

CONNEXION MEDIA LIMITED

ABN 68 004 240 313

NOTICE OF GENERAL MEETING

&

EXPLANATORY STATEMENT

For the General Meeting to be held:

at **10.00am**

on **Monday, 27 April 2015**

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 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 **10.00am on Monday, 27 April 2015** 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 Resolution 1: Approval of issue of Listed Options

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 7.1 and for all other purposes, the allotment and issue of up to 29,873,257 Listed Options to investors (who are not related parties of the Company) as described in the Explanatory Statement accompanying this Notice of Meeting, is approved.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, 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: 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 2,700,000 Shares in consideration for the provision of services to the Company in December 2014 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.

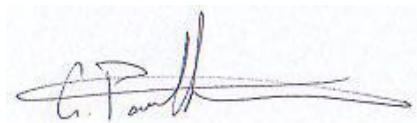
3 Resolution 3: Subsequent approval of issue of Shares

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 2,500,000 Shares to PAC Partners Pty Ltd in March 2015 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.

By order of the Board



George Parthimos
Managing Director

20 March 2015

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 10.00am on 25 April 2015.

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.

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 Resolution 1: Approval of issue of Listed Options

1.1 Background

Pursuant to a prospectus dated 2 February 2015, the Company made a pro rata non-renounceable offer of 2 Listed Options for every 3 Shares held by eligible shareholders at an issue price of \$0.015 per Listed Option (**Rights Issue Offer**). The total number of Listed Options issued under the Rights Issue Offer (and related shortfall offer) was 54,746,513 Listed Options and raised a total of \$821,198 (before the costs of the offer).

There was very strong demand from shareholders and others in relation to the Rights Issue Offer with the Rights Issue Offer (and related shortfall offer) being oversubscribed, meaning the Company had to reject a large number of applications for options pursuant to the shortfall offer. In light of this strong demand and to capitalise on it, the Company has decided to issue further Listed Options on the same terms (**Proposed Offer**) to ensure that the excess demand is met by the Company. The Proposed Offer will be conducted through a prospectus to be lodged with ASIC as soon as possible following the Meeting. This will ensure that the options and underlying Shares are able to be on-sold without further disclosure.

Resolution 1 is an ordinary resolution and seeks Shareholder approval under ASX Listing Rule 7.1 for the allotment and issue of up to 29,873,257 Listed Options at 1.5 cents per Listed Option raising up to a total of \$448,098 (before any costs).

1.2 ASX Listing Rule 7.1

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.

As the proposed issue under Resolution 1 will result in an issue of more than 15% of the Company's capital in a 12 month period, Shareholder approval is required under Listing Rule 7.1 for the issue of Listed Options.

Accordingly, the Company is seeking the approval of Shareholders to issue up to 29,873,257 Listed Options pursuant to a prospectus to raise up to \$448,098 (before any costs).

The terms and conditions of the Listed Options are identical to the options issued pursuant to the Rights Issue Offer, which are set out in Annexure A.

1.3 Information required by ASX Listing Rule 7.3

Maximum number of securities the Company is to issue	29,873,257 Listed Options
Date by which the Company will issue the securities	The Company will issue the Listed Options progressively and by the date that is no later than 3 months after the date of the Meeting (unless a longer period is allowed by ASX).
Issue price of the securities	\$0.015 per Listed Option
Details of potential allottees	The Listed Options will be allotted to applicants in accordance with the prospectus to be prepared for the Proposed Offer, and will include clients of PAC

	Partners Pty Ltd (who under wrote the Rights Issue Offer).
Terms of the securities	The terms and conditions of the Listed Options are set out in Annexure A.
Intended use of funds raised	Funds raised will be used for the accelerated commercialisation of the Company's new service known as "Flex" including a more aggressive marketing campaign than was budgeted using the funds raised from the Rights Issue Offer and for general working capital purposes.

The effect of the Resolution will be to allow the Directors to issue more than 15% of the Company's existing capital during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX).

1.4 Recommendation

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

2 Resolution 2: Subsequent approval of issue of Shares

2.1 Background

On 16 December 2014, the Company issued 2,700,000 Shares at a deemed issue price of \$0.20 per Share to a number of professional and sophisticated investors in return for the provision of services to the Company.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those 2,700,000 Shares.

2.2 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.

2.3 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 2:

The number of securities allotted	2,700,000 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.

The names of the allottees or the basis on which allottees were determined	Raven Investment Pty Ltd Stock Digital Nicholas Kapes
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 the allottees for services rendered to the Company (corporate advisory and marketing and advertising services).

2.4 Recommendation

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

The Chair will be casting undirected proxy votes held by him in favour of Resolution 2.

3 Resolution 3: Subsequent approval of issue of Shares

3.1 Background

On 13 March 2015, the Company issued 2,500,000 Shares at a deemed issue price of \$0.20 per Share to PAC Partners Pty Ltd, for its services in acting as lead manager and underwriter to the Rights Issue Offer.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those 2,500,000 Shares.

3.2 Listing Rules 7.1 and 7.4

See section 2.2 for further information on these sections of the listing rules.

3.3 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 3:

The number of securities allotted	2,500,000 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.
The names of the allottees or the basis on which allottees were determined	PAC Partners 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 to the allottee in acting as lead manager and underwriter to the Rights Issue Offer.

3.4 Recommendation

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

The Chair will be casting undirected proxy votes held by him in favour of Resolution 3.

GLOSSARY

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

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.

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

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

Listed Option means an option bearing the terms and conditions set out in Annexure A (ASX:CXZO).

Listing Rules means the Listing Rules of the ASX.

Meeting means the general meeting of the Company to be held on Monday, 27 April 2015.

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.

ANNEXURE A: LISTED OPTIONS

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

1. Each Listed Option entitles the holder to subscribe for 1 Share upon exercise of the option and payment of the Exercise Price (defined below).
2. Each Listed Option is exercisable at any time for a consideration of \$0.20 per option payable in full on exercise of the option (**Exercise Price**).
3. Each Listed Option automatically expires at 5.00 pm on 28 February 2017 (**Expiry Date**).
4. The Company will apply to the ASX Limited for Official Quotation of the Listed Options.
5. The Company must give the holder of each Listed Option a certificate or holding statement stating:
 - a. the number of Listed Options issued to each holder;
 - b. the Exercise Price of the Listed Options; and
 - c. the date of issue of the Listed Options.
6. If a holder exercises a Listed Option at any time up to 5.00pm on 1 January 2016, the holder will be entitled to receive 1 Piggy Back Option for each Listed Option exercised.
7. Subject to the provisions of the Company's trading policy, Listed 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 Listed Options; and
 - b. pay the Exercise Price in full for the exercise of each such Listed 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 Listed Options being exercised and a cheque made payable to the Company for the Exercise Price for the Listed Options being exercised.
10. The Listed 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 Listed 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 Listed Options will not affect the rights of the holder to the balance of the Listed Options held by them.
13. If the holder of the Listed Options exercises less than the total number of Listed Options registered in the holder's name:
 - a. the holder of the Listed 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 Listed Options a new certificate or holding statement stating the remaining number of Listed Options held by the holder and stating the information set out above.
14. Listed 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 Listed Options has exercised the Listed 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. A holder of Listed 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 Listed Options.
18. 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 Listed Options (including, without limitation, the number of Listed 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.
19. 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 Listed Options before the record date for determining entitlements to the issue, the Exercise Price of each Listed Option will be reduced in the manner permitted by the Listing Rules applying at the time of the pro-rata issue.
20. If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that Listed Option before the record date for determining entitlements to the issue, then the number of Shares over which that Listed Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.
21. The Company is entitled to treat the registered holder of a Listed Option as the absolute holder of that Listed Option and is not bound to recognise any equitable or other claim to, or interest in, that Listed 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.
22. 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.
23. The rights attaching to the Piggy Back Options are the same as the Listed Options as set out above, other than the following:
- a. Each Piggy Back Option is exercisable at any time for a consideration of \$0.25 per option payable in full on exercise of the option.
 - b. Each Piggy Back Option automatically expires at 5.00 pm on 1 January 2018. .
 - c. The Company will not apply to the ASX for Official Quotation of the Piggy Back Options.
 - d. The Piggy Back Options will only be issued under a disclosure document to be lodged with ASIC, probably in January 2016.

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 General Meeting of Connexion Media Limited to be held at Level 17, 499 St Kilda Road, Melbourne VIC 3004 at **10.00am on Monday, 27 April 2015** and at any adjournment or postponement of that meeting.

Section 3: Items of Business

I/We direct as follows:

		For	Against	Abstain
Resolution 1	Approval for the issue of Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Subsequent approval of issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Subsequent approval of issue of Shares to PAC Partners Pty Ltd	<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 10.00am on 25 April 2015

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