

2 June 2020: ASX/Media Release (ASX: KNM)

Notice of Extraordinary General Meeting and Proxy Form

In accordance with Listing Rule 3.17, I attach a copy of the following documents:

1. Letter to Shareholders regarding arrangements for Extraordinary General Meeting as despatched to Shareholders in lieu of Notice of Meeting;
2. Notice of Extraordinary General Meeting; and
3. Proxy Form

Dated: 2 June 2020

Signed for **KNeoMedia Limited**:

A handwritten signature in black ink, appearing to read "Todd Richards".

Todd Richards
Company Secretary

-ENDS-

About KNeoMedia Limited:

KNeoMedia Limited (ASX: KNM) is a SaaS publishing company that delivers world-class education and assessment products to global markets in both special and general education classrooms via its KneoWorld portal special and general education classrooms via its KneoWorld portal. Student seat licences are sold to education departments on an annual basis and via distribution agreements. The KneoWorld platform is a story-based and game assessment learning program that provides engaging and effective ways for students to process and apply academic skills and concepts. Researched and evidence based, programs are mapped and measured to curriculum with student performance data delivered via the educator dashboard. KneoWorld is fully compliant with child online privacy protection including US COPPA and European GDPR. Our proven ability to engage, educate and assess provides a global education market opportunity selling on a business to business strategy.

Authorised for release by James Kellett, CEO

For further information, please contact:

James Kellett
Chief Executive Officer
T: +61 1300 155 606 M: +61 439 805 070
E: jkellett@kneomedia.com

Todd Richards
Company Secretary
T: +61 1300 155 606
E: todd.richards@boardroomlimited.com.au

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



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2 June 2020

**Extraordinary General Meeting of KNeoMedia Limited
to be held on Friday 3 July 2020 at 10.30am (AEST)**

Dear Shareholder

The KNeoMedia Limited Extraordinary General Meeting (**EGM**) will be held on Friday 3 July 2020 at 10.30am (AEST) via Zoom teleconference.

Due to the COVID-19 pandemic and related issues, the EGM will be held virtually through the Zoom online portal, hosted by the Company and the Company's share registry, Boardroom Pty Limited. Details of how to participate in the meeting are as follows:

To join Zoom Meeting, please click on the link below and then enter meeting ID: 932 3096 2364.

Join Zoom Meeting:

<https://boardroomptylimited.zoom.us/j/93230962364>

Meeting ID: 932 3096 2364

Dial by your location:

+61 731 853 730 Australia
+61 861 193 900 Australia
+61 8 7150 1149 Australia
+61 2 8015 6011 Australia
+61 3 7018 2005 Australia

Find your local number: <https://us02web.zoom.us/j/keAa3vOA1c>

In accordance with section 5(1) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of EGM, accompanying explanatory statement and annexures (**Meeting Materials**) are being made available to shareholders electronically. You will be able to access the Meeting Materials using the links below, or the ASX market announcements page on the Company's website.

To view the **Notice of Meeting**, please use the following link:

https://www.kneomedia.com/pdf/Notice_of_Extraordinary_General_Meeting_2020.pdf

VOTING IS NOW OPEN. To vote online in relation to the following account, please follow the instructions below:

STEP 1: Visit <https://www.votingonline.com.au/knmegm2020>

STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC) – as contained in attached proxy

STEP 4: Follow the prompts to vote on each resolution

Important Note: For your voting instructions to be valid and counted towards this meeting please ensure your online lodgement is received no later than **10.30am (AEST) on 1 July 2020**. Voting instructions received after this time will not be valid for the scheduled meeting.

You can also update your communications preferences to ensure you receive all future communications from the Company electronically, by updating your shareholder details online via <https://www.investorserve.com.au/>. To log in you will need your SRN/HIN and postcode (or country for overseas residents).

Should you have any queries regarding your holding, or the upcoming KNeoMedia Limited Extraordinary General Meeting, please contact Boardroom Pty Limited on 1300 737 760 (within Australia), +61 2 9290 9600 (outside Australia) or email enquiries@boardroomlimited.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Todd Richards'.

Todd Richards
Company Secretary
KNeoMedia Limited

Notice of extraordinary general meeting and explanatory statement

KNeoMedia Limited

ACN 009 221 783

Date: Friday 3 July 2020

Time: 10.30am (AEST)

Place: Due to Australian Government restrictions the meeting will be held via ZOOM video / teleconference, with no Shareholders physically able to attend (please refer to the explanatory notes for further details)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is given that an Extraordinary General Meeting of KNeoMedia Limited will be conducted via ZOOM video / teleconference on Friday 3 July 2020 at 10.30am (AEST)

BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business:

Resolution 1	Ratification of issue of 7.1 Placement Shares
Description	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of Shares made by the Company on 8 May 2020 under a capital raising placement pursuant to the Company's 7.1 Capacity.
Resolution (Ordinary)	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 73,397,036 fully paid ordinary shares in the Company on 8 May 2020 at an issue price of \$0.017 per Share under a capital raising placement."</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by or on behalf of: • a person who participated in the above issue; and • any associates of those who participated in the issue. However, the entity need not disregard a vote cast in favour of a resolution by: • a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; • the chair of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. The Chairman intends to vote all available undirected proxies in favour of this resolution.

Resolution 2	Ratification of issue of 7.1A Placement Shares
Description	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of Shares made by the Company on 8 May 2020 under a capital raising placement pursuant to the Company's 10% Placement Capacity.
Resolution (Ordinary)	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 73,661,788 fully paid ordinary Shares in the Company on 8 May 2020 at an issue price of \$0.017 per Share under a capital raising placement."</i>
Voting Exclusion	<i>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</i> <i>a person who participated in the above issue; and</i> <i>any associates of those who participated in the issue.</i> <i>However, the entity need not disregard a vote cast in favour of a resolution by:</i> <i>a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;</i> <i>the chair of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or</i> <i>a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</i> <i>the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</i> <i>the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</i> <i>The Chairman intends to vote all available undirected proxies in favour of this resolution.</i>

Resolution 3	Ratification of 7.1 Service Provider Options
Description	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of options to the following parties pursuant to the Company's 7.1 Capacity: • Peloton Capital Pty Ltd or its nominee(s) in consideration for the provision to the Company of broker services for the Placement; and • Melbourne Capital Limited or its nominee(s) in consideration for provision to the Company of corporate advisory services for the Placement.
Resolution (Ordinary)	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:</i> • <i>20,000,000 options to Peloton Capital Pty Ltd or its nominee(s); and</i> • <i>20,000,000 options to Melbourne Capital Limited or its nominee(s);</i> <i>in lieu of fees for services provided to the Company and on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice.”</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by or on behalf of: • a person who participated in the above issue; and • any associates of those who participated in the issue. However, the entity need not disregard a vote cast in favour of a resolution by: • a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; • the chair of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and ○ the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. The Chairman intends to vote all available undirected proxies in favour of this resolution.

Resolution 4	Approval of Attaching Placement Options
Description	Resolution 4, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 73,529,412 options in the Company, to the Placement Subscribers on a 1 for 2 basis, without using the Company's 15% placement capacity under Listing Rule 7.1.
Resolution (Ordinary)	To consider and, if thought fit, pass the following Resolution as an ordinary Resolution: <i>"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 73,529,412 options in the Company to the Placement Subscribers on a 1 for 2 basis, on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by or on behalf of: - a person who is expected to participate in the above issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company); and - any associates of those persons. However, the entity need not disregard a vote cast in favour of a resolution by: - a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; - the chair of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. The Chairman intends to vote all available undirected proxies in favour of this resolution.

Dated: 2 June 2020

By order of the Board of KNeoMedia Limited



Todd Richards
Company Secretary

QUESTIONS FROM SHAREHOLDERS

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.

Please send your questions to:

The Company Secretary, **KNeoMedia Limited**
Level 7, 411 Collins Street, Melbourne, VIC 3000
T. 03 9492 9206
E. todd.richards@boardroomlimited.com.au

Written questions must be received by no later than **7.00pm (AEST) on Friday 26 June 2020**.

Your questions should relate to matters that are relevant to the business of the Extraordinary General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum. A reasonable opportunity will also be provided to Shareholders attending the Extraordinary General Meeting to ask questions of the Board which are relevant to the resolutions and business of the meeting, which the Chairman will seek to address to the extent reasonably practicable. However, there may not be sufficient time to answer all questions at the Extraordinary General Meeting. Please note that individual responses may not be sent to Shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A Shareholder entitled to attend and vote at the Extraordinary 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) All Shareholders have received a proxy form. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form. 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 **10.30am (AEST) on Wednesday 1 July 2020** at the share registry, being the office of Boardroom Pty Limited:

- by post at:

Share Registry – Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001
Australia

- by facsimile: +61 2 9290 9655; or

- by voting on-line at:

<https://www.votingonline.com.au/knmegm2020>

Voting and other entitlements at the meeting

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 **10.30am (AEST) on Wednesday 1 July 2020** will be taken to be held by the persons who held them at that time for the purposes of the Extraordinary General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chairman

The Chairman 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 Chairman to exercise the undirected proxy. 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 Chairman to exercise your proxy on Resolutions 1 to 4 (inclusive). In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 to 4 (inclusive). If you wish to appoint the Chairman 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 any of Resolutions 1 to 4 (inclusive), he or she will not vote your proxy on the relevant item/s of business.

How to join the Meeting:

The Company advises that due to the Australian Government's recent restrictions with respect to indoor gatherings (in response to the COVID-19 pandemic), the Company has determined that it would be prudent for the Extraordinary General Meeting of Shareholders to be held virtually only.

The Meeting will be held virtually via a live ZOOM video / teleconference, with strictly no Shareholders in physical attendance.

The Board encourages Shareholders to monitor the ASX and the Company's website for any updates in relation to the Meeting that may need to be provided. In the meantime, the Board encourages Shareholders to submit their proxies as early as possible, even if they intend to attend the Virtual Meeting, as the situation may change (e.g. there may be restrictions on how the meeting itself may be held or conducted).

Shareholders will be able to attend the Meeting by going to the below link, using their web browser or internet enabled device:

<https://boardroomptylimited.zoom.us/j/93230962364>

Please enter the meeting ID:

932 3096 2364

Shareholders can also dial in to the meeting via telephone. Please note that the online link is the best way to attend the meeting as you will be able to view the presentation. Dial in details can be found below:

+61 731 853 730 Australia
+61 861 193 900 Australia
+61 8 7150 1149 Australia
+61 2 8015 6011 Australia
+61 3 7018 2005 Australia

Meeting ID: 932 3096 2364

Local numbers can also be found here:

<https://us02web.zoom.us/j/keAa3vOAlc>

Attendee registration via the ZOOM video / teleconference facility will be available between 10.00 am and 10.30 am (AEST) on the day of the meeting, which will be conducted by the Company's share registry.

In order to provide for an efficient virtual meeting, we request that any questions from Shareholders are provided to the Company Secretary by 7.00pm on Friday 26 June 2020.

All resolutions in this Notice of Extraordinary General Meeting will be decided by a poll and as such the Company strongly recommends that all Shareholders lodge their votes via the Company's share registry platform, or by appointing a proxy, prior to 10.30am (AEST) on Wednesday 1 July 2020. On a poll, Shareholders have one vote for every fully paid ordinary share held.

EXPLANATORY MEMORANDUM TO NOTICE OF EXTRAORDINARY GENERAL MEETING

RATIFICATION OF PREVIOUS ISSUES OF SHARES

Resolution 1	Ratification of issue of 7.1 Placement Shares
Explanation	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.1 for an issue of 73,397,036 fully paid ordinary Shares on 8 May 2020 under the Company's capacity to issue Shares under ASX Listing Rule 7.1, which 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 (7.1 Capacity). ASX Listing Rule 7.4 sets out an exception to the limitations on the Company's capacity to issue securities pursuant to its 7.1 Capacity, by permitting the ratification of previous issues of securities 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 Company's 7.1 Capacity. If Shareholders of a company approve the ratification of such previous issues of securities 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. Accordingly, if Shareholders ratify the previous issue of securities made by KNeoMedia by way of approving Resolution 1, these securities will be deemed to have been issued with Shareholder approval for the purposes of ASX Listing Rule 7.1.
Reasons for Resolution 1	The effect of the ratification sought under Resolutions 1 in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum 7.1 Capacity. This will effectively enable the Company to issue further Shares of up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring Shareholder approval.
Board Recommendation	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 under ASX Listing Rule 7.1. The Directors consider it to be appropriate and prudent for approval to be sought at the Extraordinary General Meeting, in respect of the relevant issues of securities made by the Company in the last 12 months. The Directors believe this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so. In particular, the Directors note that if this approval is not obtained at the Extraordinary General Meeting, the Company may be required to incur the additional costs and delay of convening another 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. On the basis of the foregoing, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1.
Chairman's available proxies	The Chairman intends to vote all available proxies in favour of Resolution 1.

Information required to be provided under the ASX Listing Rules 7.5	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:	
	No. of securities issued	73,397,036 fully paid ordinary Shares
	Issue price per security	The 7.1 Placement Shares were issued at an issue price of \$0.017 per Share.
	Recipients of issue	The Placement Subscribers.
	Terms of securities	Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary Shares in the Company.
	Use of funds raised	The funds raised will be used to accelerate activities in the United States where the Company is now converting previously announced sales into actual deployments, as well as to widen sales channels in the US and other markets.
	Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.

Resolution 2	Ratification of issue of 7.1A Placement Shares
Explanation	The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 73,661,788 fully paid ordinary Shares on 8 May 2020. The Shares were issued under a placement to professional and sophisticated investors.
ASX Listing Rules	On 8 May 2020, the Company issued 147,058,824 fully paid ordinary shares (Placement Shares) in the Company to professional and sophisticated investors, at an issue price of \$0.017 per Share (Placement). 73,397,036 of the Placement Shares were issued under the Company's 7.1 Capacity and are the Shares the subject of Resolution 1 (7.1 Placement Shares). The remaining 73,661,788 Placement Shares (7.1A Placement Shares) 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 2019 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 (10% Placement Capacity). The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 7.1A Placement Shares.
Reason for Resolution 2	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).

	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. However, the Directors consider it to be appropriate and prudent for approval to be sought at the Extraordinary 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. In particular, the Directors note that if this approval is not obtained at the Extraordinary General Meeting, the Company may be required to incur additional costs and delay of convening another 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.												
Information required to be provided under the ASX Listing Rules 7.5	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: <table> <tr> <td>No. of securities issued</td><td>73,661,788 fully paid ordinary Shares</td></tr> <tr> <td>Issue price per security</td><td>The 7.1A Placement Shares were issued at an issue price of \$0.017 per Share.</td></tr> <tr> <td>Recipient of issue</td><td>The Placement Subscribers.</td></tr> <tr> <td>Terms of securities</td><td>Fully paid ordinary Shares ranking pari-passu with other existing fully paid ordinary Shares in the Company.</td></tr> <tr> <td>Use of funds raised</td><td>The funds raised will be used to accelerate activities in the United States where the Company is now converting previously announced sales into actual deployments, as well as to widen sales channels in the US and other markets.</td></tr> <tr> <td>Voting Exclusion Statement</td><td>A voting exclusion statement applies to this item of business, as set out in the Notice.</td></tr> </table>	No. of securities issued	73,661,788 fully paid ordinary Shares	Issue price per security	The 7.1A Placement Shares were issued at an issue price of \$0.017 per Share.	Recipient of issue	The Placement Subscribers.	Terms of securities	Fully paid ordinary Shares ranking pari-passu with other existing fully paid ordinary Shares in the Company.	Use of funds raised	The funds raised will be used to accelerate activities in the United States where the Company is now converting previously announced sales into actual deployments, as well as to widen sales channels in the US and other markets.	Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.
No. of securities issued	73,661,788 fully paid ordinary Shares												
Issue price per security	The 7.1A Placement Shares were issued at an issue price of \$0.017 per Share.												
Recipient of issue	The Placement Subscribers.												
Terms of securities	Fully paid ordinary Shares ranking pari-passu with other existing fully paid ordinary Shares in the Company.												
Use of funds raised	The funds raised will be used to accelerate activities in the United States where the Company is now converting previously announced sales into actual deployments, as well as to widen sales channels in the US and other markets.												
Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.												
Board Recommendation	The Directors unanimously recommend that Shareholders vote in favour of this Resolution.												
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.												

Resolution 3	Ratification of 7.1 Service Provider Options
Explanation	Resolution 1, which is an ordinary Resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of: • 20,000,000 options in the Company to Peloton Capital Pty Ltd or its nominee(s) in consideration for the provision to the Company of broker services for the Placement; and • 20,000,000 options in the Company to Melbourne Capital Limited or its nominee(s) in consideration for provision to the Company of corporate advisory services for the Placement.
Reasons for Resolution 3	The effect of the ratification sought under Resolution 3 in accordance with ASX Listing Rule 7.4 is the reinstatement of the Company's maximum 7.1 Capacity. This will effectively enable the Company to issue further Shares of up to 15% of the issued capital of the Company, if required, in the next 12 months without requiring Shareholder approval.
Board Recommendation	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 under ASX Listing Rule 7.1. The Directors consider it to be appropriate and prudent for approval to be sought at the Extraordinary General Meeting, in respect of the relevant issues of securities made by the Company in the last 12 months. The Directors believe this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so. In particular, the Directors note that if this approval is not obtained at the Extraordinary General Meeting, the Company may be required to incur the additional costs and delay of convening another 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. On the basis of the foregoing, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.
Chairman's available proxies	The Chairman intends to vote all available proxies in favour of Resolution 3.

Information required to be provided under the ASX Listing Rules 7.5

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:

No. of securities issued	40,000,000 options
Issue price per security	The Service Provided Options will be issued for nil cash consideration and at a deemed issue price of \$0.00001.
Recipients of issue	Peloton Capital Pty Ltd and Melbourne Capital Limited.
Terms of securities	Options with an exercise price of \$0.04 per Share and expiring 24 months from the date of issue.
Use of funds raised	No funds will be raised from the issue of the Service Provider Options as they are being issued for nil cash consideration but as consideration but for the services provided by Peloton Capital Pty Ltd and Melbourne Capital Limited.
Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.

APPROVAL OF FUTURE ISSUES OF SHARES

Resolution 4	Approval of issue of Attaching Placement Options
Explanation	Resolution 4, which is an ordinary Resolution, seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 73,529,412 Options in the Company, to the Placement Subscribers on a 1 for 2 basis, without using the Company's 15% placement capacity under Listing Rule 7.1.
Reasons for Resolution 4	The effect of Resolution 4 will be to allow the Company to issue the Placement Options during the period of 3 months after the Extraordinary General Meeting (or a longer period if allowed by ASX) without using the Company's 7.1 Capacity.

Board Recommendation	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 under ASX Listing Rule 7.1. The Directors consider it to be appropriate and prudent for approval to be sought at the Extraordinary General Meeting, in respect of any proposed issues of securities when possible. The Directors believe this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so. In particular, the Directors note that if this approval is not obtained at the Extraordinary General Meeting, the Company may be required to incur the additional costs and delay of convening another extraordinary general meeting of the Company if the Directors propose to issue any further additional securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2. On the basis of the foregoing, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4.														
Chairman's available proxies	The Chairman intends to vote all available proxies in favour of Resolution 4.														
Information required to be provided under the ASX Listing Rules 7.3	In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders: <table> <tr> <td data-bbox="489 1059 751 1126">Maximum No. of securities issued</td><td data-bbox="790 1059 1038 1093">73,529,412 Options</td></tr> <tr> <td data-bbox="489 1171 751 1272">Date by which securities will be issued</td><td data-bbox="790 1171 1433 1395">If Shareholder approval is obtained for Resolution 4, the Company will issue the Placement Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).</td></tr> <tr> <td data-bbox="489 1451 751 1518">Issue price per security</td><td data-bbox="790 1451 1433 1541">The Placement Options will be issued for nil cash consideration and at a deemed issue price of \$0.00001.</td></tr> <tr> <td data-bbox="489 1597 751 1630">Recipients of issue</td><td data-bbox="790 1597 1145 1630">The Placement Subscribers.</td></tr> <tr> <td data-bbox="489 1675 751 1709">Terms of securities</td><td data-bbox="790 1675 1433 1742">Options with an exercise price of \$0.04 per Share and expiring 24 months from the date of issue.</td></tr> <tr> <td data-bbox="489 1787 751 1821">Use of funds raised</td><td data-bbox="790 1787 1433 1877">No funds will be raised from the issue of the Service Provider Options as they are being issued for nil cash consideration.</td></tr> <tr> <td data-bbox="489 1910 751 1977">Voting Exclusion Statement</td><td data-bbox="790 1910 1433 1977">A voting exclusion statement applies to this item of business, as set out in the Notice.</td></tr> </table>	Maximum No. of securities issued	73,529,412 Options	Date by which securities will be issued	If Shareholder approval is obtained for Resolution 4, the Company will issue the Placement Options as soon as is practicable after the Extraordinary General Meeting, or in any event no later than 3 months after the date of the Extraordinary General Meeting (or such longer period of time as ASX may in its discretion allow).	Issue price per security	The Placement Options will be issued for nil cash consideration and at a deemed issue price of \$0.00001.	Recipients of issue	The Placement Subscribers.	Terms of securities	Options with an exercise price of \$0.04 per Share and expiring 24 months from the date of issue.	Use of funds raised	No funds will be raised from the issue of the Service Provider Options as they are being issued for nil cash consideration.	Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.
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Recipients of issue	The Placement Subscribers.														
Terms of securities	Options with an exercise price of \$0.04 per Share and expiring 24 months from the date of issue.														
Use of funds raised	No funds will be raised from the issue of the Service Provider Options as they are being issued for nil cash consideration.														
Voting Exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.														

DEFINITIONS

10% Placement Capacity	Means the Company's capacity to issue Shares under ASX Listing Rule 7.1A.
7.1 Placement Shares	Means the 73,397,036 fully paid ordinary Shares the subject of Resolution 1 which were issued to the Placement Subscribers on 8 May 2020 under ASX Listing 7.1.
7.1A Placement Shares	Means the 73,661,788 fully paid ordinary Shares the subject of Resolution 2 which were issued to the Placement Subscribers on 8 May 2020 under ASX Listing 7.1A.
Associate	Has the meaning given to that term in the ASX Listing Rules.
ASX	Means ASX Limited ACN 008 624 691.
ASX Listing Rules	Means the official listing rules issued and enforced by the ASX as amended from time to time.
Attaching Placement Options	Means the 73,529,412 Options the subject of Resolution 4 which are proposed to be issued to the Placement Subscribers.
Board	Means the Company's Board of Directors.
Business Day	Means a day which is not a Saturday, Sunday or public holiday in Sydney or Melbourne.
Company or KNeoMedia	Means KNeoMedia Limited ACN 009 221 783.
Corporations Act	Means the Corporations Act 2001 (Cth).
Director	Means a director of the Board of KNeoMedia Limited.
Explanatory Memorandum	Means this explanatory memorandum accompanying and forming part of this Notice.
Listing Rules	Means the Listing Rules of the ASX as amended from time to time.
Meeting	Means the extraordinary general meeting to which the Notice relates.
Notice or Notice of Meeting	Means this notice of meeting of the Company, including the accompanying Explanatory Memorandum.
Option	Means an Option in the capital of the Company.
Placement	Means the capital raising placement which occurred on 23 April 2020 under which 147,058,824 fully paid ordinary Shares were issued to various professional and sophisticated investors at an issue price of \$0.017 per Share to raise \$2,500,000.
Placement Subscribers	Means the various professional and sophisticated investors who participated in the Placement with the majority being clients of Peloton Capital Pty Ltd

Resolution	Means a resolution set out in this Notice.
Service Providers	Means Peloton Capital Pty Ltd and Melbourne Capital Limited.
Service Provider Options	Means the 40,000,000 Options the subject of Resolution 3 which were issued to the Service Providers on 8 May 2020 under ASX Listing 7.1.
Share	Means a fully paid ordinary share in the capital of the Company.
Shareholder	Means a holder of at least one Share.

-ENDS-



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (AEST) on Wednesday, 1 July 2020.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/knmegm2020>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities, your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director, who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (AEST) on Wednesday, 1 July 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/knmegm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM**STEP 1 APPOINT A PROXY**

I/We being a member/s of **KNeoMedia Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held via Zoom Teleconferencing **on Friday, 3 July, 2020 at 10.30am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1-4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of issue of 7.1 Placement Shares	☐	☐	☐
Resolution 2	Ratification of issue of 7.1A Placement Shares	☐	☐	☐
Resolution 3	Ratification of 7.1 Service Provider Options	☐	☐	☐
Resolution 4	Approval of Attaching Placement Options	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020