



# Notice of annual general meeting and explanatory statement

**KNeoMedia Limited**

ACN 009 221 783

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**Date:** Thursday 19 November 2015

**Time:** 11.00 am (Melbourne time)

**Place:** Grant Thornton  
Wills Room, The Rialto  
Level 30, 525 Collins Street  
Melbourne, Victoria, Australia

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# NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE is given that the 2015 Annual General Meeting of KNeoMedia Limited will be held at the offices of Grant Thornton, Wills Room, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria 3000 on Thursday 19 November 2015 at 11.00 am (Melbourne time).

## BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

### Ordinary business

#### 1. Financial and related reports

	Financial and related reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2015.

#### 2. Adoption of Remuneration Report (Non-binding resolution)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2015 Annual Report and is available from the Company's website ( <a href="http://www.kneomedia.com">www.kneomedia.com</a> ). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2015 be adopted."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as shareholders) by any of the following persons:  (a) Key Management Personnel; and  (b) Closely Related Parties of Key Management Personnel.  However, the Company need not disregard a vote if it is:  (c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or  (d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

### 3. Re-election of Directors

<b>Resolution 2</b>	<b>Re-election of Mr Jeffrey Bennett as Director</b>
<b>Description</b>	Mr Jeffrey Bennett retires as a director of the Company in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution and, being eligible, offers himself for re-election under clause 15.3(c) of the constitution.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT Mr Jeffrey Bennett, having retired from his office as a Director in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution and, being eligible under clause 15.3(c) of the constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>
<b>Resolution 3</b>	<b>Election of Mr Frank Lieberman as Director</b>
<b>Description</b>	Mr Frank Lieberman, having been appointed as a Director on 9 February 2015 under clause 15.1(c) of the Company's constitution, retires as a director of the Company, and being eligible, offers himself for election as a Director of the Company.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT Mr Frank Lieberman, having been appointed as a Director on 9 February 2015 under clause 15.1(c) of the Company's constitution, and being eligible under clause 15.1(c) of the constitution, and having offered himself for election, be elected as a Director of the Company."</i>

### Special Business

#### 4. Ratification of previous issues of securities

<b>Resolution 4</b>	<b>Ratification of issue of Service Provider Tranche 1 Shares</b>
<b>Description</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of shares made by the Company on 26 June 2015 in lieu of fees for services provided to the Company by a professional advisor.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 2,000,000 fully paid ordinary shares in the Company on 26 June 2015 at a deemed issue price of \$0.025 per share in lieu of fees for services provided to the Company by a professional advisor on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who participated in the issue of the shares and any of their associates. However, the Company need not disregard a vote if it is cast by: <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

<b>Resolution 5</b>	<b>Ratification of issue of Service Provider Tranche 2 Shares</b>
<b>Description</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of shares made by the Company on 26 June 2015 in lieu of fees for services provided to the Company by a professional advisor.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>“THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 2,222,222 fully paid ordinary shares in the Company on 26 June 2015 at a deemed issue price of \$0.0225 per share in lieu of fees for services provided to the Company by a professional advisor on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who participated in the issue of the shares and any of their associates. However, the Company need not disregard a vote if it is cast by: <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

<b>Resolution 6</b>	<b>Ratification of issue of Converting Loan Shares</b>
<b>Description</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of shares made by the Company on 26 June 2015 in retirement of the Converting Loan.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>“THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 11,851,852 fully paid ordinary shares in the Company on 26 June 2015 at a deemed issue price of \$0.0169 per share in retirement of the Converting Loan on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who participated in the issue of the shares and any of their associates. However, the Company need not disregard a vote if it is cast by: <ul style="list-style-type: none"> <li>(c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(d) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

<b>Resolution 7</b>	<b>Ratification of issue of 7.1A Placement Shares</b>
<b>Description</b>	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 10,555,555 shares made by the Company under the Placement on 26 June 2015 pursuant to the Company's 10% Placement Capacity.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 10,555,555 fully paid ordinary shares in the Company to the Placement Subscribers on 26 June 2015 at an issue price of \$0.0225 per share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who participated in the issue of the shares and any of their associates. However, the Company need not disregard a vote if it is cast by:  (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;  (b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

## 5. Approval of share issues to Director in lieu of fees

<b>Resolution 8</b>	<b>Approval of issue of shares to Mr Jeffrey Bennett in lieu of Director's fees</b>
<b>Description</b>	The Company seeks shareholder approval for the issue of 2,222,222 fully paid ordinary shares to Mr Jeffrey Bennett, Non-Executive Director of the Company, or his nominee, in lieu of \$50,000 of Director's fees owing to Mr Bennett by the Company without using the Company's 15% placement capacity under ASX Listing Rule 7.1.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  <i>"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholder approval is given for the Company to issue 2,222,222 fully paid ordinary shares to Mr Jeffrey Bennett or his nominee(s) in lieu of \$50,000 Director's fees owing to Mr Bennett by the Company as set out in the Explanatory Memorandum accompanying this Notice."</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution:  (a) by Mr Jeffrey Bennett and his nominees and any of their associates; and  (b) as a proxy by a member of Key Management Personnel and a Closely Related Party of Key Management Personnel, where the proxy appointment does not specify the way the proxy is to vote.  However, the Company will not disregard a vote if it is cast by:  (c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form that specify how the proxy is to vote on this resolution; or

	(d) the chair of the Meeting, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form that does not specify how the proxy is to vote on this resolution, but expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.
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## 6. Approval of 10% Placement Capacity

Resolution 9	Approval of 10% placement capacity
<b>Description</b>	KNeoMedia seeks approval of shareholders to be able to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1.
<b>Resolution (Special)</b>	To consider and, if thought fit, pass the following resolution as a special resolution:  <i>“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10%, calculated at the time of issue in accordance with ASX Listing Rule 7.1A.2, of its issued Equity Securities by way of placements over a 12 month period, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i>
<b>Voting Exclusion</b>	The Company will disregard any votes cast on this resolution by any person who may participate in the issue of Equity Securities under this resolution 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.  However, the Company need not disregard a vote if it is cast by:  (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;  (b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

Dated 19 October 2015

By order of the Board of KNeoMedia Limited



**Sophie Karzis**  
Company Secretary

## QUESTIONS FROM SHAREHOLDERS

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In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2015, or the content of its audit report. Please send your questions to:

The Company Secretary, **KNeoMedia Limited**  
Level 1, 61 Spring Street, Melbourne VIC 3000  
T. 03 9286 7500  
F. 03 9662 1472  
E. [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au)

Written questions must be received by no later than **7.00pm (Melbourne time) on Friday 13 November 2015**. Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Remuneration Report. During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable and, where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

## VOTING INFORMATION

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### Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **11.00 am (Melbourne time)** on

**Tuesday 17 November 2015** at the share registry, being the office of Automic Registry Services:

- by post at:  
Share Registry – Automic Registry Services  
PO Box 223  
West Perth, WA 6872  
Australia
- by personal delivery at:  
Share Registry – Automic Registry Services  
Level 1  
7 Ventnor Avenue  
West Perth, WA 6872  
Australia
- by facsimile: +61 8 9321 2337; or
- by voting on-line at:  
<https://automic.7g.com.au/loginlisted.aspx>

### Voting and other entitlements at the AGM

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00pm (Melbourne time) on Tuesday 17 December 2015** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

### Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 8. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 8. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 and/or 8, he or she will not vote your proxy on the relevant item/s of business.

# EXPLANATORY MEMORANDUM TO NOTICE OF 2015 ANNUAL GENERAL MEETING

## 1. Financial and Related Reports

	<b>Financial And Related Reports</b>
<b>Explanation</b>	<p>Shareholders are asked to receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2015.</p> <p>The 2015 Annual Report, which contains the Directors' Report, the Financial Report and the Remuneration Report, is available from the Company's website (<a href="http://www.kneomedia.com">www.kneomedia.com</a>).</p>

## 2. Adoption of Remuneration Report (Non-Binding Vote)

<b>Resolution 1</b>	<b>Adoption of Remuneration Report (Non-Binding Vote)</b>
<b>Explanation</b>	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2015 Annual Report and is available from the Company's website (<a href="http://www.kneomedia.com">www.kneomedia.com</a>).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> <li>• describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</li> <li>• sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and</li> <li>• explains the differences between the basis for remunerating non-executive directors and senior executives, including the Chief Executive Officer.</li> </ul> <p>The vote on this item is advisory only and does not bind the Directors. The Board will take into account the discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.



### 3. Re-Election of Directors

Resolution 2	Re-election of Mr Jeffrey Bennett as Director
<b>Explanation</b>	<p>Clause 15.3(a)(ii) of the Company's constitution requires a minimum of one Director to retire at each Annual General Meeting of the Company. Under Clause 15.3(b) of the constitution, the Director to retire under clause 15.3(a)(ii) is the person who has held office as Director for the longest period of time since his last election to office, or in the event that two or more directors have held office for the same period of time, the Director determined by lot.</p> <p>Mr Jeffrey Bennett, who has held office as Director for the longest period of time since his last election to office in 2013, retires as a Director at the 2015 Annual General Meeting in accordance with clauses 15.3(a) and 15.3(b) of the Company's constitution. Mr Bennett, being eligible under clause 15.3(c) of the constitution, offers himself for re-election as Director.</p>
<b>About Mr Jeffrey Bennett</b>	<p>Mr Bennett was appointed to the Board on 19 March 2008 as an independent Non-Executive Director. Mr Bennett (B Comm CPA) brings significant experience in corporate finance, capital markets, acquisitions and divestments and risk management to the Company. He has more than 25 years' experience in the resources, transport, IT and service industries having held senior finance positions at UXC, BHP and Shell. Mr Bennett is a non-executive director of Jameson Resources Limited (ASX: JAL).</p>
<b>Board Recommendation</b>	<p>The Board, with Mr Jeffrey Bennett abstaining, recommends that shareholders vote in favour of Mr Jeffrey Bennett's re-election.</p>
<b>Chairman's available proxies</b>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.</p>
Resolution 3	Election of Mr Frank Lieberman as Director
<b>Explanation</b>	<p>Under clause 15.1(c) of the Company's constitution, the Directors may at any time appoint any person to be a Director. Mr Frank Lieberman was appointed as a Director by the Board under clause 15.1(c), and being eligible for election at the 2015 Annual General Meeting under clause 15.1(c), offers himself for election as Director at the meeting.</p>
<b>About Mr Frank Lieberman</b>	<p>Mr Lieberman has been in the media business for 45 years, producing motion pictures and TV programs for Warner Bros., NBC, CBS, ABC, and PBS, and then running Miracle Factory, a strategic marketing company with clients that included AT&amp;T, IBM, PepsiCo, Pfizer, Johnson &amp; Johnson, Coca Cola, and Universal Pictures. He and his team have developed educational initiatives for the KNeoWORLD Games Based Learning platform in the US. Frank sits on the board of Council for Unity, a public school anti-bullying program, and for 10 years has worked with the United Federation of Teachers and American Federation of Teachers on educational initiatives. The Board considers that Mr Lieberman is not an independent Director as Mr Lieberman is employed in an executive capacity by the Company.</p>
<b>Board Recommendation</b>	<p>The Board, with Mr Frank Lieberman abstaining, recommends that shareholders vote in favour of Mr Frank Lieberman's election.</p>
<b>Chairman's available proxies</b>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.</p>

#### 4. Ratification of previous issues of securities

Resolution 4	Ratification of issue of Service Provider Tranche 1 Shares
<b>Explanation</b>	<p>The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 2,000,000 fully paid ordinary shares on 26 June 2015. The shares were issued in lieu of fees for services provided to the Company by a professional advisor.</p>
<b>ASX Listing Rules</b>	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12 month period in excess of 15% of the number of shares on issue at the commencement of that 12 month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p>
<b>Reason for resolution</b>	<p>The effect of ratification in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum capacity to issue further shares up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring shareholder approval. The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company.</p> <p>Save for as otherwise set out in this Notice, the Directors do not currently have any specific intention to make any further issue of shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2.</p> <p>However, the Directors consider it to be appropriate and prudent for approval to be sought at the Annual General Meeting, in respect of the relevant issue of shares made by the Company in the last twelve months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Annual General Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p>

<b>Information required to be provided under the ASX Listing Rules</b>	<p>As stated above, the Company issued the shares in lieu of fees for services provided to the Company.</p> <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of shares issued</b> – 2,000,000</li> <li>▪ <b>Issue price per share</b> – Nil cash consideration; deemed issue price of \$0.025 per share</li> <li>▪ <b>Terms of shares</b> – Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</li> <li>▪ <b>Recipient of issue</b> – nominees of BBY Asia Pacific Group Pty Ltd, a party which provided services to the Company.</li> <li>▪ <b>Use of funds raised</b> – No funds were raised from the issue of the shares. The shares were issued in lieu of fees for services provided to the Company.</li> </ul>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

<b>Resolution 5</b>	<b>Ratification of issue of Service Provider Tranche 2 Shares</b>
<b>Explanation</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 2,222,222 fully paid ordinary shares on 26 June 2015. The shares were issued in lieu of fees for services provided to the Company by a professional advisor.
<b>ASX Listing Rules</b>	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12 month period in excess of 15% of the number of shares on issue at the commencement of that 12 month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p>
<b>Reason for resolution</b>	The effect of ratification in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum capacity to issue further shares up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring shareholder approval. The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company.

	<p>Save for as otherwise set out in this Notice, the Directors do not currently have any specific intention to make any further issue of shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2.</p> <p>However, the Directors consider it to be appropriate and prudent for approval to be sought at the Annual General Meeting, in respect of the relevant issue of shares made by the Company in the last twelve months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Annual General Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p>
<b>Information required to be provided under the ASX Listing Rules</b>	<p>As stated above, the Company issued the shares in lieu of fees for services provided to the Company.</p> <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of shares issued</b> – 2,222,222</li> <li>▪ <b>Issue price per share</b> – Nil cash consideration; deemed issue price of \$0.0225 per share</li> <li>▪ <b>Terms of shares</b> – Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</li> <li>▪ <b>Recipient of issue</b> – nominees of BBY Asia Pacific Group Pty Ltd, a party which provided services to the Company.</li> <li>▪ <b>Use of funds raised</b> – No funds were raised from the issue of the shares. The shares were issued in lieu of fees for services provided to the Company.</li> </ul>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

<b>Resolution 6</b>	<b>Ratification of issue of Converting Loan Shares</b>
<b>Explanation</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 11,851,852 fully paid ordinary shares on 26 June 2015. The shares were issued in retirement of the Converting Loan.

<p><b>ASX Listing Rules</b></p>	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12 month period in excess of 15% of the number of shares on issue at the commencement of that 12 month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p>
<p><b>Reason for resolution</b></p>	<p>The effect of ratification in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum capacity to issue further shares up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring shareholder approval. The Directors believe that it is in the best interests of the Company that the Directors maintain their ability to issue up to 15% of the issued capital of the Company.</p> <p>Save for as otherwise set out in this Notice, the Directors do not currently have any specific intention to make any further issue of shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2.</p> <p>However, the Directors consider it to be appropriate and prudent for approval to be sought at the Annual General Meeting, in respect of the relevant issue of shares made by the Company in the last twelve months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Annual General Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p>
<p><b>Information required to be provided under the ASX Listing Rules</b></p>	<p>As stated above, the Company issued the shares in retirement of the Converting Loan.</p> <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of shares issued</b> – 11,851,852</li> <li>▪ <b>Issue price per share</b> – Nil cash consideration; deemed issue price of \$0.0169 per share</li> <li>▪ <b>Terms of shares</b> – Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</li> <li>▪ <b>Recipient of issue</b> – the Lenders (Terri Wolpert, Edwina Petrie, Thomas Petrie, Suburban Holdings Pty Ltd &lt;The Suburban Super Fund A/C&gt;, and Belloc Pty Ltd).</li> <li>▪ <b>Use of funds raised</b> – No funds were raised from the issue of the shares. The shares were issued in retirement of debt.</li> </ul>

<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

<b>Resolution 7</b>	<b>Ratification of issue of Placement Shares</b>
<b>Explanation</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 10,555,555 fully paid ordinary shares on 26 June 2015. The shares were issued under a placement to professional and sophisticated investors.
<b>ASX Listing Rules</b>	<p>On 26 June 2015, the Company issued 55,555,555 fully paid ordinary shares (<b>Placement Shares</b>) in the Company to a number of professional and sophisticated investors who are not related parties of the Company, at an issue price of \$0.0225 per Share (<b>Placement</b>).</p> <p>45,000,000 of the Placement Shares were issued with shareholder approval which was obtained at the Company's 28 May 2015 Extraordinary General Meeting. The remaining 10,555,555 Placement Shares (<b>7.1A Placement Shares</b>) were issued pursuant to the Company's 10% capacity under ASX Listing Rule 7.1A. As shareholders will be aware, the Company sought and received shareholder approval under ASX Listing Rule 7.1A at the 2014 Annual General Meeting to issue shares of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under the 15% Limit (<b>10% Placement Capacity</b>).</p> <p>The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.</p>
<b>Reason for resolution</b>	<p>The effect of ratification (in accordance with ASX Listing Rule 7.4) of the issue of the 7.1A Placement Shares is the reinstatement of the Company's maximum capacity under ASX Listing Rule 7.1A. This will effectively enable the Company to issue further shares of up to an additional 10% of the issued capital of the Company (to the extent permitted by and subject to the conditions prescribed by ASX Listing Rule 7.1A).</p> <p>Save for as otherwise set out in this Notice, the Directors do not currently have any specific intention to make any further issue of shares under ASX Listing Rule 7.1A in the next 12 months.</p> <p>However, the Directors consider it to be appropriate and prudent for approval to be sought at the Annual General Meeting, in respect of the relevant issue of shares made by the Company in the last twelve months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.</p> <p>In particular, the Directors note that if this approval is not obtained at the Annual General Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.</p>

<b>Information required to be provided under the ASX Listing Rules</b>	<p>As stated above, the Company issued the 7.1A Placement Shares to a number of professional and sophisticated investors as part of a Placement to raise funds.</p> <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <ul style="list-style-type: none"> <li>▪ <b>No. of shares issued</b> – 10,555,555</li> <li>▪ <b>Issue price per share</b> – \$0.0225 per share</li> <li>▪ <b>Terms of shares</b> – Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</li> <li>▪ <b>Recipient of issue</b> – the 7.1A Placement Subscribers.</li> <li>▪ <b>Use of funds raised</b> – No funds were raised from the issue of the shares. The shares were issued in lieu of fees for services provided to the Company.</li> </ul>
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## 5. Approval of share issues to Director in lieu of fees

<b>Resolutions 8</b>	<b>Approval of issue of shares to Mr Jeffrey Bennett in lieu of Director's fees</b>
<b>Explanation</b>	<p>Mr Jeffrey Bennett, a Non-Executive Director of the Company, is currently entitled to receive cash remuneration of \$42,000.00 per annum for his services as Non-Executive Director of KNeoMedia.</p> <p>As previously advised to shareholders, due to challenging market conditions and in order to preserve the Company's funds, where practicable the Board seeks to make partial payment of Non-Executive Directors fees in shares instead of cash, subject to obtaining the prior approval of shareholders. This is considered by the Board as an appropriate and responsible measure to reduce the cash burn rate of the Company, and concurrently further aligns the interests of the Non-Executive Directors with that of shareholders.</p> <p>During the period from 1 January 2014 to 13 October 2015, the fees which have accrued and are owing to Mr Bennett are \$73,150.00.</p> <p>The share issue proposed under Resolution 8 is the result of the agreement of Mr Bennett to forego cash payments (totalling \$50,000) for part of his normal remuneration, and do not constitute additional payments to Mr Bennett.</p> <p>The 2,222,222 fully paid ordinary shares proposed to be issued to Mr Bennett will be issued at a deemed issue price of \$0.0225 per share, and the deemed value of the shares to be issued to Mr Bennett will be \$50,000. Where shareholder approval is received for Resolution 8 and the Company issues the shares the subject of this resolution to Mr Bennett, the outstanding fees owed by KNeoMedia to Mr Bennett will be reduced by \$50,000. Accordingly, subject to shareholder approval of Resolution 8, the fees which will remain owing to Mr</p>

	<p>Bennett for the period between 1 January 2014 and 13 October 2015 will be \$23,150.00</p> <p>The remaining outstanding fees will be paid out in cash to Mr Bennett at such time that the Company has cash reserves in excess of its working capital requirements, as reasonably determined by the Board.</p> <p>An alternative to the issue of the shares to Mr Bennett would be to make full payment of his outstanding Director's fees in cash. However, given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, the Board considers the issue of the shares to be an appropriate cash-free method of remunerating Mr Bennett for his commitment and contribution to the Company.</p> <p>The Shares are to be issued to Mr Bennett or his nominee(s) in lieu of his Director's fees, and as such the shares will be issued for nil consideration and no funds will be raised as a result.</p>
<p><b>Approval not sought under Chapter 2E of the Corporations Act</b></p>	<p>For the purposes of Chapter 2E, Mr Bennett is a related party of the Company by virtue of section 228(2) of the Corporations Act.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of shareholders or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.</p> <p>One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company. In the view of the Board, the issue of the shares to Mr Bennett in lieu of his foregone cash fees constitutes "reasonable remuneration" and, as the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek shareholder approval under Chapter 2E of the Corporations Act in order to give Mr Bennett the financial benefit that is inherent in the issue to him of the shares.</p>
<p><b>Reason for Resolution 8</b></p>	<p>ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the company. As a Director of KNeoMedia, Mr Bennett is a related party of the Company and accordingly Resolution 8 seeks the shareholder approval required by ASX Listing Rule 10.11 to allow the issue of shares to Mr Bennett.</p> <p>If shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the shares issued pursuant to Resolution 8 will not be included in the calculation of the Company's 7.1 Capacity.</p>
<p><b>Specific information required by ASX Listing Rule 10.13</b></p>	<p>In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to shareholders:</p> <p><b>Maximum no. of securities to be issued</b>                      2,222,222 fully paid ordinary shares</p>



	<p><b>Date by which securities will be issued</b> If shareholder approval is obtained for Resolution 8, the Company will issue the shares as soon as is practicable after the Annual General Meeting, or in any event no later than 1 month after the date of the Annual General Meeting (or such longer period of time as ASX may in its discretion allow).</p> <p><b>Issue price per security</b> The 2,222,222 fully paid ordinary shares will be issued at nil cash consideration and at a deemed issue price of \$0.0225 per share.</p> <p><b>Recipient of issue</b> Mr Jeffrey Bennett or his nominee(s).</p> <p><b>Terms of securities</b> The shares are fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</p> <p><b>Use of funds raised</b> No funds will be raised by the issue of shares to Mr Bennett or his nominee(s), although the Company's liability to Mr Bennett in relation to his accrued Director's fees will be partially satisfied by the issue of the shares, thus preserving the Company's cash to that extent.</p> <p><b>Voting Exclusion Statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<p><b>Board Recommendation</b></p>	<p>Mr Bennett declines to make a recommendation to shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the resolution. The other Directors, who do not have a material interest in the outcome of this resolution, recommend that shareholders vote in favour of Resolution 8 as they consider it to be in the interests of the Company, in the current economic circumstances, to preserve the Company's cash to the extent resulting from the passing of this resolution and directing such cash into the growth of the Company's business.</p> <p>The Board (other than Mr Bennett) is not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to approve Resolution 8.</p>
<p><b>Chairman's available proxies</b></p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.</p>

## 6. Approval of 10% Placement Capacity

Resolution 9	Approval of 10% placement capacity
<p><b>General</b></p>	<p>Under Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (<b>10% Placement Capacity</b>).</p> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Directors, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using the Company's 15% placement capacity under Listing Rule 7.1.</p> <p>Resolution 8 is a <b>special resolution</b>. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</p>
<p><b>Eligibility</b></p>	<p>ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&amp;P/ASX 300 Index will be considered eligible to seek shareholder approval under Listing Rule 7.1A.</p> <p>As at the date of this Notice, the Company, which has a market capitalisation of less than \$300 million, is not included in the S&amp;P/ASX 300 Index. Accordingly, the Company is considered eligible to seek shareholder approval under Listing Rule 7.1A.</p>
<p><b>Formula</b></p>	<p>The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out Listing Rule 7.1A.2 as follows:</p> $(A \times D) - E$ <p>Where:</p> <p><b>A</b> is the number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> <li>▪ plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;</li> <li>▪ plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company);</li> <li>▪ plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval; and</li> <li>▪ less the number of shares cancelled in the previous 12 months.</li> </ul> <p><i>'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity</i></p> <p><b>D</b> is 10%.</p> <p><b>E</b> is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.</p>

<p><b>Conditions of issue under the 10% Placement Capacity</b></p>	<p>There are a number of conditions applicable to the issue of Equity Securities under Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:</p> <p>(a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares.</p> <p>(b) The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (<b>VWAP</b>) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ul style="list-style-type: none"> <li>i. the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.</li> </ul>
<p><b>Period of validity of shareholder approval</b></p>	<p>In the event that the Company obtains shareholder approval of Resolution 8, such approval will cease to be valid upon the earlier of:</p> <p>(a) 12 months after the date of this Annual General Meeting, being 19 November 2016; or</p> <p>(b) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under Listing Rule 11.1.2, or the disposal of the Company's main undertaking under Listing Rule 11.2.</p> <p><b>(Placement Period)</b></p>
<p><b>INFORMATION TO BE PROVIDED TO SHAREHOLDERS UNDER ASX LISTING RULE 7.3A</b></p>	
<p><b>Minimum issue price</b></p>	<p>The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ul style="list-style-type: none"> <li>i. the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.</li> </ul>
<p><b>Risk of dilution to shareholders</b></p>	<p>If Resolution 8 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:</p> <ul style="list-style-type: none"> <li>▪ the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of this Annual General Meeting; and</li> <li>▪ 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.</li> </ul> <p>The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:</p>

- an issue price of \$0.021 per share which was the closing price of the Company's shares on the ASX on 1 October 2015; and

the variable 'A' being calculated as the number of fully paid ordinary shares on issue on the date of this Notice, being 171,851,370. This assumes that all shares issued by the Company to date are ratified and approved by shareholders under Resolutions 4–7 (inclusive).

The table also shows:

- (a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and
- (b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.0105	Issue price \$0.021	100% increase in issue price \$0.042
Current Variable 'A' 171,851,370 shares	10% voting dilution	17,185,137 shares	17,185,137 shares	17,185,137 shares
	Funds raised	\$180,443.94	\$360,887.88	\$721,775.75
50% increase in current Variable 'A' 257,777,055 shares	10% voting dilution	25,777,706 shares	25,777,706 shares	25,777,706 shares
	Funds raised	\$207,665.91	\$541,331.82	\$1,082,663.63
100% increase in current Variable 'A' 343,702,740 shares	10% voting dilution	34,370,274 shares	34,370,274 shares	34,370,274 shares
	Funds raised	\$360,887.88	\$721,775.75	\$1,443,551.51

The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of shares available under the 10% Placement Capacity;
- (b) no options to acquire shares on issue in the Company are exercised and no convertible notes on issue are converted;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- (d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Annual General Meeting.
- (e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
- (f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares.

	(g) the issue price is \$0.021, being the closing price of the Company's shares on the ASX on 1 October 2015.
<b>Period of validity</b>	The Company will only issue and allot the Equity Securities during the Placement Period. The approval under the Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
<b>Reason for issue of shares under 10% Placement Capacity</b>	<p>The Company may seek to issue the Equity Securities for the following purposes:</p> <p>(a) non-cash consideration for the acquisition of the new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or</p> <p>(b) cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, including research and development and commercialisation of the Company's product offerings, including the KNeoWORLD Application; appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under Listing Rule 7.1.A and for general working capital.</p> <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A 4 and 3.10.5A upon issue of any Equity Securities.</p>
<b>Allocation policy</b>	<p>The Company may not issue any or all the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors.</p> <p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as:</p> <ol style="list-style-type: none"> <li>1. fund raising options (and their viability) available to the Company at the relevant time;</li> <li>2. the effect of the issue of the Equity Securities on the control of the Company;</li> <li>3. the financial situation of the Company and the urgency of the requirement for funds; and</li> <li>4. advice from the Company's corporate, financial, legal and broking advisers.</li> </ol> <p>The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.</p> <p>The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company.</p> <p>In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.</p>

**Previous approval**

The Company previously obtained approval under ASX Listing Rule 7.1A on 15 December 2014. In accordance with ASX Listing Rule 7.3A.6, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1A, the following information is provided to shareholders:

As at 19 November 2014, being the date that is 12 months prior to the 2015 Annual General Meeting, the Company had the following Equity Securities on issue:

<b>Class of Equity Securities</b>	<b>Number</b>
Ordinary shares (post-consolidation*)	92,377,431
Convertible notes	36 (representing a total maximum of 39,361,111 underlying shares post-consolidation*)
Options expiring 28 February 2016, exercisable at \$0.03 (post-consolidation*)	6,666,667
Options expiring 3 October 2015, exercisable at \$0.06 (post-consolidation*)	4,670,000
Performance Rights (post-consolidation*)	2,966,667
<b>TOTAL (post-consolidation*)</b>	<b>106,680,800</b>

\* The Company completed its Consolidation on 1 June 2015, consolidating its securities in ratio of thirty to one and thereby reducing the total number of securities on issue in that ratio and inversely increasing the exercise price of any options on issue. Save for as otherwise indicated, the figures (as at 19 November 2014) in the tables above and below have been provided on a post-Consolidation basis for consistency of presentation, notwithstanding that the Consolidation occurred after 19 November 2014.

The table below shows the number and type of Equity Securities issued by the Company in the 12 months prior to the 2015 Annual General Meeting, and the percentage they represent of the total number of Equity Securities on issue at 19 November 2014 (being 106,680,800 post-consolidation\*). All figures provided below are on a post-consolidation basis, notwithstanding that the Consolidation was only completed on 1 June 2015.

<b>Item</b>	<b>Date of issue</b>	<b>Class of Equity Securities</b>	<b>No. issued</b>	<b>% represented of total number of Equity Securities</b>
1	24/12/2014	Options exercisable on or before 31 October 2015 for \$0.06 each	3,333,332	3.12%
2	24/12/2014	Convertible notes	4 (representing a total maximum of 3,333,333 underlying shares)	0.0000037%
3	24/12/2014	Performance rights	1,500,000	1.41%
4	30/01/2015	Ordinary shares	1,388,889	1.30%
5	30/01/2015	Ordinary shares	396,214	0.37%
6	30/01/2015	Options exercisable on or before 31 March 2016 for \$0.06 each	833,333	0.78%
7	30/01/2015	Convertible notes	1 (representing a total maximum of 833,333 underlying shares)	0.0000009%
8	17/02/2015	Convertible notes	4 (representing a	0.0000037%

			total maximum of 6,666,667 underlying shares)	
9	12/03/2015	Ordinary shares	833,333	0.78%
10	12/03/2015	Ordinary shares	83,333	0.08%
11	26/06/2015	Ordinary shares	891,475	0.84%
12	26/06/2015	Ordinary shares	1,683,333	1.58%
13	26/06/2015	Ordinary shares	2,000,000	1.87%
14	26/06/2015	Ordinary shares	1,529,713	1.43%
15	26/06/2015	Ordinary shares	1,037,969	0.97%
16	26/06/2015	Ordinary shares	11,851,852	11.11%
17	26/06/2015	Ordinary shares	55,555,555	52.08%
18	26/06/2015	Ordinary shares	2,222,222	2.08%
19	26/06/2015	Convertible notes	4 (representing a total maximum of 3,333,333 underlying shares)	0.0000037%
20	26/06/2015	Options exercisable on or before 31 March 2016 for \$0.06 each	333,333	0.31%
21	26/06/2015	Options exercisable on or before 31 March 2016 for \$0.03 each	9,999,999	9.37%
22	26/06/2015	Options exercisable on or before 26 June 2018 for \$0.045 each	15,185,185	14.23%
		<b>TOTAL</b>	<b>110,659,083</b>	<b>103.73%</b>

**Terms of Equity Securities issued:** All ordinary shares issued by the Company in the 12 months prior to the 2015 Annual General Meeting have the same terms and rank equally in all respects with existing shares in the Company. The terms of the various classes of options and convertible notes issued during the 12 months prior to the 2015 Annual General Meeting are shown in the table above.

Specific information in relation to each issue is as follows (with issue prices on a post-consolidation basis):

Item	Reason for issue	Recipient	Use / intended use of funds	Issue price per security	Discount/premium to market price	Total cash consideration (\$)
1	Issued as free attaching options to convertible notes issued	Various option holders	N/A, none raised	N/A	N/A	N/A
2	Variation to existing convertible notes	Various convertible note holders	N/A, none raised as this was a variation to existing convertible notes	N/A	N/A	N/A
3	Issued under the Company's Long Term Incentive Plan	Directors and management	N/A, none raised	N/A	N/A	N/A
4	Issued upon the conversion of 2 existing convertible notes	Various convertible note holders	N/A, none raised (the total subscription price of the convertible notes was	Deemed issue price of \$0.03 per share	N/A	\$29,166.67 (current cash valuation based on the market price of KNM shares on 1 October

			\$50,000, which was used for general working capital)			2015)
5	Issued in lieu of payment of interest accrued on 2 convertible notes	Various convertible note holders	N/A	Deemed issue price of \$0.036 per share	N/A	\$8,320.49 (current cash valuation based on the market price of KNM shares on 1 October 2015)
6	Issued as free attaching options to convertible note issued	Tactant Pty Ltd	N/A	N/A	N/A	N/A
7	Issued to raise funds for the Company's working capital requirements	Tactant Pty Ltd	General working capital	N/A	N/A	N/A
8	Issued to raise funds for the Company's working capital requirements	Various convertible note holders	N/A	N/A	N/A	N/A
9	Issued upon conversion of 1 existing convertible note	James Hyndes	N/A , none raised (the subscription price of the convertible note was \$25,000, which was used for general working capital)	Deemed issue price of \$0.03 per share	N/A	\$17,499.99 (current cash valuation based on the market price of KNM shares on 1 October 2015)
10	Issued in lieu of payment of interest accrued on 1 convertible note	James Hyndes	N/A, none raised	Deemed issue price of \$0.03 per share	N/A	\$1,749.99 (current cash valuation based on the market price of KNM shares on 1 October 2015)
11	Issued to previous Director in lieu of Director's fees	Nigel Finch	N/A, none raised	Deemed issue price of \$0.04047 per share	N/A	\$18,720.96 (current cash valuation based on the market price of KNM shares on 1 October 2015)
12	Issued in lieu of fees for professional services provided	Pebble Bay Pte Ltd and Consolidated Investments Pty Ltd	N/A, none raised	Deemed issue price of \$0.03 per share	N/A	\$35,349.99 (current cash valuation based on the market price of KNM shares on 1 October 2015)
13	Issued in lieu of fees for professional services provided	Various nominees of BBY Asia Pacific Group Pty Ltd	N/A, none raised	Deemed issue price of \$0.025 per share	N/A	\$42,000.00 (current cash valuation based on the market price of KNM shares on 1 October 2015)
14	Issued upon conversion of 1 convertible note	Stillmore Holidays	N/A , none raised (the	Deemed issue price of	N/A	\$32,123.97 (current cash valuation



	and in lieu of payment of interest accrued on 1 convertible note		subscription price of the convertible notes was \$25,000, which was used for general working capital)	\$0.02336 per share		based on the market price of KNM shares on 1 October 2015)
15	Issued upon conversion of 1 convertible note and in lieu of payment of interest accrued on 1 convertible note	Henry Gordon	N/A , none raised (the subscription price of the convertible notes was \$25,000, which was used for general working capital)	Deemed issue price of \$0.03 per share	N/A	\$21,797.35 (current cash valuation based on the market price of KNM shares on 1 October 2015)
16	Issued as repayment of the Converting Loan	The Lenders	N/A, none raised (Converting Loan amount: \$200,000, which was used for general working capital)	Deemed issue price of \$0.0169 per share	N/A	\$248,888.89 (current cash valuation based on the market price of KNM shares on 1 October 2015)
17	Capital raising Placement	The Placement Subscribers	Redemption of existing convertible notes and for general working capital	\$0.0225 per share	Discount of 3% ( the market price of KNM shares on date of issue was \$0.023)	\$1,250,000.00
18	Issued in lieu of fees for professional services provided	Various nominees of BBY Asia Pacific Group Pty Ltd	N/A, none raised	Deemed issue price of \$0.0225 per share	N/A	\$46,666.66 (current cash valuation based on the market price of KNM shares on 1 October 2015)
19	Issued to raise funds for the Company's working capital requirements	Various convertible note holders	General working capital	Subscription price of \$25,000 per convertible note	N/A	\$100,000.00
20	Issued as free attaching options to shares which were issued in lieu of payment for services provided	Consolidated Investments Pty Ltd	N/A, none raised	N/A	N/A	N/A
21	Issued as free attaching options to convertible notes	Various holders of option and convertible notes	N/A, none raised	N/A	N/A	N/A
22	Issued as free attaching options to shares issued in retirement of the Converting Loan and in lieu of fees for services	Various nominees of BBY Asia Pacific Group Pty Ltd	N/A, none raised	N/A	N/A	N/A

	The Company has raised a total of \$1,350,000 through the issue of ordinary shares and convertible notes in the 12 months prior to the 2015 Annual General Meeting. The Company has spent this amount on the research, development and marketing of its KNeoWORLD product, and on its working capital requirements including its corporate and administrative overheads.
<b>Ranking of shares</b>	Any shares issued under the 10% Placement Capacity will rank equally with all other existing shares on issue in the Company.
<b>GENERAL INFORMATION</b>	
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## DEFINITIONS

<b>10% Placement Capacity</b>	Means the Company's capacity to issue Shares under ASX Listing Rule 7.1A.
<b>7.1A Placement Shares</b>	Means the 10,555,555 fully paid ordinary shares the subject of Resolution 7 which were issued to the 7.1A Placement Subscribers on 26 June 2015 under ASX Listing 7.1A.
<b>7.1A Placement Subscribers</b>	Means the professional and sophisticated investors who subscribed to the Placement and received the 7.1A Placement Shares.
<b>Consolidation</b>	Means the Company's consolidation which was completed on 1 June 2015, under which every thirty shares or options on issue at 11.30 am (Melbourne time) on 28 May 2015 were consolidated into one ordinary share or option, with fractions of a share or option being rounded to the nearest whole number, exact half shares or options being rounded up and post consolidation holdings of less than one being rounded up.
<b>Converting Loan</b>	Means the loan of \$200,000 which was provided to the Company by the Lenders and was retired by the issued of the Converting Loan Shares.
<b>Converting Loan Shares</b>	Means the 11,851,852 fully paid ordinary shares the subject of Resolution 6 which were issued to the Lenders in retirement of the Converting Loan at a deemed issue price of \$0.0169 per share.
<b>Corporations Act</b>	Means the Corporations Act 2001 (Cth)

<b>Company or KNeoMedia</b>	Means KNeoMedia Limited ACN 009 221 783
<b>Closely Related Party</b>  (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means: a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
<b>Equity Security</b>	Means:  a) a share; b) a right to a share or option; c) an option over an issued or unissued security; d) a convertible security; e) any security that ASX decides to classify as an equity security.
<b>Key Management Personnel or KMP</b>	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
<b>Lenders</b>	Means Terri Wolpert, Edwina Petrie, Thomas Petrie, Suburban Holdings Pty Ltd <The Suburban Super Fund A/C>, and Belloc Pty Ltd, being parties that lent to the Company the Converting Loan.
<b>Placement</b>	Means the capital raising placement which occurred on 26 June 2015 under which 55,555,555 fully paid ordinary shares were issued to various professional and sophisticated investors at an issue price of \$0.0225 per share to raise \$1,250,000.00.
<b>Placement Shares</b>	Means the 55,555,555 fully paid ordinary shares issued under the placement.
<b>Placement Subscribers</b>	Means the various professional and sophisticated investors who received the Placement Shares.
<b>Service Provider Tranche 1 Shares</b>	Means the 2,000,000 fully paid ordinary shares the subject of Resolution 4 which were issued in lieu of fees for services provided to the Company by a professional advisor at a deemed issue price of \$0.025 per share.
<b>Service Provider Tranche 2 Shares</b>	Means the 2,222,222 fully paid ordinary shares the subject of Resolution 5 which were issued in lieu of fees for services provided to the Company by a professional advisor at a deemed issue price of \$0.0225 per share.

**-ENDS-**

Holder Number

## Security Holder Appointment of Proxy – Annual General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

*(Name of Proxy)*

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11:00am (Melbourne time) on Thursday, 19 November 2015 at Grant Thornton, Wills Room, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, Australia and at any adjournment thereof.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

### VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report (Non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of issue of Converting Loan Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Jeffrey Bennett as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of issue of 7.1A Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Frank Lieberman as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of issue of shares to Mr Jeffrey Bennett in lieu of Director’s fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of Service Provider Tranche 1 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of issue of Service Provider Tranche 2 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

### SIGNATURE OF SHAREHOLDER(S):

**Individual or Shareholder 1**

Sole Director or  
Sole Director / Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director / Company Secretary

## INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

### APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

**Note:** If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

### VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

### 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 Proxy Form when you return it.
- **Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

### ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

### LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Hand Delivery** – Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth WA 6005; or
- b) **Post** - to Automic Registry Services, PO Box 223, West Perth WA 6872; or
- c) **Online** - via our share registry @ <https://automic.7g.com.au/loginlisted.aspx> and follow the below instructions:

1. Security Code – using the dropdown box select “KneoMedia Limited”
2. SRN/HIN – enter your personal holder number
3. Enter your postcode if your holding has a registered address in Australia or your Country if it is registered overseas
4. Click the “Login” button
5. Click on the “Voting” tab to commence registering your voting intention

**PROXY FORMS RECEIVED LATER THAN THIS TIME WILL BE INVALID**