

21 October 2019

Correction to Notice of Annual General Meeting

Melbourne Australia: Connexion Telematics Ltd ("**CXZ**" or the "**Company**") provides the attached updated Notice of Meeting for the Annual General Meeting to be held on 11 November 2019.

The Explanatory Memorandum accompanying the Notice of Meeting lodged with the ASX on 11 October 2019 contained an error in the dates for the vesting conditions attached to the Performance Rights to be issued to the Managing Director.

As set out in the original release when the Managing Director was appointed, the vesting conditions should be as follows:

- a) 15,000,000 Performance Rights will vest on 30 June 2020 if the closing share price of the Company's Shares have traded above \$0.03 for a period of 30 days immediately preceding 30 June 2020, calculated on a 30-Day Volume Weighted Average Price;
- b) 15,000,000 Performance Rights will vest on 30 June 2021 if the closing share price of the Company's Shares have traded above \$0.04 for a period of 30 days immediately preceding 30 June 2021, calculated on a 30-Day Volume Weighted Average Price; and
- c) 15,000,000 Performance Rights will vest on 30 June 2022 if the closing share price of the Company's Shares have traded above \$0.06 for a period of 30 days immediately preceding 30 June 2022, calculated on a 30-Day Volume Weighted Average Price.

The Resolutions and Proxy Form remain unchanged.

Ends

Queries:

Peter Torre
Company Secretary
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CONNEXION TELEMATICS LTD
ACN 004 240 313

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Level 32, 8 Exhibition St, Melbourne VIC on 11 November 2019 at 12.00pm (AEDT).

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6143 4100

CONNEXION TELEMATICS LTD

ACN 004 240 313

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Connexion Telematics Ltd (**Company**) will be held at Level 32, 8 Exhibition, St Melbourne Vic on 11 November 2019 at 12.00pm (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 9 November 2019 at 12.00pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 6.

AGENDA

1. Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2: Approval of Grant of Performance Rights to Guy Perkins

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

"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant 45,000,000 Performance Rights (and issue 45,000,000 Shares on conversion of such Performance Rights) to Guy Perkins (or his nominees) under the Performance Rights Plan and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any director who is eligible to participate in the Plan and their nominees, and any associates of those directors.

However, the Company will not disregard a vote if:

- (a) it is cast by the director as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 3: Re-Election of Director – Mr Robert Downey

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

“That Robert Downey, who retires by rotation in accordance with clause 5.2(c)(i) of the Company’s Constitution and for all other purposes and being eligible, offers himself for re-election, be re-elected as a Director.”

Dated 1 October 2019

BY ORDER OF THE BOARD



Peter Torre
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at Level 32, 8 Exhibition, St Melbourne VIC on 11 November 2019 at 12.00pm (AEDT).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

1. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

1.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

1.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 1 and 2 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 1 and 2, however, the prohibition does not apply if:
 - (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 1 and 2 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

2. Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.connexionltd.com.

3. Resolution 1: Adoption of Remuneration Report

3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

3.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office in the company before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

3.3 Previous voting results

At the 2018 AGM, the votes cast against the remuneration report were less than 25%, accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions Given	No Directions Given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

4. Resolution 2: Approval of Grant of Performance Rights to Guy Perkins

4.1 General

The Company intends to grant a total of 45,000,000 Performance Rights under the Performance Rights Plan, as approved by Shareholders at the 2018 AGM, to Guy Perkins as long-term incentives in connection with his appointment as Managing Director, as set out in the Company's ASX release of 5 August 2019.

The principal terms and conditions of the Performance Rights are summarised in Schedule 1.

The Performance Rights will each convert into a Share for no consideration on exercise by the holder once vested, prior to the expiry date which is 5 years from the date of grant.

The Performance Rights will vest in 3 tranches as follows:

- a) 15,000,000 Performance Rights will vest on 30 June 2020 if the closing share price of the Company's Shares have traded above \$0.03 for a period of 30 days immediately preceding 30 June 2020, calculated on a 30-Day Volume Weighted Average Price;
- b) 15,000,000 Performance Rights will vest on 30 June 2021 if the closing share price of the Company's Shares have traded above \$0.04 for a period of 30 days immediately preceding 30 June 2021, calculated on a 30-Day Volume Weighted Average Price; and
- c) 15,000,000 Performance Rights will vest on 30 June 2022 if the closing share price of the Company's Shares have traded above \$0.06 for a period of 30 days immediately preceding 30 June 2022, calculated on a 30-Day Volume Weighted Average Price.

Notwithstanding the vesting conditions noted above, each tranche of Performance Rights will vest upon a Change of Control of the Company that occurs at a price greater than the relevant share price milestone, notwithstanding that the milestone date may not have been reached.

Shareholder approval is required for the grant of Performance Rights to Guy Perkins under Listing Rule 10.14 as he is a director of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Guy Perkins will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

Resolution 2 is an ordinary resolution.

4.2 Chapter 2E of the Corporations Act

The following information is provided Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of these Performance Rights constitutes giving a financial benefit and Guy Perkins is a related party of the Company by virtue of being a Director of the Company.

The Directors, (other than Guy Perkins) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights because the agreement to issue the Performance Rights to Guy Perkins under the Performance Rights Plan is considered reasonable remuneration negotiated at the time of Guy Perkins appointment to the Company.

The following further information is provided:

- (a) The primary purpose of the grant of the Performance Rights to Guy Perkins is to provide a performance linked incentive component in his remuneration package to motivate and reward his performance in his role as Managing Director.
- (b) The grant of Performance Rights, in particular, the vesting conditions of the Performance Rights, will align the interests of the Guy Perkins with those of Shareholders and directors of the Company.
- (c) The grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration to reward Guy Perkins for his commitment and service to the Company in future periods.
- (d) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.
- (e) Mr Perkins declines to make a recommendation to Shareholders in relation to Resolution 2 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights in the Company should Resolution 2 be passed. All other Directors recommend that Shareholders vote in favour of Resolution 2 for the reasons set out in paragraphs (a) – (d) above.
- (f) In forming their recommendations, each Director considered the experience of Guy Perkins, the current market price of Shares, the current market practices when determining the number of Performance Rights.
- (g) The Board 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 pass Resolution 2.

4.3 Specific information required by Listing Rule 10.15

The following information is provided for the purposes of Listing Rule 10.15:

- (a) The maximum number of Securities be issued pursuant to Resolutions 2 is 45,000,000 Performance Rights to Guy Perkins (or his nominees).
- (b) The vesting conditions and expiry date of the Performance Rights to be granted under the Performance Plan are set out in Section 4.1. Further terms and conditions of the Performance Rights are set out in Schedule 1.

- (c) The Performance Rights will be granted for nil consideration as long term incentives for Guy Perkins. Accordingly, no funds will be raised from the grant of the Performance Rights. Upon conversion of the Performance Rights, Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (d) 38,000,000 Performance Rights have been granted under the Plan to date as follows:
 - (i) 10,000,000 Performance Rights to Mr Mark Caruso (or his nominee) as approved at the 2018 AGM for nil consideration.
 - (ii) 10,000,000 Performance Rights to Mr Aaryn Nania (or his nominee) as approved at the 2018 AGM for nil consideration.
 - (iii) 10,000,000 Performance Rights to Mr Rob Downey (or his nominee) as approved at the 2018 AGM for nil consideration.
 - (iv) 5,000,000 Performance Rights to Mr Tasso Koutsovasilis (or his nominee) for nil consideration, and 3,000,000 Performance Rights to Mr Peter Torre (or his nominee) for nil consideration.
- (e) Under the Plan, only eligible persons or their permitted nominees are entitled to participate in the Plan. Guy Perkins will be an eligible person for the purposes of the Plan.
- (f) Mr Guy Perkins is a related party of the Company by virtue of being a Director of the Company.
- (g) The Company will grant the Performance Rights no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the Performance Rights will be granted on the same date.
- (h) A voting exclusion statement is included in the Notice.
- (i) There are no loans provided in relation to the proposed issue of Performance Rights to Guy Perkins.

5. Resolution 3: Re-Election of Director – Robert Downey

5.1 Introduction

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 5.3(c)(i) of the Company's Constitution requires that one-third of the Directors (excluding the Managing Director) retire by rotation at each annual general meeting and that Directors appointed by the Board hold office until the next annual general meeting.

Mr Downey retires by rotation and seeks re-election.

5.2 Background

Mr Downey is a qualified solicitor who has practised mainly in the areas of international resources law, corporate law and initial public offerings as well as mergers and acquisitions. He has extensive experience as an advisor, founder and director of various ASX, TSX and AIM companies. Mr Downey is currently a partner at Dominion Legal, a boutique law firm in Perth.

Mr Downey is director and Chairman of Metalsearch Ltd.

The Directors consider that Mr Downey is an independent director. Mr Downey provides legal advice to the Company however the quantum of fees in respect to that advice is not considered material to both the Company and Mr Downey.

5.3 Recommendation

The Directors of the Company support the election of Mr Downey and unanimously recommend to all Shareholders that they vote in favour of Resolution 3.

6. Definitions

\$ means Australian Dollars.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

AEDT means Australian Eastern Daylight-Saving Time, being the time in Melbourne, Victoria

Board means the board of Directors as constituted from time to time.

Chairman means the chairman of this Meeting.

Change of Control means

- (a) the offeror under a Takeover Bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that Takeover Bid has become unconditional;
- (b) the announcement by the Company that Shareholders have, at a Court convened meeting of shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement (other than to effect a restructure or redomicile) under which all securities of the Company are to be either:
 - i) cancelled; or
 - ii) transferred to a third party,and the Court, by order, approves the proposed scheme of arrangement; or
- (c) any person, individually or together with their Associates, acquires a Relevant Interest in 50.01% or more of the total number of Shares on issue by any other means (other than as a result of the transactions contemplated pursuant to the agreement to which these terms and conditions are attached).

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Connexion Telematics Ltd (ACN 004 249 313).

Constitution means the current constitution of the Company.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Performance Rights Plan or **Plan** means the Connexion Telematics Ltd Performance Rights Plan.

Performance Right means a Performance Right issued under the Plan on the terms and conditions in Schedule 1.

Proxy Form means the proxy form attached to the Notice.

Relevant Interest has the meaning given in the Corporations Act.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Security means a Share, an Option a Performance Share or a Performance Right or any combination of these as the context provides.

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

Shareholder means a shareholder of the Company.

Takeover Bid has the meaning given in the Corporations Act.

VWAP means volume weighted average price.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 Terms and Conditions of Performance Rights

1. Entitlement

Each Performance Right (**Performance Right**) will convert into a Share for no consideration upon exercise of the Performance Right by the holder.

2. Vesting Date and Expiry Date

Each Performance Right will vest (**Vesting Date**) on the following basis:

- a) 15,000,000 Performance Rights will vest on 30 June 2020 if the closing share price of the Company's Shares have traded above \$0.03 for a period of 30 days immediately preceding 30 June 2020, calculated on a 30-Day Volume Weighted Average Price.
- b) 15,000,000 Performance Rights will vest on 30 June 2021 if the closing share price of the Company's Shares have traded above \$0.04 for a period of 30 days immediately preceding 30 June 2021, calculated on a 30-Day Volume Weighted Average Price.
- c) 15,000,000 Performance Rights will vest on 30 June 2022 if the closing share price of the Company's Shares have traded above \$0.06 for a period of 30 days immediately preceding 30 June 2022, calculated on a 30-Day Volume Weighted Average Price.

The **Expiry Date** for each Performance Right will be the date which is 5 years from the date of grant.

3. Exercise Period

Subject to item 4, a Performance Right may only be exercised at any time after the Vesting Date, and prior to the Expiry Date. (subject to satisfaction of the applicable service condition).

4. Vesting on Change of Control

Notwithstanding the vesting conditions noted above, each tranche of Performance Rights will vest upon a change of control of the Company that occurs at a price greater than the relevant share price milestone, notwithstanding that the milestone date may not have been reached.

For these purposes, **Change of Control** means one or more of the following events occurring (subject to the applicable service condition being satisfied up until the date of the relevant event):

- (i) the bidder under a takeover bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that takeover bid has become unconditional;
- (ii) the announcement by the Company that its Shareholders have, at a court convened meeting of Shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all securities of the Company are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party,and the court, by order, approves the proposed scheme of arrangement; or
- (iii) any person, individually or together with their associates, acquires a relevant interest in 50.01% or more of the total number of Shares on issue by any other means

5. Plan

The Performance Rights are granted in accordance with, and subject to, the Plan.

6. Notice of Exercise

The Performance Rights may be exercised by notice in writing to the Company (**Notice of Exercise**). Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of exercise of that Option as at the date of receipt.

7. Shares issued on exercise

Shares issued on exercise of the Performance Rights rank equally with the then Shares of the Company.

8. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Performance Rights within the period required by the ASX Listing Rules.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

10. Adjustment for bonus issues

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of a Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.

11. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the number of Shares which must be issued on the exercise of the Performance Rights.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

13. Quotation of Performance Rights

No application for quotation of the Performance Rights will be made by the Company.

14. Performance Rights not transferable

Performance Rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.

15. Deferred Taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Performance Rights.