

KONEKT LIMITED

**Chairman's Address and Order of Proceedings
Annual General Meeting**

10am 11 NOVEMBER 2011

INTRODUCTION

Good morning ladies and gentlemen. Welcome to the Annual General Meeting of Konekt Limited. My name is Damian Banks. I am the Chairman of Konekt Limited and as such, I will act as Chairman of this meeting.

The Company Secretary has informed me a quorum is present and I declare the meeting open.

I would like to introduce you to my fellow Directors, Philip Small and John Randall.

Representatives of our Share Registry, Computershare Investor Services and from our auditors, BDO, are also present. I will also introduce Andrew Whitten, our Company Secretary.

Following the formal business of the meeting, there will be opportunity for you to join Directors and members of the management team for light refreshments.

Today our items of business seek your approval on three (3) matters.

However, before we turn to formal business, I will provide a brief overview and update.

Our Annual Report for 2011 laid out the company's performance, an annual result of \$205,000 of Profit after Tax struck on revenue of \$34.3m. This was a disappointing result for all of our stakeholders.

I do not intend today to repeat any specific comments from that report, other than to say that Konekt did not foresee (nor react) to the changes from customers nor the marketplace very well.

There were a number of references to change in the Report, and I will leave those standing without further comment during this address - although I am happy to take questions from shareholders during agenda item 1 where shareholders receive and consider reports. In all there will be five sections of the meeting where shareholders may wish to ask appropriate questions or make comments.

Two weeks ago Konekt reintroduced quarterly reporting. Thank you to those shareholders who have commented on this initiative. Your Directors debated both the merits and consequences of this. Whilst unanimously agreeing – quarterly reporting it is not without its downsides. Those downsides include more volatility in reported numbers, more work for staff, and potentially some risk that management will be focused on very short term goals in preference to longer term initiatives.

Your Board intends to ensure this balance is tended to - despite this temptation.

In that Quarterly Report we announced that Profit for the quarter was \$391,000. We also announced changes to Director Tenure, Auditor Remuneration and Director Remuneration to ensure that they were in line with the market. These were activities generated in our Board Committee structure.

One significant task for the company is our conversion of profit to cash, which has not been satisfactorily occurring. A significant amount of our receivables are overdue (some from 2010) most from 2011, they represent literally hundreds of individual invoices, and your capital is funding these.

We are currently conducting an urgent activity to ascertain the collectability of these overdue payments, with the Leadership Team and CFO focused on collection including taking legal action where appropriate. We are also currently correcting our own processes where “own goals” (with regard to invoicing) have occurred.

Konekt’s customer satisfaction ranges from “unhappy” to “recommender” status. In my recent engagement with customers, they universally say that Konekt is doing well and we can do much better.

Most of this improvement is not going to come only from our Care team, they actually do care - and are doing a good job - but rather from an improvement in the company’s leadership and infrastructure.

Our recent announcement of a new Head of Care, and (for the first time), a Head of Product Management will see fresh eyes on our Leadership and our core infrastructure. We are reinstating Training and Leadership Development as a priority, and ensuring that goals are aligned between teams, something that has been missing at Konekt.

Your company has been through much change over the past few years, unfortunately, not enough of that change has produced the outcomes our staff, customers and shareholders aspire to. I do not know, nor can your Directors promise today, what our long term future holds. What I do know, and your Directors are focused on, is bringing the current potential of Konekt to the highest possible level.

Looking from afar, then over the past 7 weeks internally, I am delighted to report to you that Konekt has a great Heart.

We have an engaged, smart, bright and skilled workforce, committed to caring for our clients.

There is no doubt that they are our future - and that extending their care - and passion - will be a source of value in the future.

Konekt has suffered from high staff turnover – and, over the past 2 years, an underinvestment in training and development of our team to be their best. We must make our end to end “Care” focus our mission – and the execution of our customers best standards, our competitive advantage.

The Leadership Team of the company is now focused on this.

The Review of the company that we have commenced is now in full swing. We have identified 16 market segments (or opportunities), many of which we are already a participant in, and are researching data on the true characteristics of these markets.

What is clear is that Konekt cannot have a “do nothing” view, the returns are not strong from this stance, and the likely risk is unacceptable. Equally, we cannot have a “do something/ do anything” stance, I again refer you to our legacy of unfulfilled promise.

We must choose wisely, and be selective – then execute, execute and execute. We currently estimate that this review is more than 40% complete. Your Directors commit to keep you informed of any material outcomes.

We are not in a position to provide any guidance for 2011-12 at this time. Instead we intend to report to you quarterly on our actual performance, including profits and cash flow. Our business flow is steady, but our sales pipeline is not compelling – that is a priority for improvement.

Your Directors are working well as a team, in fact, very well. The renewed Committee structure is providing improved governance and clarity. Additionally, I thank John and Philip for their support over the past 7 weeks.

The Leadership team of the company is now forming into a team, and I thank them for their responsiveness and commitment during a period of not only sudden change, but a significant change in style. To them I say – keep going!

Finally, to our staff – thank you for the care you show, please continue that and grow our legacy – we do (do) great work – let’s shine.

I WILL NOW MOVE ONTO THE FORMAL BUSINESS OF THE MEETING.

The Notice of Meeting, dated 5 October 2011 was mailed to shareholders on 10 October 2011. Copies of the Notice are available from the Company Secretary at the side of the room and if there are no objections, **I propose the Notice of Meeting to be taken as read.**

When shareholders or proxy holders vote, on this and subsequent motions, can they please raise their **green** cards in their hands. If there are any shareholders who are eligible to vote at this meeting who have not received their **green** card, please see a representative from Computershare at the Registration Desk. Shareholders holding a **yellow** card are eligible to speak but not to vote. Visitors holding a **white** card are not eligible to vote or speak to the meeting.

So, with regard to the motion that the Notice of Meeting be taken as read:

All those in favour please raise their **green** card.

All those against please raise their **green** card.

I declare the motion carried/lost.

Before the vote is taken for each item, I will announce the total number of valid proxies for that item and the manner in which they have been directed. These figures will be as at the closing time for receipt of proxies, which was at 10am on Wednesday 9 November 2011.

I will now move to:

AGENDA ITEM 1 –

For shareholders to receive and consider the financial report of the Company and its controlled entities for the year ended 30 June 2011, and the related Directors' Report, Directors' Declaration and Auditors Report.

You will note that shareholders are not being asked to resolve to adopt the reports, but rather, to receive and consider them.

Is there any discussion on the Item? Please note that our auditors are also available to answer any questions relating to the conduct of the audit and the audit report.

[Discussion and questions.]

There being no further questions, I confirm the reports have been received and considered.

Thank you.

I now move to the three resolutions as set out:

RESOLUTION 1

To consider, and if thought fit, pass the following resolution:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report for the year ended 30 June 2011 as contained in the Annual Report of the Company for the year ended 30 June 2011.”

As set out in the section 250R(3) of the Corporations Act 2001 (Cth), the vote on this resolution is advisory only and does not bind the Directors or the Company.

This resolution will be submitted to a show of hands.

Is there any discussion on the motion?

(Discussion and questions)

IF THERE IS NO (FURTHER) DISCUSSION, I NOW PUT THE MOTION TO APPROVE AND ADOPT THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2011.

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

29,973,862 for and 341,727 : against with 12,192,876 excluded

Any undirected proxies given to the Chairman will not be voted in respect to this resolution.

Those in favour of the resolution, please raise your **green** card.

Those against?

I declare the motion carried/lost.

RESOLUTION 2

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

“That Mr Phillip Small, who retires by rotation in accordance with clauses 3.6 and 3.7 of the Constitution of the Company and the ASX Listing Rules, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company effective immediately upon the close of the Meeting.”

I would like to remind shareholders that the Board (other than Mr Phillip Small) recommends Mr Small's re-election.

This resolution will be submitted to a show of hands.

Is there any discussion on the motion?

(Discussion and questions)

If there is no (further) discussion, I now put the motion to approve that Mr Phillip Small be elected as a Director of the Company.

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

40,278,059: for and 13 : against

Any undirected proxies given to the Chairman will be directed in favour of this resolution.

Those in favour of the resolution, please raise your **green** card.

Those against?

I declare the motion carried/lost.

RESOLUTION 3

As this resolution deals with my re-election it is appropriate that the Chair of the meeting be handed to an independent Director. Mr John Randall has agreed to assume the Chair while the meeting considers this resolution.

MR BANKS VACATES THE CHAIR

Mr Randall :

I now call upon the meeting:

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

“That Mr Damian Banks, a Director who was appointed as a Director by the Board in accordance with clause 3.3 of the Constitution of the Company, who retires in accordance

with clause 3.3 of the Constitution of the Company, ASX Listing Rule 14.4 and for all other purposes, and being eligible, offers himself for re-election as a Director, be re-elected as a Director of the Company effective immediately upon the close of the Meeting.”

I would like to remind shareholders that the Board (other than Mr Banks) recommends Damian’s re-election.

This resolution will be submitted to a show of hands.

Is there any discussion on the motion?

(Discussion and questions)

If there is no (further) discussion, I now put the motion to approve that Mr Damian Banks be elected as a Director of the Company.

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

40,278,060: for and 12 : against

Any undirected proxies given to the Chairman will be directed in favour of this resolution.

Those in favour of the resolution, please raise your **green** card.

Those against?

I declare the motion carried/lost.

If Mr Banks is successfully elected as a Director, Mr Randall will ask Mr Banks to resume as Chair of the meeting.

OTHER BUSINESS

In compliance with section 250S of the *Corporations Act 2001* (Cth) the shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business that may be brought forward at the meeting in accordance with the Constitution and the *Corporations Act 2001* (Cth)

Are there any questions or comments from the floor?

CLOSURE

There being no further business, ladies and gentlemen, I declare the Annual General Meeting of Konekt Limited closed.

Finally I would like to thank you for your attendance today and invite you to join us for tea and coffee.