

IOT GROUP LIMITED - NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of IOT Group Limited (ACN 140 475 921) (**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 **Wednesday, 23 May 2018** at 11:00 AM (Sydney time).

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2017 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 31 December 2017."

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – JOHN FORDER

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

"That, for the purpose of clause 37.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, John Forder, a Director who was appointed casually on 23 August 2017, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – STEVEN KAYALICOS

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

"That, for the purpose of clause 37.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Steven Kayalicos, a Director who was appointed casually on 21 August 2017, retires, and being eligible, is elected as a Director."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – SEAN NEYLON

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

"That, for the purpose of clause 37.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Sean Neylon, a Director who was appointed casually on 21 August 2017, retires, and being eligible, is elected as a Director."

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Options on the terms and conditions set out in the Explanatory Statement."

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 46,052,631 Shares on the terms and conditions set out in the Explanatory Statement.”

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

11. RESOLUTION 10 – ADOPTION OF IOT GROUP OPTION PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled IoT Group Option Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

12. RESOLUTION 11 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY – SEAN NEYLON

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Options as Director incentive remuneration to Sean Neylon (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

13. RESOLUTION 12 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY – JOHN FORDER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Options as Director incentive remuneration to John Forder (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

14. RESOLUTION 13 – ISSUE OF INCENTIVE OPTIONS TO RELATED PARTY – STEVEN KAYALICOS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Options as Director incentive remuneration to Steven Kayalicos (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Dated: 20 April 2018

By order of the Board



**RON HOLLANDS
COMPANY SECRETARY**

ELIGIBILITY TO VOTE

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

*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 Shareholders at **7:00PM (AEDT) on 21 May 2018**.*

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8318 7724.

VOTING PROHIBITIONS AND EXCLUSIONS

Resolution 1 – Adoption of Remuneration Report

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 5– Ratification of Prior Issues

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely Nigel Braund, Alex Shapilsky) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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 6 – Ratification of Prior Issue

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely Quid Capital Pty Limited and Paraffin Capital Pty Limited) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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 7– Ratification of Prior Issue

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely Sports Health & Allied Professionals and Executives (Shape) Pty Ltd) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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 8 – Ratification of Prior Issue

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely Run-A Australia Pty Ltd) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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 9 – Ratification of Prior Issue

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue (namely SJ Capital Pty Ltd) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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 10 – Adoption of IOT Group Option Plan

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 11– Issue of Incentive Options to Related Party – Sean Neylon

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director who is eligible to participate in the IoT Group Option Plan in respect of which the approval is sought, or any associates of those Directors (**Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not an Excluded Party, it is cast 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.
- Provided the Chair is not an Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 12 – Issue of Incentive Options to Related Party – John Forder

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director who is eligible to participate in the IoT Group Option Plan in respect of which the approval is sought, or any associates of those Directors (**Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not an Excluded Party, it is cast 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.
- Provided the Chair is not an Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 13 – Issue of Incentive Options to Related Party – Steven Kayalicos

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director who is eligible to participate in the IoT Group Option Plan in respect of which the approval is sought, or any associates of those Directors (**Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not an Excluded Party, it is cast 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.
- Provided the Chair is not an Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolutions 14 – Approval of 10% Placement Capacity

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. 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 31 December 2017 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 <http://www.theiotgroup.com>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 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.

2.2 Voting consequences

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 immediately 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.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 - 4 – ELECTION OF DIRECTORS

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

3.2 Resolution 2 – Election of John Forder

John Forder, having been appointed by other Directors on 23 August 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Forder is an experienced senior e-commerce change manager from the traditional "bricks and mortar" to the new world of e-commerce logistics and 3PL. Mr Forder has a complex range of skills in the unique e-commerce environment, in particular the establishment and management of third party logistics operations and supply chain solutions tailor made for the e-commerce unique requirements. Mr Forder is considered to be an excellent influencer of senior management having had 15 years' experience of influencing at all levels including CEO's/Board Directors.

The Company considers that Mr Forder has a proven track record in solution design for FMCG, Retail, B2C, B2B and Industrial Logistics coupled with a sound base in IT solutions, IT project management and compliance. Further, the Company considers that Mr Forder is a solid leader of people in IT solutions, operational and project environments in the e-commerce and 3PL. Mr Forder has consulted in numerous e-commerce transitions and integration.

Mr Forder has a direct interest in 50,000 ordinary class shares and 10,000,000 Options in the Company.

If elected the board considers Mr Forder will be an independent director.

3.3 Resolution 3 – Election of Steven Kayalicos

Steven Kayalicos, having been appointed by other Directors on 21 August 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Kayalicos is an experienced Director and a strong professional with a demonstrated history of working in the consumer goods industry. Mr Kayalicos is skilled in marketing, management, negotiation, sales, retail, sourcing, manufacturing and international business.

Mr Kayalicos has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

Mr Kayalicos has an indirect interest in 2,376,316 Shares and 13,505,259 Options.

If elected the board considers Mr Kayalicos will be an independent director.

3.4 Resolution 4 – Election of Sean Neylon

Sean Neylon, having been appointed by other Directors on 21 August 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Neylon is the founder of the IOT Group. He has a long background in entrepreneurship and sales, marketing and capital raising within start-up and growth businesses.

Mr Neylon has an indirect interest in 44,519,264 Shares and 59,568,361 Options in the capital of the Company.

If elected the board does not consider Mr Neylon will be an independent director.

3.5 Board recommendation

The Board supports the re-election of Messrs Forder, Kayalicos and Neylon and recommends that Shareholders vote in favour of Resolutions 2 - 4.

4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – OPTIONS

4.1 General

On 19 October 2017, the Company issued 20,000,000 Options with the intention of motivating and retaining senior management of the Company.

Entity	Options	Exercise Price	Expiry Date
Nigel Braund	5,000,000	\$0.05	31/12/2027
	5,000,000	\$0.10	31/12/2027
Alex Shapilsky	5,000,000	\$0.05	31/12/2027
	5,000,000	\$0.10	31/12/2027

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made without Shareholder approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 20,000,000 Options were issued, comprising of:
 - (i) 10,000,000 Options to Nigel Braund; and
 - (ii) 10,000,000 Options to Alex Shapilsky;
- (b) the Options were issued for \$0.0001/option cash consideration to encourage and motivate senior management of the Company;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Nigel Braund and Alex Shapilsky who are not related parties of the Company; and
- (e) only nominal funds of \$2,000 were raised from the issue of these Options as the Options were predominantly being issued to encourage and motivate senior management of the Company. The funds raised were used for working capital purposes.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

5.1 General

On 10 November 2017, the Company issued 6,000,000 Shares, comprising of 5,000,000 Shares issued in consideration for consulting services provided by Quid Capital Pty Limited, and 1,000,000 Shares issued in consideration for broking services provided by Paraffin Capital Pty Limited.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 6,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of consulting and broking services provided by Quid Capital Pty Limited and Paraffin Capital Pty Limited;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Quid Capital Pty Limited and Paraffin Capital Pty Limited, who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for consulting and broking services provided by Quid Capital Pty Limited and Paraffin Capital Pty Limited.

6. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – OPTIONS

6.1 General

On 11 December 2017, the Company issued 5,000,000 Options in consideration for invoice financing services provided by Sports Health & Allied Professionals and Executives (Shape) Pty Ltd (ACN 006 800 308) (**Sports Health**).

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 5,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Sports Health, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Options were primarily issued in consideration for invoice financing services provided by Sports Health.

7. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES

7.1 General

As announced on 9 March 2018, the Company has acquired 3,000,000 fully paid ordinary shares and 1,500,000 free-attaching performance options in Run-A Australia Pty Ltd (ACN 615 795 027) (**Acquisition**).

On 8 March 2018, the Company issued 46,052,631 Shares in consideration for the Acquisition.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 46,052,631 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of the Acquisition;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued to Run-A Australia Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for the Acquisition.

8. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – SHARES

8.1 General

On 14 March 2018, the Company issued 15,000,000 Shares at an issue price of \$0.005 per Share to raise \$75,000.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 15,000,000 Shares were issued;
- (b) the issue price was \$0.005 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to SJ Capital Pty Limited, who is not a related party of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

9. RESOLUTION 10 – APPROVAL OF IOT GROUP OPTION PLAN

Resolution 10 seeks Shareholders approval for the adoption of the employee incentive scheme titled IoT Group Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that the Plan has not previously been approved.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

10. RESOLUTIONS 11 TO 13 – ISSUE OF INCENTIVE OPTIONS

10.1 General

The Company has agreed to issue a total of 62,000,000 Options (**Related Party Options**) to Sean Neylon, John Forder and Steven Kayalicos (**Related Parties**) in the proportions and on the terms and conditions set out below.

10.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

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 the Related Party Options constitutes giving a financial benefit and Messrs Sean Neylon, John Forder and Steven Kayalicos are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As it is proposed that Related Party Options be issued to all of the Company's Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to these issues. Accordingly, Shareholder approval is sought for the purpose of section 208 of the Corporations Act for the issue of the Related Party Options to the Directors.

10.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Options to the Eligible Participants:

- (a) the related parties are Messrs Neylon, Forder and Kayalicos and they are related parties by virtue of being Directors;
- (b) the maximum number of Options to be issued to the Eligible Participants (or their nominees) is 62,000,000, to be issued in the proportions set out in the table below:

Related Party	Options \$0.011 Expiry: 31 Jan 2019	Options \$0.0125 Expiry: 31 Dec 2025	Options \$0.02 Expiry: 31 Dec 2025	Total
Sean Neylon	2,000,000	18,000,000	30,000,000	50,000,000

John Forder	Nil	1,000,000	5,000,000	6,000,000
Steven Kayalicos	Nil	1,000,000	5,000,000	6,000,000

- (c) the Related Party Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date;
- (d) the Related Party Options will be granted for \$0.0001 each;
- (e) the key terms and conditions of the Related Party Options are set out in Schedule 3;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 4;
- (g) the Plan has not previously been approved by Shareholders;
- (h) no loan will be provided to the Related Parties with respect to the Related Party Options;
- (i) all Directors of the Company (namely Sean Neylon, John Forder and Steven Kayalicos) are eligible to participate in the Plan;
- (j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options
Sean Neylon	44,519,264	59,568,361
John Forder	50,000	10,000,000
Steven Kayalicos	2,376,316	13,505,259

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	FY 2017 Actual	FY 2017 Actual	FY 2018 Estimate
Sean Neylon	\$380,350	\$409,914	\$396,000
John Forder	Nil	\$16,500	\$66,000
Steven Kayalicos	Nil	\$18,451	\$66,000

- (l) if the Related Party Options granted to the Related Parties are exercised, a total of 62,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,180,326,260 to 1,242,326,260 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.99%, comprising 4.03% by Mr Sean Neylon, 0.48% by Mr John Forder and 0.48% by Mr Steven Kayalicos.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	\$0.033	27 March 2017

Lowest	\$0.005	15 March – 19 March 2018
Last	\$0.004	17 April 2018

- (n) the Board acknowledges the grant of Related Party Options to the Related Parties is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to the Related Parties reasonable in the circumstances for the reason set out in paragraph (p);
- (o) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (p) Sean Neylon declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 11 be passed. However, in respect of Resolutions 12 and 13, Mr Neylon recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (q) John Forder declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 11 and 13, Mr Forder recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (r) Steven Kayalicos declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 11 and 12, Mr Kayalicos recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the existing and proposed contribution of each Related Party to the Company and the current market practices when determining the number of Related Party Options to be issued; and
- (t) 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 Resolutions 11 to 13.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issued of Related Party Options to the Related Parties because approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

11.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to

that number of Equity Securities (as defined below) equal to 10% of its issued capital on issue 12 months before the issue date or date of agreement to issue (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$4,721,305 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 April 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under Listing Rule 7.1A.2 must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: IOT) and quoted Options (ASX:IOTO).

If Shareholders approve Resolution 14, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 14 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 14 for it to be passed.

11.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 14:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average market price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 ASX trading days of the date in section (i), the date on which the securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 18 April 2018.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Shareholders should note that there is a risk of economic and voting dilution of existing ordinary security holders that may result from an issue of Equity Securities under Listing Rule 7.1A.2 including a risk that:

- (i) the market price for the Equity Securities in that class may be significantly lower on the issue date than on the date of approval under Listing Rule 7.1A; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0020 50% decrease in Issue Price	\$0.0040 Issue Price	\$0.0060 50% increase in Issue Price
1,199,127,863 (Current Variable A)	Shares issued - 10% voting dilution	119,912,786 Shares	119,912,786 Shares	119,912,786 Shares
	Funds raised	\$239,826	\$479,651	\$719,477
1,798,691,795 (50% increase in Variable A)	Shares issued - 10% voting dilution	179,869,179 Shares	179,869,179 Shares	179,869,179 Shares
	Funds raised	\$359,738	\$719,477	\$1,079,215
2,398,255,726 (100% increase in Variable A)	Shares issued - 10% voting dilution	239,825,572 Shares	239,825,572 Shares	239,825,572 Shares
	Funds raised	\$479,651	\$959,302	\$1,438,953

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 1,180,326,260 Shares and 18,801,603 quoted Options on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 18 April 2018.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options (being 18,801,603 quoted Options) are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of investments and/or for working capital purposes; or
- (ii) as non-cash consideration for the acquisition of investments and/or for working capital purposes (in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. It is likely that the recipients will be professional investors.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 31 May 2017 (**Previous Approval**).

The Company has issued 39,500,000 Shares pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 31 May 2017, the Company also issued a further 426,371,964 Shares, 143,200,000 Unquoted Options and 18,801,603 Quoted Options which represents approximately 65.92% of the total diluted number of Equity Securities on issue in the Company on 31 May 2017, which was 892,623,405.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 5.

11.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.

LOCATION OF ANNUAL GENERAL MEETING - IOT GROUP LIMITED, SUITE 902, LEVEL 9, 100 WILLIAM STREET, EAST SYDNEY NSW 2010 AT 11.00 AM (Sydney time) ON WEDNESDAY, 23 May 2018

Public transport: IOT's office is located near Town Hall and Kings Cross train stations. The area is also serviced frequently by buses.

Car: There is public carparks and on street parking located near 100 William Street, East Sydney.

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 Chair of the meeting, or the Chair's nominee, 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 Annual General Meeting of IOT Group Limited to be held at the offices of the company at Suite 902, Level 9, 100 William Street, East Sydney NSW 2010 at **11am on Wednesday, 23 May 2018** and at any adjournment of that meeting.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 10, 11, 12 and 13 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 10, 11, 12 and 13 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – John Forder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Steven Kayalicos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Sean Neylon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue – 20,000,000 Options (Nigel Braund and Alex Shapilsky)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue – 6,000,000 Shares (Quid Capital Pty Limited and Paraffin Capital Pty Limited)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue – 5,000,000 Options (Sports Health & Allied Professionals and Executives (Shape) Pty Ltd)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Prior Issue – 46,052,631 Shares (Run-A Australia Pty Ltd)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of Prior Issue – 15,000,000 Shares (SJ Capital Pty Limited)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Adoption of IOT Group Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of 50,000,000 Incentive Options to Related Party – Sean Neylon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of 6,000,000 Incentive Options to Related Party – John Forder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Issue of 6,000,000 Incentive Options to Related Party – Steven Kayalicos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

☐ Mark with an “x” if you wish
to appoint a second proxy

and

or

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 <div style="border: 1px solid black; padding: 2px; display: flex; align-items: center;"> x <div style="flex-grow: 1;"></div> </div> Individual/Sole Director and Sole Company Secretary	Security Holder 2 <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> Director	Security Holder 3 <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> Director/Company Secretary
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Contact Name</div> <div style="width: 55%;">Contact daytime telephone</div> </div>		
Email		Date

Completed proxy forms must be received by the Company no later than 11am on Monday, 21 May 2018 to be valid. You may return the form by:

1. Email to investor@theiotgroup.com ; or
2. Mail to: IOT Group Limited, Suite 902, Level 9, 100 William Street, East Sydney NSW 2000

Proxy Forms received later than this time will be invalid.

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 Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the 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 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 Monday, 21 May 2018**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS – RESOLUTIONS 5 AND 7

1. Specific Terms and Conditions of Options – Resolution 5

Subject to paragraph 3(g) below, the amount payable upon exercise of each Option (each, an **Exercise Price**) and the date of expiry of each Option (each an **Expiry Date**) is set out in the table below. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Optionholder	Options	Exercise Price	Expiry Date
Nigel Braund	5,000,000	\$0.05	31/12/2027
	5,000,000	\$0.10	31/12/2027
Alex Shapilsky	5,000,000	\$0.05	31/12/2027
	5,000,000	\$0.10	31/12/2027

2. Specific Terms and Conditions of Options – Resolution 7

Subject to paragraph 3(g) below, the amount payable upon exercise of each Option (each, an **Exercise Price**) and the date of expiry of each Option (each an **Expiry Date**) is set out in the table below. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Proposed Optionholder	Options	Exercise Price	Expiry Date
Sports Health & Allied Professionals and Executives (Shape) Pty Ltd	5,000,000	\$0.015	30/06/2019

3. General Terms and Conditions of Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(c) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(d) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(e) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (e)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(f) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(g) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(i) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(j) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – SUMMARY OF IOT GROUP OPTION PLAN

The key terms of the IoT Group Option Plan are as follows. A copy of the IoT Group Option Plan is available upon request from the Company Secretary by contacting him on 02 9318 7724:

- (a) **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**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Employee will be offered Options under the Plan.
- (c) **Offer:** The Board may issue an offer to an Eligible Employee to participate in the Plan. The offer:
 - (i) will invite application for the number of Options specified in the offer;
 - (ii) will specify the exercise price for the Options or the manner in which the exercise price is to be calculated;
 - (iii) will specify the exercise period for the Options;
 - (iv) will specify any restriction conditions applying to the Options; and
 - (v) specify any other terms and conditions attaching to the Options.
- (d) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (e) **Exercise Restrictions:** The Options granted under the IoT Group Option Plan may be subject to conditions on exercise as may be fixed by the Board prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Board must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
 - (i) on its Expiry Date; or
 - (ii) subject to certain good leaver exceptions or a determination by the Board, where the Eligible Employee ceases to be an Eligible Employee.
- (g) **Power of Attorney:** Each Eligible Employee, in consideration of the issue of Options, shall be deemed to irrevocably appoint the Company, and any person nominated from time to time by the Company (each an **Attorney**) severally, as the Eligible Employees' attorney to complete and execute any documents including applications for Option Shares and Option Share transfers and to do all things necessary on behalf of and in the name of the Eligible Employee which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan rules.

Plan limit: The Company will comply with such legal and regulatory limits (including those imposed by the applicable laws or regulations of a foreign jurisdiction), which limit the percentage of the capital of the Company that may be available under this Plan from time to time as determined by the Board to be appropriate.
- (h) **Restriction on transfer:** Except as specified in this Plan or unless otherwise approved by the Board, an Eligible Employee must not sell, assign, transfer or otherwise encumber their Options.

SCHEDULE 3 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

A summary of the material terms and conditions of the Related Party Options is as follows:

(a) **Entitlement**

Each Related Party Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Issue Price**

The issue price of the Related Party Options is \$0.0001 per Option.

(c) **Exercise Price and Expiry Date**

Subject to paragraph (g), the amount payable upon exercise of each Option (each, an **Exercise Price**) and the date of expiry of each Option (each an **Expiry Date**) is set out in the table below. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Related Party	Options	Exercise Price	Expiry Date
Sean Neylon	2,000,000	\$0.011	31/01/2019
	18,000,000	\$0.0125	31/12/2025
	30,000,000	\$0.02	31/12/2025
John Forder	1,000,000	\$0.0125	31/12/2025
	5,000,000	\$0.02	31/12/2025
Steven Kayalicos	1,000,000	\$0.0125	31/12/2025
	5,000,000	\$0.02	31/12/2025

(d) **Vesting Notice**

As soon as reasonably practicable after the Related Party Options may be exercised (whether as a result of the Options vesting or otherwise), the Board will deliver a vesting notice to the relevant holder (**Vesting Notice**).

(e) **Notice of Exercise**

On receipt of a Vesting Notice, the holder may exercise the vested Related Party Options at any time during the exercise period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Related Party Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (e)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Related Party Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Related Party Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

A Related Party Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 4 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 11 to 13 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	26 March 2018
Market price of Shares	\$0.0055
Exercise price	
• 2,000,000 Options	\$0.011
• 20,000,000 Options	\$0.0125
• 40,000,000 Options	\$0.020
Expiry date (length of time from issue)	
• 2,000,000 Options	31 January 2019
• 20,000,000 Options	31 December 2025
• 40,000,000 Options	31 December 2025
Risk free interest rate	2.65%
Volatility (discount)	72.14%
Indicative value per Related Party Option	
• 2,000,000 Options	\$0.000247
• 20,000,000 Options	\$0.0031452
• 40,000,000 Options	\$0.00267505
Total Value of Related Party Options	
• 2,000,000 Options	\$494
• 20,000,000 Options	\$62,904
• 40,000,000 Options	\$107,002

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 5 – ISSUES OF EQUITY SECURITIES SINCE 31 MAY 2017

Date	Number of Equity Securities issued	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 23 June 2017 Appendix 3B – 26 June 2017	70,416,666	Shares ²	Professional and sophisticated investors	\$0.012 per Share (being equal to Market Price)	Cash Amount raised = \$845,000 Amount spent = \$845,000 Use of funds: working capital.
	2,000,000	Shares ²	Quid Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to investor relations services provided to the Company. Current value ¹⁰ = \$10,000
Issue – 14 September 2017 Appendix 3B – 14 September 2017	19,569,472	Shares ²	Paraffin Capital Pty Limited	\$0.00919 per Share (being a discount of 16.45% to Market Price)	Cash Amount raised = \$180,000 Amount spent = \$180,000 Use of funds: working capital.
Issue – 4 October 2017 Appendix 3B – 6 October 2017	5,500,000	Shares ²	S3 Consortium Pty Limited (trading as Stocks Digital)	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to investor relations services provided to the Company. Current value ¹⁰ = \$27,500
Issue – 19 October 2017 Appendix 3B – 20 October 2017	20,000,000	Unquoted Options ³	Group ID Pty Limited	\$0.0001 per Option	Cash Amount raised = \$2,000 Amount spent = \$2,000 Use of funds: working capital
	10,000,000	Unquoted Options ⁴	Nigel Braund	\$0.0001 per Option	Cash Amount raised = \$1,000 Amount spent = \$1,000 Use of funds: working capital.
	10,000,000	Unquoted Options ⁵	Alex Shapilsky	\$0.0001 per Option	Cash Amount raised = \$1,000 Amount spent = \$1,000 Use of funds: working capital.
Issue – 23 October 2017 Appendix 3B – 23 October 2017	58,200,000	Shares ²	Eligible shareholders accepting entitlements pursuant to a placement as announced on 18 October	\$0.01 per Share (being a discount of 9.09% to Market Price)	Cash Amount raised = \$582,000 Amount spent = \$582,000 Use of funds: to fund inventory purchases of Rova and Air Selfie units

			2017		that will fill existing orders and future orders.
Issue – 10 November 2017 Appendix 3B – 10 November 2017	5,000,000	Shares ²	Quid Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: a consulting fee in relation to consulting services provided to the Company. Current value ¹⁰ = \$25,000
	1,000,000	Shares ²	Paraffin Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to broking services provided to the Company. Current value ¹⁰ = \$5,000
Issue – 11 December 2017 Appendix 3B – 11 December 2017	5,000,000	Unquoted Options ⁶	Sports Health & Allied Professionals and Executives (Shape) Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to invoice financing services provided to the Company. Current value ¹⁰ = \$25,127
	10,000,000	Shares ²	SJ Capital Pty Limited	\$0.01 per Share (being a discount of 33.33% to Market Price)	Cash Amount raised = \$1,000 Amount spent = \$1,000 Use of funds: working capital.
Issue – 15 December 2017 Appendix 3B – 18 December 2017	23,333,333	Shares ²	SJ Capital Pty Limited	\$0.009 per Share (being equal to Market Price)	Cash Amount raised = \$210,000 Amount spent = \$210,000 Use of funds: working capital.
Issue – 18 December 2017 Appendix 3B – 18 December 2017	8,409,597	Shares ²	Group ID Pty Limited, Nigel Braund,	No issue price (non-cash consideration)	Non-cash Consideration: performance-based remuneration for services provided to the Company Current value ¹⁰ = \$42,048
	58,200,000	Unquoted Options	Eligible shareholders accepting entitlements pursuant to a placement as announced on 18 October 2017	Nil cash consideration (free attaching to Shares on a 1:1 basis)	Non-cash Consideration: to reward and incentivise shareholder participation in the entitlement issue undertaken by the Company Current value ¹⁰ = \$222,147
Issue – 18 December 2017 Appendix 3B – 20 December	2,888,944	Shares ²	Alex Shapilsky	No issue price (non-cash consideration)	Non-cash Consideration: performance-based remuneration for services provided to the Company

2017					Current value ¹⁰ = \$14,445
	1,648,941	Shares ²	Sirius Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to corporate advisory services provided to the Company Current value ¹⁰ = \$8,245
	5,500,000	Shares ²	S3 Consortium Pty Limited (trading as Stocks Digital)	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to investor relations services provided to the Company. Current value ¹⁰ = \$27,500
	15,000,000	Shares ²	SJ Capital Pty Limited	\$0.01 per Share (being a discount of 9.09% to Market Price)	Cash Amount raised = \$150,000 Amount spent = \$150,000 Use of funds: working capital.
Issue – 19 December 2017 Appendix 3B – 20 December 2017	12,000,000	Shares ²	SJ Capital Pty Limited	\$0.01 per Share (being equal to Market Price)	Cash Amount raised = \$120,000 Amount spent = \$120,000 Use of funds: working capital.
	5,500,000	Shares ²	S3 Consortium Pty Limited (trading as Stocks Digital)	No issue price (non-cash consideration)	Non-cash Consideration: an advisory fee in relation to investor relations services provided to the Company. Current value ¹⁰ = \$27,500
Issue – 19 December 2017 Appendix 3B – 22 December 2017	15,555,556	Shares ²	SJ Capital Pty Limited	\$0.009 per Share (being a discount of 10.00% to Market Price)	Cash Amount raised = \$140,000 Amount spent = \$140,000 Use of funds: working capital.
	17,647,059	Shares ²	SJ Capital Pty Limited	\$0.0085 per Share (being a discount of 15% to Market Price)	Cash Amount raised = \$150,000 Amount spent = \$150,000 Use of funds: working capital.
	5,700,000	Shares ²	Quid Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: a fee in relation to consulting services provided to the Company. Current value ¹⁰ = \$28,500
Issue – 29 December 2017 Appendix	23,529,412	Shares ²	SJ Capital Pty Limited	\$0.0085 per Share (being a discount of 15.00% to Market Price)	Cash Amount raised = \$200,000 Amount spent = \$200,000

3B – 2 January 2018					Use of funds: working capital.
Issue – 9 January 2018 Appendix 3B – 10 January 2018	1,031,250	Shares ²	Max Markson	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for public relations services provided in connection with Air Selfie Current value ¹⁰ = \$5,156
Issue – 17 January 2018 Appendix 3B – 18 January 2018	3,500,000	Shares ²	Quid Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: a fee in relation to consulting services provided to the Company. Current value ¹⁰ = \$17,500
	20,000,000	Unquoted Options ³	Sean Neylon, John Forder, Steven Kayalicos	\$0.0001 per Option	Cash Amount raised = \$2,000 Amount spent = \$2,000 Use of funds: working capital.
	10,000,000	Unquoted Options ⁴	Sean Neylon, John Forder, Steven Kayalicos	\$0.0001 per Option	Cash Amount raised = \$1,000 Amount spent = \$1,000 Use of funds: working capital.
	10,000,000	Unquoted Options ⁵	Sean Neylon, John Forder, Steven Kayalicos	\$0.0001 per Option	Cash Amount raised = \$1,000 Amount spent = \$1,000 Use of funds: working capital.
Issue – 1 February 2018 Appendix 3B – 2 February 2018	2,777,778	Shares ²	Sirius Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for lead manager services provided by Sirius Capital Pty Ltd in relation to the non-renounceable rights issue conducted by the Company Current value ¹⁰ = \$13,889
Issue – 21 February 2018 Appendix 3B – 22 February 2018	6,875,000	Shares ²	S3 Consortium Pty Ltd (trading as Stocks Digital)	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for investor relations services provided to the Company Current value ¹⁰ = \$34,375
	1,031,250	Shares ²	Max Markson	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for public relations services provided to the Company

					Current value ¹⁰ = \$5,156
Issue – 2 March 2018 Appendix 3B – 2 March 2018	18,551,603	Shares ²	Eligible shareholders accepting entitlements pursuant to a rights issue prospectus dated 19 January 2018	\$0.009 per Share (being a premium of 28.57% to Market Price)	Cash Amount raised = \$166,964 Amount spent = \$136,964
	18,551,603	Quoted Options ⁸		Nil cash consideration (free attaching to Shares on a 1:1 basis)	Use of funds: marketing and advertising, product development, expenses of the offer and working capital. Amount remaining = \$30,000 Proposed use of remaining funds ⁹ : marketing and advertising, product development, expenses of the offer and working capital.
Issue – 8 March 2018 Appendix 3B – 9 March 2018	46,052,631	Shares ²	Run-A Australia Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for the acquisition of 3,000,000 fully paid ordinary shares and 1,500,000 free-attaching performance options in Run-A Australia Pty Ltd. Current value ¹⁰ = \$230,263
Issue – 14 March 2018 Appendix 3B – 14 March 2018	15,000,000	Shares ²	SJ Capital Pty Limited	\$0.005 per Share (being a discount of 16.67% to Market Price)	Cash Amount raised = \$75,000 Amount spent = Nil Use of funds: working capital purposes Amount remaining = \$75,000 Proposed use of remaining funds ⁹ : working capital purposes
Issue – 21 March 2018 Appendix 3B – 21 March 2018	1,031,250	Shares ²	Max Markson	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for public relations services provided to the Company. Current value ¹⁰ = \$5,156
Issue – 3 April 2018 Appendix 3B – 4 April 2018	250,000	Shares ²	Eligible shareholders accepting entitlements pursuant to a rights issue prospectus dated 19 January 2018	\$0.009 per Share (being a premium of 80% to Market Price)	Cash Amount raised = \$2,250 Amount spent = Nil
	250,000	Quoted Options ⁸		Nil cash consideration (free attaching to Shares on a 1:1 basis)	Use of funds: marketing and advertising, product development and working capital Amount remaining = \$2,250 Proposed use of

					remaining funds?: marketing and advertising, product development and working capital
	1,650,000	Shares ²	Quid Capital Pty Limited	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for advisory services provided to the Company. Current value ¹⁰ = \$8,250
Issue – 10 April 2018 Appendix 3B – 12 April 2018	11,111,111	Shares ²	SJ Capital Pty Limited	\$0.0045 per Share (being a discount of 10% to Market Price)	Cash Amount raised = \$50,000 Amount spent = Nil Use of funds: marketing and advertising, product development and working capital Amount remaining = \$50,000 Proposed use of remaining funds?: marketing and advertising, product development and working capital
Issue – 11 April 2018 Appendix 3B – 12 April 2018	11,111,111	Shares ²	SJ Capital Pty Limited	\$0.0045 per Share (being a discount of 10% to Market Price)	Cash Amount raised = \$50,000 Amount spent = Nil Use of funds: marketing and advertising, product development and working capital Amount remaining = \$50,000 Proposed use of remaining funds?: marketing and advertising, product development and working capital
Issue – 18 April 2018 Appendix 3B – 18 April 2018	29,500,000	Shares ²	SJ Capital Pty Limited	\$0.00405 per Share (being a premium of 1.25% to Market Price)	Cash Amount raised = \$119,475 Amount spent = Nil Use of funds: marketing and advertising, product development and working capital Amount remaining = \$119,475 Proposed use of remaining funds?: marketing and advertising, product development and working capital

	8,000,000	Shares ²		\$0.003815625 per Share (being a discount of 2.66% to Market Price)	<p>Cash</p> <p>Amount raised = \$30,525</p> <p>Amount spent = Nil</p> <p>Use of funds: marketing and advertising, product development and working capital</p> <p>Amount remaining = \$30,525</p> <p>Proposed use of remaining funds?: marketing and advertising, product development and working capital</p>
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Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: IOT (terms are set out in the Constitution). The shares rank equally with all other shares on issue.
3. Unquoted Options, exercisable at \$0.05 each, on or before 31/12/2027. The full terms and conditions are disclosed in Schedule 1. The terms and conditions were previously disclosed in the notice of meeting for the shareholders meeting held on 15 December 2017.
4. Unquoted Options, exercisable at \$0.075 each, on or before 31/12/2027. The full terms and conditions are disclosed in Schedule 1. The terms and conditions were previously disclosed in the notice of meeting for the shareholders meeting held on 15 December 2017.
5. Unquoted Options, exercisable at \$0.10 each, on or before 31/12/2027. The full terms and conditions are disclosed in Schedule 1. The terms and conditions were previously disclosed in the notice of meeting for the shareholders meeting held on 15 December 2017.
6. Unquoted Options, exercisable at \$0.15 each, on or before 30/06/2019. The full terms and conditions are disclosed in Schedule 1.
7. Unquoted Options, exercisable at \$0.0125 each, on or before 31/12/2019. The full terms and conditions are disclosed in the notice of meeting for the shareholders meeting held on 14 December 2017.
8. Quoted Options exercisable at \$0.011 on or before 31/01/2019, ASX Code: IOTO.
9. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
10. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.005) or Options (\$0.001) as the context requires on the ASX on 11 April 2018. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 11.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means IoT Group Limited (ACN 140 475 921).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Plan means the IoT Group Option Plan.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 11 - 13 with the terms and conditions set out in Schedule 3.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.