Options for the purposes of Listing Rule 10.11 and for all other purposes. Listing Rule 10.11 requires a listed company to obtain Shareholder approval prior to the issue of securities (including an option) to a related party. As Directors of the Company, Mr Parthimos, Mr Jiang, Mr Kelly, Mr Conomos and Mr Habgood are considered related parties of the Company. Accordingly, Shareholder approval is required under Listing Rule 10.11 for the issue of the Director Options.

9.3 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Options the subject of Resolutions 8 to 12 (inclusive):

The name of the person	The Director Options will be granted to Mr Parthimos, Mr Jiang, Mr Kelly, Mr Conomos and Mr Habgood, for incentive and remuneration purposes.
The maximum number of securities to be issued	The maximum total number of Director Options to be issued under Resolutions 8 to 12 (inclusive) is 8,000,000 as outlined in the table above.
The date by which the Company will issue the securities	The Director Options will be issued no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules, the Corporations Act and/or the Australian Securities and Investments Commission).
Issue price and terms of issue	While there is no consideration for the issue of the Director Options, the exercise price will be \$0.25 per new ordinary share in the Company and the options will expire on 14 November 2016. The full terms and conditions are set out in Annexure A to this Notice of

	General Meeting.
Intended use of funds raised	There will be no funds raised from the grant of Director Options. Any funds raised from the exercise of the Director Options will be applied towards the Company's working capital requirements at that time.

Approval under Listing Rule 7.1 is not required if the same issue is approved by Shareholders pursuant to Listing Rule 10.11 (as provided for by Listing Rule 7.2, exception 14). Accordingly, if the issue of Director Options are approved, the issue will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

9.4 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act prohibits a listed company from giving a financial benefit to a related party of the company except where:

- (a) the giving of the financial benefit falls within one of the exceptions set out in Chapter 2E (in this case the applicable exception is section 211 as described below); or
- (b) Shareholder approval is obtained before giving the financial benefit.

As Directors of the Company, Mr Parthimos, Mr Jiang, Mr Kelly, Mr Conomos and Mr Habgood are each a related party of the Company for the purposes of Chapter 2E of the Corporations Act and the proposed issue of securities is considered a financial benefit.

Section 211 of the Corporations Act provides that one of the exceptions to obtain Shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The members of the Board consider the proposed issue of the Director Options the subject of Resolutions 8 to 12 to be reasonable remuneration for each of those Directors and, as such, falls within the exception set out in section 211 of the Corporations Act. In reaching this view, the Board had regard to the responsibilities of each Director, the terms of the Director Options, the present circumstances of the Company and the other considerations relating to the issue of the Director Options identified earlier in this Explanatory Statement.

9.5 Recommendation

Each Director abstains from providing a recommendation in respect of the Resolution that proposes an issue of Director Options to themselves. This is because of the potential for there to be a perceived interest that that Director may have in the outcome of that resolution.

For the reasons set out above, each remaining Director recommends Shareholders approve the issue of Director Options to the named Director.

GLOSSARY

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

Annual Report means the annual report of the Company for the financial year ended 30 June 2014.

Auditor means William Buck Corporate Finance Pty Ltd.

ASX means ASX Limited ACN 98 008 624 691

Board means the board of directors 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.

Director Option means an option bearing the terms and conditions set out in Annexure A.

Equity Security has the meaning given to that term in the Listing Rules.

Executive Director means a Director that is also an executive.

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

Listing Rules means the Listing Rules of the ASX.

Meeting or **AGM** means the annual general meeting of the Company to be held on 14 November 2014.

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.

Share Registry means Boardroom Pty Ltd (ACN 003 209 836).

Shareholder means a holder of Shares.

Trading Day has the meaning given to that term in the Listing Rules.

VWAP means volume weighted average market price as that term is defined in the Listing Rules.

ANNEXURE A: DIRECTOR OPTIONS

The terms and conditions of each Director Option are as follows:

1. Each option entitles the holder to subscribe for one Share upon exercise of the option and payment of the Exercise Price (defined below).
2. Each option is exercisable at any time for a consideration of \$0.25 per option payable in full on exercise of the option (**Exercise Price**).
3. Subject to paragraph 23, each option automatically expires at 5.00 pm on 14 November 2016 (**Expiry Date**).
4. The options will not be quoted on ASX.
5. The Company must give the holder of each option a certificate or holding statement stating:
 - a. the number of options issued to each holder;
 - b. the Exercise Price of the options; and
 - c. the date of issue of the options.
6. Holders may exercise the options at any time up to the Expiry Date. Any option not exercised, automatically expires on the Expiry Date.
7. Subject to the provisions of the Company's trading policy, options may only be exercised during the hours of 8.30am to 5.00pm (**Business Hours**) by the delivery to the registered office of the Company or the Share Registry of a notice in writing stating the intention of the holder to:
 - a. exercise all or a specified number of the options; and
 - b. pay the Exercise Price in full for the exercise of each such option.
8. A notice in writing received outside of Business Hours will be deemed received at the next opening of Business Hours.
9. The exercise notice must be accompanied by the certificate or holding statement for the options being exercised and a cheque made payable to the Company for the Exercise Price for the options being exercised.
10. The options will be deemed to have been exercised on the date the exercise notice is received or deemed to be received by the Company or the Share Registry.
11. The Company will allot the Shares to which a holder is entitled following exercise of options and deliver a holding statement with respect to such Shares within the timeframe required by the Listing Rules.
12. The exercise of only some options will not affect the rights of the holder to the balance of the options held by them.
13. If the holder of the options exercises less than the total number of options registered in the holder's name:
 - a. the holder of the options must surrender its option certificate, if one has been issued by the Company; and
 - b. the Company must cancel the certificate and issue the holder of the options a new certificate or holding statement stating the remaining number of options held by the holder and stating the information set out above.
14. 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 options has exercised the options before the record date for determining these entitlements and participates as a result of holding Shares.
15. All Shares issued on exercise of an option will:
 - a. rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;

- b. be issued credited as fully paid;
 - c. be duly authorised and issued by all necessary corporate action; and
 - d. be allotted and issued free from all liens, charges and encumbrances whether known about or not, including statutory and other pre-emption rights and any transfer restrictions.
16. The Company will apply to ASX Limited for official quotation of the Shares issued upon exercise of options within the time period required by the Listing Rules.
17. The options are not transferable.
18. A holder of 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 options.
19. 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 options (including, without limitation, the number of options to which the optionholder 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.
20. 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 option before the record date for determining entitlements to the issue, the Exercise Price of each option will be reduced in the manner permitted by the Listing Rules applying at the time of the pro-rata issue.
21. If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that option before the record date for determining entitlements to the issue, then the number of Shares over which that option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.
22. The Company is entitled to treat the registered holder of an option as the absolute holder of that option and is not bound to recognise any equitable or other claim to, or interest in, that option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.
23. Notwithstanding paragraph 3, if:
- a. a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire all of the Shares, any options not exercised by the date which is seven days after the date the bidder became so entitled shall immediately lapse; or
 - b. a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the Shares and Shareholders pass the resolution by the requisite majorities, any options not exercised by the date which is seven days after the date of the meeting shall immediately lapse.
24. If there is any inconsistency between any of the preceding terms and conditions and the Listing Rules, then the Listing Rules prevail to the extent of the inconsistency.

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 % of votes or number of shares if appointing 2 proxies

(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

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 Annual General Meeting of Connexion Media Limited to be held at Level 17, 499 St Kilda Road, Melbourne VIC 3004 at **11.00am on 14 November 2014** and at any adjournment or postponement of that meeting.

Chair of meeting authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the meeting as my/our proxy (or the Chair of the meeting becomes my/our proxy by default) I/we expressly authorise the Chair of the meeting to exercise my/our proxy on Resolutions 1 and 8 to 12 inclusive (except where I have indicated a different voting direction in Section 3 below) even though Resolutions 1 and 8 to 12 inclusive are connected directly or indirectly with the remuneration of members of key management personnel, which includes the Chair.

Section 3: Items of Business

I/We direct as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Conomos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Sean Habgood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Eric Jiang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Mr Ashley Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Subsequent approval of issue of Shares to Raven Investment Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for additional capacity to issue securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for the issue of options to Mr George Parthimos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for the issue of options to Mr Eric Jiang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval for the issue of options to Mr Ashley Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval for the issue of options to Mr John Conomos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval for the issue of options to Mr Sean Habgood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note:

- (1) 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.
- (2) 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.
- (3) 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 daytime 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 Level 17, 499 St. Kilda Road Melbourne Victoria 3004.

For your vote to be effective it must be received no later than 11.00am on 12 November 2014

Lodging a proxy form

Send completed forms to:

By Fax:	+61 3 9866 7889
By Mail:	Level 17, 499 St. Kilda Road Melbourne Vic 3004
In Person:	Level 17, 499 St. Kilda Road Melbourne Vic 3004

