

**IOT GROUP LIMITED ACN 140 475 921**  
**NOTICE OF MEETING**

IOT Group Limited  
Suite 902, Level 9  
100 William Street  
EAST SYDNEY NSW 2011

**1. GENERAL MEETING OF SHAREHOLDERS**

Notice is given that a General Meeting (**General Meeting**) of shareholders of IOT Group Limited (**IOT** or the **Company**) will be held at the Company's offices at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 on **Friday 14 December 2017 at 11:00 AM (Sydney time)**.

**ITEMS OF BUSINESS**

**1. Resolution 1 (a) - previous issue of ordinary shares**

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

*"That the issue of 72,416,666 fully paid ordinary shares in the Company on 26 June 2017 on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

**2. Resolution 1 (b) – previous issue of ordinary shares**

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

*"That the issue of 19,569,472 fully paid ordinary shares in the Company on 14 September 2017 on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

**3. Resolution 1 (c) previous issue of ordinary shares**

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

*"That the issue of 5,500,000 fully paid ordinary shares in the Company on 4 October 2017 on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

**4. Resolution 1 (d) previous issue of ordinary shares**

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

*"That the issue of 58,200,000 fully paid ordinary shares in the Company on 23 October 2017 on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

**5. Resolution 2 – issue of options to Sean Neylon or his nominee**

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

*"That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 20,000,000 options to acquire 20,000,000 ordinary shares in the capital of the Company to Sean Neylon, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting".*

**6. Resolution 3 – issue of options to John Forder or his nominee**

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

*“That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 10,000,000 options to acquire 10,000,000 ordinary shares in the capital of the Company to John Forder, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting”.*

**7. Resolution 4 – issue of options to Steven Kayalicos or his nominee**

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

*“That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 10,000,000 options to acquire 10,000,000 ordinary shares in the capital of the Company to Steven Kayalicos, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting.”*

**5. Resolution 5 - Issue of up to 150,000,000 ordinary shares**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to allow the Directors to issue up to 150,000,000 ordinary shares within 3 months after the AGM”.*

**6. Resolution 6 – Proposed grant of unlisted options (over ordinary class shares)**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to allow the Directors to issue up 58,200,000 unlisted options (over ordinary class shares) on the terms and conditions set out in the Explanatory Notes accompanying the notice of meeting”.*

**By Order of the Board**



Ron Hollands  
Company Secretary  
30 October 2017

## ELIGIBILITY TO VOTE

For the purpose of the General Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday 12 December 2017**.

## PROXIES

Each shareholder who is entitled to attend and vote at the General Meeting may appoint not more than two proxies to attend and vote at the General Meeting on the shareholder's behalf. A proxy need not be a shareholder of the Company, and may be either an individual or a body corporate. Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of the votes (disregarding fractions) on a poll.

***Direction to Chairman:*** If the Chairman of the General Meeting is appointed, or taken to be appointed, as proxy, the shareholder can direct the Chairman of the General Meeting to vote for or against or to abstain from voting on a resolution, by marking the appropriate box opposite each resolution on the Proxy Form. However, if a shareholder appoints the Chairman of the General Meeting as proxy and does not direct the Chairman how to vote on the proposed resolutions set out in this Notice, then **the Chairman intends to vote all available undirected proxies in favour of each of the proposed resolutions** (if a poll is called on the relevant resolution).

## CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or the proxy of a shareholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the General Meeting. The representative should bring to the meeting original documentary evidence of his or her appointment, including any authority under which the appointment is signed.

## VOTING EXCLUSIONS

### **Resolutions 1 (a) - previous issue of ordinary shares**

The Company will disregard any votes cast on the proposed Resolution 1 (a) by a person who participated in the issues (including Quid Capital Pty Ltd) and any of their associates.

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolutions 1 (b) - previous issue of ordinary shares**

The Company will disregard any votes cast on the proposed Resolution 1 (b) by a person (including Paraffin Capital Pty Ltd) who participated in the issues and any of their associates.

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 1 (c) - previous issue of ordinary shares**

The Company will disregard any votes cast on the proposed Resolution 1 (c) by a person who participated in the issues (including StocksDigital) and any of their associates.

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolutions 1 (d) - previous issue of ordinary shares**

The Company will disregard any votes cast on the proposed Resolution 1 (d) by a person who participated in the issues and any of their associates.

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 2 – issue of options to Sean Neylon or his nominee**

The Company will disregard any votes cast on the proposed Resolution 2 by any Director of the Company (who is eligible to participate in the employee incentive scheme for which approval is sought) and any associate of any such Director.

However, the Company need not disregard a vote if it is cast:

- by such person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 3 – issue of options to John Forder or his nominee**

The Company will disregard any votes cast on the proposed Resolution 3 by any Director of the Company (who is eligible to participate in the employee incentive scheme for which approval is sought) and any associate of any such Director.

However, the Company need not disregard a vote if it is cast:

- by such person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 4 – issue of options to Steven Kayalicos or his nominee**

The Company will disregard any votes cast on the proposed Resolution 4 by any Director of the Company (who is eligible to participate in the employee incentive scheme for which approval is sought) and any associate of any such Director.

However, the Company need not disregard a vote if it is cast:

- by such person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 5 - Issue of up to 150,000,000 Shares**

The Company will disregard any votes cast on the resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

#### **Resolution 6 - Proposed grant of unlisted options (over ordinary class shares)**

The Company will disregard any votes cast on the resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

### **PROXY DEADLINE**

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the General Meeting and the Special Meeting – that is, **by 11:00 AM (Sydney time) on Wednesday 12 December 2017**.

Documents may be lodged with the Company by:

1. Email to [investor@theiotgroup.com](mailto:investor@theiotgroup.com); or
2. Mail to: IOT Group Limited  
Suite 902, Level 9,  
100 William Street  
East Sydney NSW 2011

### **LOCATION AND TIME OF MEETING**

IOT Group Limited  
Suite 902, Level 9  
100 William Street  
EAST SYDNEY NSW 2011

The **General Meeting** will commence at **11.00 AM (Sydney time)** on **Friday 14 December 2017**.

**Public transport:** IOT's office is located near Kings Cross train station. The area is also serviced frequently by buses.

**Car:** There are also multiple public car parks located near 100 William Street Sydney. There is also limited paid on street parking available nearby.

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders concerning the business to be transacted at the General Meeting of shareholders (**General Meeting**) to be held at **11am (Sydney time)** on **Friday 14 December 2017**.

The Directors recommend shareholders read these Explanatory Notes in full before making any decision concerning the resolutions in question.

### ITEM 1 – PREVIOUS ISSUE OF ORDINARY SHARES (RESOLUTION 1 (a))

The ASX Listing Rules restrict the number of shares a listed Company may issue in any 12 months without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a Company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval of the issue of shares in this resolution is to ensure that the previous issue of shares as described below, does not reduce the Company's placement capacity under the Listing Rules ie: the Company's 15% placement capacity is freshened or reset.

As announced 26 June 2017, the Company issued 70,416,666 fully paid ordinary class shares for working capital purposes to professional and sophisticated investors at 1.2 cents/share (Total consideration received – \$845,000) and 2,000,000 fully paid ordinary class shares issued to Quid Capital Pty Ltd for investor relations services provided for \$nil consideration (deemed value at 1.2 cents/share of \$24,000). Professional and sophisticated investors were chosen to seek capital from for this placement as this was deemed the most efficient and cost effective method at the time to raise capital.

All the abovementioned ordinary shares have the same rights as existing ordinary shares in the Company.

Resolution 1(a) seeks shareholder ratification pursuant to Listing Rule 7.4 for the above prior issues.

At the date of this notice, the Company had issued 870,640,433 ordinary shares. If this resolution is approved by shareholders, the Company will be able to issue 15% of the sum of the above shares being a further 130,596,065 ordinary shares without shareholder approval, in the 12 month period to 14 December 2018.

The directors believe that it is important for, and in the best interests of, the Company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the Company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

#### **Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 1 (Resolution 1(a)).**

### ITEM 2 – PREVIOUS ISSUE OF ORDINARY SHARES (RESOLUTION 1 (b))

The ASX Listing Rules restrict the number of shares a listed Company may issue in any 12 months without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a Company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval of the issue of shares in this resolution is to ensure that the previous issue of shares as described below, does not reduce the Company's placement capacity under the Listing Rules ie: the Company's 15% placement capacity is freshened or reset.

As announced 14 September 2017, the Company issued 19,569,472 fully paid ordinary class shares at approximately 0.9 cents per share (Total consideration received - \$180,000) for working capital purposes to



Paraffin Capital Pty Ltd, a sophisticated investor who is an existing IOT shareholder. The shares issue price was priced at 75% of the average 5 days VWAP for the period 28 August 2017 to 1 September 2017.

All the abovementioned ordinary shares have the same rights as existing ordinary shares in the Company.

Resolution 1 (b) seeks shareholder ratification pursuant to Listing Rule 7.4 for the above prior issues.

At the date of this notice, the Company had issued 870,640,433 ordinary shares. If this resolution is approved by shareholders, the Company will be able to issue 15% of the sum of the above shares being a further 130,596,065 ordinary shares without shareholder approval, in the 12 month period to 14 December 2018.

The directors believe that it is important for, and in the best interests of, the Company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the Company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 2 (Resolution 1(b)).**

**ITEM 3 – PREVIOUS ISSUE OF ORDINARY SHARES (RESOLUTION 1 (c))**

The ASX Listing Rules restrict the number of shares a listed Company may issue in any 12 months without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a Company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval of the issue of shares in this resolution is to ensure that the previous issue of shares as described below, does not reduce the Company's placement capacity under the Listing Rules ie: the Company's 15% placement capacity is freshened or reset.

As announced 6 October 2017, the Company issued 5,500,000 fully paid ordinary class shares to StocksDigital for investor relations services provided and to be provided for \$nil consideration (deemed value at 1.0 cents/share of \$55,000).

All the abovementioned ordinary shares have the same rights as existing ordinary shares in the Company.

Resolution 1 (c) seeks shareholder ratification pursuant to Listing Rule 7.4 for the above prior issues.

At the date of this notice, the Company had issued 870,640,433 ordinary shares. If this resolution is approved by shareholders, the Company will be able to issue 15% of the sum of the above shares being a further 130,596,065 ordinary shares without shareholder approval, in the 12 month period to 14 December 2018.

The directors believe that it is important for, and in the best interests of, the Company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the Company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 3 (Resolution 1 (c)).**

**ITEM 4 – PREVIOUS ISSUE OF ORDINARY SHARES (RESOLUTION 1 (d))**

The ASX Listing Rules restrict the number of shares a listed Company may issue in any 12 months without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a Company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval of the issue of shares in this resolution is to ensure that the previous issue of shares as described below, does not reduce the Company's placement capacity under the Listing Rules ie: the Company's 15% placement capacity is freshened or reset.

As announced on 23 October 2017 the Company issued 58,200,000 new fully paid ordinary shares at 1.0 cents per share \$582,000 consideration (excluding costs). The new capital will be used to fund inventory purchases of Rova and Air Selfie units that will fill existing orders and future orders leading into the busiest period of the year for consumer electronics. The new shares were issued at a circa 6% premium to the 15-day Volume Weighted Average Price (VWAP) of 0.943 cents per share. Placement Participants will receive free attaching unlisted options on a 1 for 1 basis (subject to shareholder approval) exercisable at 1.25 cents each on or before 31 December 2019.

The above issue was made to professional and sophisticated investors only and new shares were issued under the Company's ASX Listing Rule 7.1A Placement Capacity. The Placement was not underwritten.

All the abovementioned ordinary shares have the same rights as existing ordinary shares in the Company.

Resolution 1 (d) seeks shareholder ratification pursuant to Listing Rule 7.4 for the above prior issues.

At the date of this notice, the Company had issued 870,640,433 ordinary shares. If this resolution is approved by shareholders, the Company will be able to issue 15% of the sum of the above shares being a further 130,596,065 ordinary shares without shareholder approval, in the 12 month period to 14 December 2018.

The directors believe that it is important for, and in the best interests of, the Company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the Company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 4 (resolution 1 (d)).**

**BACKGROUND INFORMATION FOR RESOLUTIONS 2, 3, and 4**

The Company has introduced the IoT Group Option Plan – refer Schedule 1 (**Plan**) to assist in the reward, motivation and retention of personnel (including executives and eligible employees) and to drive Company growth and therefore, shareholder returns. Below is a summary of the Plan:

1. **Eligibility:** The Board may determine from time to time that any employee, contractor, consultant, director of or to the Company or any Company in the corporate group or any individual who is otherwise engaged by the group to provide services is eligible to participate in the Plan (**Eligible Employee**).
2. **Instrument:** The Board may issue options to Eligible Employees which will entitle the Eligible Employee to acquire ordinary shares in the capital of the Company, subject to vesting and exercise of the options. The Board may issue the following types of options:
  - a) options with an exercise price that is greater than the market value of the underlying shares which may be acquired on exercise of the options at the date of issue of the options (referred to as **Premium Price Options**); and
  - b) options with an exercise price equal to the market value of the underlying shares which may be acquired on exercise of the options at the date of issue (referred to as **Market Price Options**).
3. **Exercise Price:** The exercise price for Market Price Options is equal to the market value of the underlying shares at the date of issue determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.  
The exercise price for Premium Price Options is greater than the market value of the underlying shares at the date of issue determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.
4. **Vesting Conditions:** Service and performance based vesting conditions apply to Market Price Options. Service based vesting conditions apply to Premium Price Options.

In accordance with the ASX Listing Rules, shareholder approval is required for the issue of securities (including rights to acquire securities) under an employee incentive scheme to a Director of the Company. Therefore, the purpose of the above resolutions is to obtain shareholder approval to the issue of options to the Directors of the Company.



## **RESOLUTION 2 – ISSUE OF A MAXIMUM 20,000,000 OPTIONS TO SEAN NEYLON OR HIS NOMINEE**

### **Summary**

Shareholders are asked to approve for all purposes (including ASX Listing Rule 10.14) the issue of a maximum of 20,000,000 Premium Price Options to acquire 20,000,000 ordinary shares in the capital of the Company (**Shares**) to Sean Neylon (**Neylon Options**), a Director of the Company, or his nominee.

The 20,000,000 Premium Price Options contemplated by Resolution 2 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 4 October 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the Neylon Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The Neylon Options do not carry dividend or voting rights. The Shares delivered on exercise of the Neylon Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company. ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

### **IoT Group Option Plan (Plan)**

Premium Price Options may be issued to Eligible Employees at the discretion of the Board in accordance with the Plan rules. There is no ability for the Company to provide any cash equivalent on exercise. The Neylon Options will vest immediately following their issue and may be exercised by Sean Neylon any time prior to 31 December 2027, after which any vested but unexercised Neylon Options will lapse. As the Neylon Options exercise price is significantly greater than the market value of a Share at the date of issue, the Share price must increase above this premium for any value to be realised by Sean Neylon (**Performance Hurdle**).

In the Board's view, the Performance Hurdle that must be satisfied before any value may be realised by Sean Neylon links the ultimate value of the Neylon Options to the continued growth of the Company's earnings and shareholder returns and therefore provides a major incentive for Sean Neylon and the shareholders to ensure the Company continues its growth trajectory.

### **Termination of employment**

If Sean Neylon's employment is terminated for any reason, Sean Neylon may retain all vested Neylon Options. As the Neylon Options vest immediately following their issue, there will be no unvested Neylon Options.

### **Shareholder approval**

ASX Listing Rule 10.14 requires Shareholder approval before a Director can acquire securities or rights to securities under an employee incentive scheme. Approval from Shareholders is being sought to issue the Neylon Options to Sean Neylon under the Plan during the Issue Period.

### **Information required by ASX Listing Rule 10.15**

#### **1. Number of Options**

The maximum number of Premium Price Options that may be granted to Sean Neylon within the Issue Period is 20,000,000.

On the issue of the Neylon Options, Sean Neylon may acquire a maximum of 20,000,000 ordinary shares. Each Neylon Option will, upon issue, become exercisable and entitle the holder to one Share for each Neylon Option. Any vested but unexercised Neylon Options will expire on 31 December 2027.

On exercise of the Neylon Options, the Board will determine whether to purchase Shares on market or to issue new Shares.

The price for the issue of the Neylon Options is \$0.0001 per Neylon Option. The exercise price of 10,000,000 Neylon Options is \$0.05 per Premium Price Option and the exercise price of the residual 10,000,000 Neylon Options is \$0.075 per Premium Price Option.

These exercise prices are greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

**2. Persons who received Securities under the Plan since last approval**

No Securities have been issued to persons under the Plan since the last approval.

**3. Persons who are entitled to participate in the Plan**

Eligibility to participate in the Plan will be determined by the Board in accordance with the Plan. Currently, the Board have determined that all current Directors, senior management and staff are eligible to participate in the Plan. The names of the current Directors of the Company are Sean Neylon, John Forder and Steven Kayalicos.

**4. Terms of any related loan**

There is no loan to be provided by the Company concerning the issue of the Neylon Options and, subject to exercise, the underlying Shares to Sean Neylon.

**5. Issue date of Options**

The Neylon Options will be issued to Sean Neylon or his nominee within the Issue Period (and in any event, no later than 12 months after this meeting), on the conditions described in this Explanatory Note.

**Directors' recommendation**

**Given the interest of the Directors in the subject matter of this resolution, the Board makes no recommendation to shareholders on this resolution.**

**RESOLUTION 3 – ISSUE OF 10,000,000 OPTIONS TO JOHN FORDER OR HIS NOMINEE**

**Summary**

Shareholders are asked to approve for all purposes (including ASX Listing Rule 10.14) the issue of a maximum of 10,000,000 Premium Price Options to acquire 10,000,000 ordinary shares in the capital of the Company (**Shares**) to John Forder (**Forder Options**), a Director of the Company, or his nominee.

The 10,000,000 Premium Price Options contemplated by Resolution 3 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 4 October 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the Forder Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The Forder Options do not carry dividend or voting rights. The Shares delivered on exercise of the Forder Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company. ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

**IoT Group Option Plan (Plan)**

Premium Price Options may be issued to Eligible Employees at the discretion of the Board in accordance with the Plan rules. There is no ability for the Company to provide any cash equivalent on exercise.

The Forder Options will vest immediately following their issue and may be exercised by John Forder any time prior to 31 December 2027, after which any vested but unexercised Forder Options will lapse.

As the Forder Options exercise price is significantly greater than the market value of a Share at the date of issue, the Share price must increase above this premium for any value to be realised by John Forder (**Performance Hurdle**).

In the Board's view, the Performance Hurdle that must be satisfied before any value may be realised by John Forder links the ultimate value of the Forder Options to the continued growth of the Company's earnings and shareholder returns and therefore provides a major incentive for John Forder and the shareholders to ensure the Company continues its growth trajectory.

### **Termination of employment**

If John Forder's employment is terminated for any reason, John Forder may retain all vested Forder Options. As the Forder Options vest immediately following their issue, there will be no unvested Forder Options.

### **Shareholder approval**

ASX Listing Rule 10.14 requires Shareholder approval before a Director can acquire securities or rights to securities under an employee incentive scheme. Approval from Shareholders is being sought to issue the Forder Options to John Forder under the Plan during the Issue Period.

### **Information required by ASX Listing Rule 10.15**

#### **1. Number of Options**

The maximum number of Premium Price Options that may be granted to John Forder within the Issue Period is 10,000,000.

On the issue of the Forder Options, John Forder may acquire a maximum of 10,000,000 ordinary shares.

Each Forder Option will, upon issue, become exercisable and entitle the holder to one Share for each Forder Option. Any vested but unexercised Forder Options will expire on 31 December 2027.

On exercise of the Forder Options, the Board will determine whether to purchase Shares on market or to issue new Shares.

The price for the issue of the Forder Options is \$0.0001 per Forder Option. The exercise price of 5,000,000 Forder Options is \$0.05 per Premium Price Option and the exercise price of the residual 5,000,000 Forder Options is \$0.10 per Premium Price Option.

These exercise prices are greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

#### **2. Persons who received Securities under the Plan since last approval**

No Securities have been issued to persons under the Plan since the last approval.

#### **3. Persons who are entitled to participate in the Plan**

Eligibility to participate in the Plan will be determined by the Board in accordance with the Plan. Currently, the Board have determined that all current Directors, senior management and staff are eligible to participate in the Plan. The names of the current Directors of the company are Sean Neylon, John Forder and Steven Kayalicos.

#### **4. Terms of any related loan**

There is no loan to be provided by the Company concerning the issue of the Forder Options and, subject to exercise, the underlying Shares to John Forder.

#### **5. Issue date of Options**

The Forder Options will be issued to John Forder or his nominee within the Issue Period (and in any event, no later than 12 months after this meeting), on the conditions described in this Explanatory Note.

### **Directors' recommendation**

**Given the interest of the Directors in the subject matter of this resolution, the Board makes no recommendation to shareholders on this resolution.**

## **RESOLUTION 4 – ISSUE OF 10,000,000 OPTIONS TO STEVEN KAYALICOS OR HIS NOMINEE**

### **Summary**

Shareholders are asked to approve for all purposes (including ASX Listing Rule 10.14) the issue of a maximum of 10,000,000 Premium Price Options to acquire 10,000,000 ordinary shares in the capital of the Company (**Shares**) to Steven Kayalicos (**Kayalicos Options**), a Director of the Company, or his nominee.

The 10,000,000 Premium Price Options contemplated by Resolution 4 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 4 October 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the Kayalicos Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The Kayalicos Options do not carry dividend or voting rights. The Shares delivered on exercise of the Kayalicos Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company. ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

### **IoT Group Option Plan (Plan)**

Premium Price Options may be issued to Eligible Employees at the discretion of the Board in accordance with the Plan rules. There is no ability for the Company to provide any cash equivalent on exercise.

The Kayalicos Options will vest immediately following their issue and may be exercised by Steven Kayalicos any time prior to 31 December 2027, after which any vested but unexercised Kayalicos Options will lapse.

As the Kayalicos Options exercise price is significantly greater than the market value of a Share at the date of issue, the Share price must increase above this premium for any value to be realised by Steven Kayalicos (**Performance Hurdle**).

In the Board's view, the Performance Hurdle that must be satisfied before any value may be realised by Steven Kayalicos links the ultimate value of the Kayalicos Options to the continued growth of the Company's earnings and shareholder returns and therefore provides a major incentive for Steven Kayalicos and the shareholders to ensure the Company continues its growth trajectory.

### **Termination of employment**

If Steven Kayalicos's employment is terminated for any reason, Steven Kayalicos may retain all vested Kayalicos Options. As the Kayalicos Options vest immediately following their issue, there will be no unvested Kayalicos Options.

### **Shareholder approval**

ASX Listing Rule 10.14 requires Shareholder approval before a Director can acquire securities or rights to securities under an employee incentive scheme. Approval from Shareholders is being sought to issue the Kayalicos Options to Steven Kayalicos under the Plan during the Issue Period.

### **Information required by ASX Listing Rule 10.15**

#### **1. Number of Options**

The maximum number of Premium Price Options that may be granted to Steven Kayalicos within the Issue Period is 10,000,000.

On the issue of the Kayalicos Options, Steven Kayalicos may acquire a maximum of 10,000,000 ordinary shares. Each Kayalicos Option will, upon issue, become exercisable and entitle the holder to one Share for each Kayalicos Option. Any vested but unexercised Kayalicos Options will expire on 31 December 2027.

On exercise of the Kayalicos Options, the Board will determine whether to purchase Shares on market or to issue new Shares.

The price for the issue of the Kayalicos Options is \$0.0001 per Kayalicos Option. The exercise price of 5,000,000 Kayalicos Options is \$0.05 per Premium Price Option and the exercise price of the residual 5,000,000 Kayalicos Options is \$0.10 per Premium Price Option.

These exercise price is greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

**2. Persons who received Securities under the Plan since last approval**

No Securities have been issued to persons under the Plan since the last approval.

**3. Persons who are entitled to participate in the Plan**

Eligibility to participate in the Plan will be determined by the Board in accordance with the Plan. Currently, the Board have determined that all current Directors, senior management and staff are eligible to participate in the Plan. The names of the current Directors of the company are Sean Neylon, John Forder and Steven Kayalicos.

**4. Terms of any related loan**

There is no loan to be provided by the Company concerning the issue of the Kayalicos Options and, subject to exercise, the underlying Shares to Steven Kayalicos.

**5. Issue date of Options**

The Kayalicos Options will be issued to Steven Kayalicos or his nominee within the Issue Period (and in any event, no later than 12 months after this meeting), on the conditions described in this Explanatory Note.

**Directors' recommendation**

**Given the interest of the Directors in the subject matter of this resolution, the Board makes no recommendation to shareholders on this resolution.**

**RESOLUTION 5 – ISSUE OF UP TO 150,000,000 ORDINARY SHARES**

The ASX Listing Rules restrict the number of shares a listed Company may issue in any 12 months without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions.

Listing Rule 7.1 however allows a Company, with shareholder approval, to obtain approval to issue equity securities in the Company above this amount.

This resolution seeks shareholder approval to allow the Company to issue a maximum of up to 150,000,000 ordinary shares in the Company, in addition to the abovementioned 15%, for the purposes of Listing Rule 7.1.

The Company provides the following information concerning this matter pursuant to Listing Rule 7.3:

- a) The Company seeks to issue a maximum of up to 150,000,000 ordinary shares.
- b) The Company will issue seek to issue a maximum of up to 150,000,000 ordinary shares by 14 March 2018, being within 3 months of the 14 December 2017 Shareholder Meeting.
- c) Any share issued under this resolution will be issued at a minimum price equal to at least 80% of the Volume Weighted Average Price for the Company's ordinary shares over the last 5 trading days on which trades in that class were recorded before the day in which the issue was made.
- d) The basis upon which persons will be identified or selected has not yet been determined but is expected to be professional and sophisticated investors.
- e) The ordinary shares will be issued with the same rights as existing ordinary class shares.
- f) Whilst the Company does not have any immediate plans to issue shares under this resolution, the expected purpose for which shares may be issued pursuant to this resolution is working capital purposes.
- g) Any ordinary shares issued under approval of this resolution will be issued by 14 March 2018, being within 3 months of the 14 December 2017 Shareholder Meeting.

- h) At the date of this notice, the Company had issued 870,640,433 ordinary shares. If this resolution and resolutions 1 (a), (b), (c) and 9d) above are approved by shareholders, the Company will be able to issue;
- a further 130,596,065 ordinary shares without shareholder approval in the 12 month period to 14 December 2018 per resolution 1 above; and
  - a further 150,000,000 ordinary shares without shareholder approval in the 3 month period to 14 March 2018 per this resolution.

The directors believe that it is important for, and in the best interests of, the Company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the Company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

**Directors' recommendation**

**The Directors unanimously recommend that shareholders vote in favour of Item 5.**

**RESOLUTION 6 – PROPOSED GRANT OF UNLISTED OPTIONS (OVER ORDINARY SHARES)**

This resolution proposed the grant of 58,200,000 unlisted options (over ordinary shares) to the parties that subscribed to 58,200,000 ordinary class shares that are part of Resolution 1 (c) as described in the Explanatory Notes to Resolution 1 (c).

The following information is provided concerning the abovementioned options:

- (1) 58,200,000 unlisted options (over ordinary shares) is the maximum number of options to be issued.
- (2) The options will be issued by 14 March 2018 being 3 months after the date of this meeting. All options will be issued on one date within this 3 month period.
- (3) The options are to be issued at \$nil cost on the basis of 1 option for every 1 Share issued to subscribers to the placement shares undertaken on 23 October 2017.
- (4) The allottees are professional and sophisticated investors.
- (5) As the options are being issued for \$nil consideration, no funds will be raised from their issue.
- (6) Allottees will receive free attaching unlisted options on a 1 for 1 basis (subject to shareholder approval) exercisable at 1.25 cents each on or before 31 December 2019.
- (7) The rights of an option holder can be changed to comply with listing rules applying to a reorganisation of capital at the time of a reorganisation.
- (8) The non-exercise of the abovementioned options will preclude allottees from participating in future issues of securities ie: an option holder cannot participate in future issues of securities until they exercise their respective options.
- (9) All terms and conditions attached to these options will not be changed except to the extent (7) above may apply.



### Proxy Form for Shareholders

Shareholder  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

1. I / We (please print): Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Security Holder Reference Number (if known) \_\_\_\_\_

### 2. Appointment of Proxy

I / We being a member/s of IOT Group Limited hereby appoint

☐

**The Chairman of the Meeting**  
(mark with an "x")

or

(Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting)

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of shareholders of IOT Group Limited to be held at the offices of the Company at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 at **11am (Sydney time) on Friday 14 December 2017** and at any adjournment of that meeting.

### 3. Votes on Resolution directions to your proxy – please mark with a cross to indicate your directions

		For	Against	Abstain
Resolution 1 (a)	Previous issue of ordinary shares - 72,416,666 ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1 (b)	Previous issue of ordinary shares - 19,569,472 ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1 (c)	Previous issue of ordinary shares - 5,500,000 ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1 (d)	Previous issue of ordinary shares - 58,200,000 ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of options to Sean Neylon or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of options to John Forder or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of options to Steven Kayalicos or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of up to 150,000,000 ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Proposed grant of options (over ordinary shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** Undirected proxies received by the Chairman of the meeting will be voted in favour of each item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on a Resolution by marking the relevant box opposite the Resolution. Note that under Section 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite a Resolution, you are directing the Chairman to vote in favour of the relevant Resolution.

4. \_\_\_\_\_ **Appointment of a Second Proxy** I/We wish to appoint a second proxy  
State the percentage of your voting rights  
Or the number of shares for this Proxy  
Form

<input type="checkbox"/>	Mark with an "x" if you wish to appoint a second proxy	<input type="text"/>	%	or	<input type="text"/>	No. of shares:
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#### 5. Authorised Signature/s

This section must be signed in accordance with the instructions provided to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
<input type="checkbox"/> x <input type="text"/>	<input type="text"/>	<input type="text"/>
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact daytime telephone

\_\_\_\_\_  
Email

\_\_\_\_\_  
Date

Completed proxy forms must be received by the Company no later than **11am (Sydney time) on Wednesday 12 December 2017** to be valid. You may return the form by:

1. Email to [investor@theiotgroup.com](mailto:investor@theiotgroup.com) ; or
2. Mail to: IOT Group Limited  
Suite 902, Level 9, 100 William Street  
East Sydney NSW 2011

#### How to Complete this Proxy Form

##### (a) Your Name and Address

The name and address on the Proxy Form is as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form.

##### (b) Appointment of a Proxy

If you wish to appoint the Chairman of the General Meeting or the Special Meeting as your proxy, mark the box in Section 2. If the person you wish to appoint as your proxy is someone other than the Chairman of the General Meeting or the Special Meeting, please write the name of the person in Section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the General Meeting or the Special Meeting will be your proxy. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

##### (c) Votes on Items of Business

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

##### (d) Appointment of Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy, you must:

- A. On each of the first Proxy Form and the second Proxy Form state that percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, your proxy appointments will be invalid. Fractions of votes will be disregarded.
- B. Return both forms together.

**(e) Signing instructions**

You must sign this form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, either security holder may sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the Company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

**(f) Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail or email) by not later than 48 hours before commencement of the meeting ie **11am (Sydney time) Wednesday 12 December 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.