

Cellnet Group Limited
ACN 010 721 749

Notice of Annual General Meeting

to be held at

Date: Wednesday 10 October 2018
Time: 10.00 am (Brisbane time)
Place: Cellnet Group Limited Head Office, 59-61 Qantas Drive, Eagle Farm, Queensland, 4009

This is an important document and requires your attention

If you are in any doubt about how to deal with this Notice, please consult your legal, financial or other professional advisor.

Notice of Annual General Meeting

Notice is given that the 2018 Annual General Meeting of Cellnet Group Limited ACN 010 721 749 (**Company**) will be held at the Company's head office at 59-61 Qantas Drive, Eagle Farm, Brisbane, Queensland, on Wednesday 10 October 2018 at 10:00 am (Brisbane time).

The business to be considered at the Annual General Meeting is set out below. This Notice should be read in conjunction with the accompanying Explanatory Memorandum. Terms used in this Notice and the Explanatory Memorandum are defined in the glossary set out in the notes to this Notice. A proxy form also accompanies this Notice.

Agenda

Ordinary business

1 Financial statements and reports

To receive and consider the Financial Report, Director's Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 30 June 2018.

Resolution 1. - Adoption of the Remuneration Report

To consider, and if thought fit, to pass Resolution 1 as a non-binding ordinary Resolution under section 250R (2) of the Corporations Act:

'That the Remuneration Report for the year ended 30 June 2018 be adopted.'

Notes:

- (a) Resolution 1 is advisory only and does not bind the Company or the Directors.
- (b) If 25% or more of votes that are cast are voted against the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a 'spill resolution') that another meeting of the Shareholders be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.

Voting exclusion

The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of a member of the Key Management Personnel,

unless:

- (c) the person
 - (i) does so in relation to a Resolution where they hold a Directed Proxy Form; or
 - (ii) is the Chairman of the Annual General Meeting and is expressly authorised to exercise the proxy even though the Resolution is a Remuneration Resolution; and
- (d) the vote is not cast on behalf of a person described in paragraph (a) and (b) above.

Resolution 2. - Re-election of Mr. Michael Reddie as Director

To consider, and if thought fit, to pass Resolution 2 as an ordinary Resolution:

'That Mr. Michael Reddie, a non-executive Director retiring by rotation in accordance with the Constitution and the Listing Rules and being eligible for re-election, be re-elected as a Director.'

Special business

Resolution 3. - Approval of Performance Rights Plan and subsequent issues of securities under the Performance Rights Plan

To consider, and if thought fit, to pass Resolution 3 as an ordinary resolution:

'That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given to the Cellnet Group Limited Performance Rights Plan (PRP) and the subsequent issue of securities under that plan on the basis set out in the Explanatory Notes.'

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 3 by a Director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy Form;
- (b) the proxy is Chairman of the Annual General Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

Resolution 4. – Grant of Options to Mr. Alan Sparks

To consider, and if thought fit, to pass Resolution 4 as an ordinary Resolution:

'That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders authorise the Directors to:

- (a) *grant 500,000 Options to Mr. Alan Sparks or his nominee on the terms set out in the Explanatory Memorandum; and*
- (b) *issue and allot 500,000 Shares to Mr. Alan Sparks or his nominee on exercise of the Options in accordance with the terms and conditions of the grant.'*

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 4 by Mr. Alan Sparks any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (c) the proxy holds a Directed Proxy Form;
- (d) the proxy is Chairman of the Annual General Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

Resolution 5. Ratification of issue of Options to Eligible Employees

To consider, and if thought fit, to pass Resolution 5 as an ordinary Resolution:

'That for the purposes of Listing Rule 7.4, and for all other purposes, approval is given to ratify the issue of 2,212,500 Options to Eligible Employees under the PRP on the terms set out in the Explanatory Memorandum.'

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 5 by any person who participated in the issue the subject of Resolution 5 and any person associated with those persons. However, the Company need not disregard any vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

Dated: 7 September 2018

**By order of the
Board**

**Chris Barnes
Company Secretary**

Notes

1. Under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the register of Shareholders at 7:00pm (Sydney time) on 8 October 2018.
2. Votes at the Annual General Meeting may be given personally or by proxy, attorney or corporate representative. A Shareholder entitled to attend and vote at the Annual General Meeting has the right to appoint no more than two proxies.
3. A body corporate that is a Shareholder may appoint an individual to act as its representative at the Annual General Meeting in accordance with section 250D of the Corporations Act. The Company will require a certificate of appointment of the corporate representative, executed in accordance with the Corporations Act. The certificate of appointment must be lodged with Link Market Services Limited before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting. Please contact the Company or Link Market Services Limited on 1300 554 474 to obtain a certificate of appointment.
4. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
5. If the Shareholder appoints two proxies and the appointment does not specify the proportion or the number of the Shareholder's votes each proxy may exercise, each proxy may exercise one half of the Shareholder's votes. If the Shareholder appoints two proxies, neither proxy may vote on a show of hands.
6. A proxy form is attached. A proxy need not be a Shareholder.
7. A proxy form must be signed by the Shareholder or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorized officer or attorney.
8. The proxy form (and any power of attorney under which it is signed) must be received by Link Market Services Limited either by:
 - (a) fax to +61 (2) 9287 0309;
 - (b) by mail in the enclosed self-addressed envelope; or
 - (c) by delivery to 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney, NSW 2000,no later than 48 hours before the commencement of the Annual General Meeting, that is by no later than 10.00am (Brisbane time) on 8 October 2017. Any proxy form received after that time will not be valid for the Annual General Meeting.
9. A member of the Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 1.
10. A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - (a) the proxy holds a Directed Proxy Form;
 - (b) where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a member of the Key Management Personnel or a Closely Related Party and holds an Undirected Proxy Form; and
 - (c) the proxy is required by law or the Constitution to vote in a certain manner or abstain from voting.
11. Paragraph 10(b) does not apply if the Chairman of the Annual General Meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the

- Resolution is a Remuneration Resolution.
12. The Chairman intends to vote all Undirected Proxy Forms in favour of all Resolutions, including Remuneration Resolutions.
 13. The following definitions apply in this Notice and the Explanatory Memorandum that accompanies it:

Annual General Meeting means the annual general meeting of the Company.

Annual Report means the Company's annual report for the financial year ended 30 June 2018.

ASX means ASX Limited ACN 125 140 105.

Board means the board of Directors.

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act, and include certain members of their family, dependents and companies they Control (as defined in section 9 of the Corporations Act).

Constitution means the constitution of the Company.

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

Directed Proxy Form means a proxy form which specifies how a proxy is to vote.

Director means a director of the Company.

Director Options means Options proposed to be issued by the Company to Mr. Alan Sparks under the PRP.

Eligible Employees means employees of the Company, or subsidiaries of the Company, entitled to receive Employee Options under the PRP.

Employee Options means Options issued to Eligible Employees under the PRP.

Explanatory Memorandum means the explanatory statement that accompanies this Notice.

Key Management Personnel has the meaning given to that term in the accounting standards and broadly includes the Directors (whether executive or otherwise) and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 30 June 2018.

Listing Rules means the listing rules of the ASX.

Notice means this notice of the Company's Annual General Meeting.

Options means options over Shares granted under the PRP.

PBT means profit before tax as set out in the Company's annual report for each financial year in which Options are able to be exercised.

Performance Rights means rights issued to Eligible Employees under the PRP

PRP means the Company's performance rights plan as originally approved by Shareholders at the Annual General Meeting held on 18 December 2007 and more recently at the Annual General Meeting on 24 October 2014.

Remuneration Report means the remuneration report of the Annual Report.

Remuneration Resolution means a Resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolution 1 and Resolution 4.

Resolution means a resolution contained in this Notice.

Shareholder means a registered holder of Shares.

Shares means fully paid ordinary shares in the Company.

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist Shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on 10 October 2018.

These explanatory notes should be read with, and form part of, the accompanying the Notice.

1 Financial statements and reports

The Corporations Act requires the Financial Report, Directors' Report and Audit Report to be laid before the Annual General Meeting. In addition, the Constitution provides for such reports to be received and considered at the Annual General Meeting.

Apart from the matters involving remuneration, which are required to be voted upon, neither the Corporations Act nor the Constitution requires Shareholders to vote on such reports.

However, Shareholders will be given ample opportunity to ask questions or make comments about these reports and the management at the Annual General Meeting.

2 Resolution 1 - Adoption of the Remuneration Report

(a) Introduction

The Remuneration Report for the financial year ended 30 June 2018 is set out in the Annual Report.

In accordance with section 250R (2) of the Corporations Act, Shareholders are asked to adopt the Remuneration Report at the Annual General Meeting.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a 'spill' resolution) that another meeting of the Shareholders be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances as discussed in the notes to Resolution 1.

(b) Directors' Recommendation

As the Directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how Shareholders should vote on Resolution 1.

3 Resolution 2 - Re-election of Mr. Michael Reddie

(a) Introduction

Clause 17.1 of the Constitution requires that at each Annual General Meeting, one-third of the Directors (other than the Managing Director) must retire from office.

Mr. Michael Reddie was appointed to the Board as a Director on 17 January 2017 to fill a casual vacancy and was last re-elected by Shareholders on 10 October 2017.

Mr. Michael Reddie is a director of Reddie Lawyers Pty Ltd and an Australian Legal Practitioner. Mr. Michael Reddie has previously been a partner at a national law firm. Mr. Michael Reddie advises Australian and international corporate clients in negotiated mergers and acquisitions, joint ventures, strategic alliances and corporate governance.

(b) Directors Recommendation

The Directors (with Mr. Michael Reddie abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2.

4 Resolution 3 - Approval of Performance Rights Plan and subsequent issues of securities under the Performance Rights Plan

(a) Introduction

The purpose of the PRP is to provide Eligible Employees with an opportunity to acquire rights to receive Shares. By doing so, the PRP seeks to provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer term performance of the Company and its returns to Shareholders. The PRP is also intended to assist the Company to attract and retain skilled and experienced senior employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company.

(b) Listing Rule 7.1

In general terms, Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by the Company, without Shareholder approval, in any 12 month period (**Placement Capacity**). However, the Company is permitted to issue equity securities in excess of the Placement Capacity if those equity securities are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by Shareholders.

(c) Listing Rule 7.2

Listing Rule 7.2 (Exception 9) contains an exception to Listing Rule 7.1 so that performance rights issued under the PRP that have either been:

- (a) previously approved by Shareholders; or
- (b) disclosed in the Company's prospectus,

are not required to be counted in calculating the Placement Capacity for a three year period.

The Employee Options issued to Eligible Employees that are the subject of Resolution 5 were issued under the PRP.

The PRP was last approved by Shareholders at the Annual General Meeting on 24 October 2014. Since the PRP was approved by Shareholders on 24 October 2014 there have been a total of 3,800,000 Performance Rights and 2,212,500 Employee Options issued under the plan.

The Directors consider it desirable to seek Shareholder approval for the PRP so that performance rights granted (and the Shares issued on exercise of the performance rights) under the PRP can continue to be issued under an exception to Listing Rule 7.1 for three years after the date of the Annual General Meeting and will not be counted as reducing the number of securities which the Company can issue under its Placement Capacity.

Accordingly, Shareholders are asked to approve the adoption of the PRP by the Company and the subsequent issue of securities under the PRP for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes.

A summary of the PRP is set out below:

- (a) the PRP is open to certain senior management and Directors or of any subsidiary of the Company, as determined by the Board;
- (b) the Board may invite eligible persons to participate in the PRP. Participation is voluntary. The Board may determine the number of performance rights to be issued under the PRP (**Rights**) and other terms of issue of the PRP;
- (c) all rights are granted at nil issue price and nil exercise price unless otherwise determined by the Board (**Plan Rules**); and
- (d) holders of Rights are not permitted to participate in new issues of securities by the Company but adjustments may be made to the number of Shares over which the Rights are granted or the exercise price to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the Plan Rules and the Listing Rules

A full copy of the Plan Rules is available on request from the Company Secretary.

(d) Directors' Recommendation

Each of the Directors recommends that Shareholders vote in favour of Resolution 3.

5 Resolution 4 - Grant of Options to Mr. Alan Sparks

(a) Introduction

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.14, and for all other purposes, for the grant of 500,000 Options to Mr. Alan Sparks (or his nominee) (**Director Options**).

The Director Options are exercisable in three tranches based on the Company's PBT provided that the Company meets the performance hurdle relevant to each tranche:

Tranche	Number of Director Options	Performance Hurdle	Performance Period
1	91,000	PBT for the Company of at least \$4 million	1 July 2018 to 30 June 2019
2	91,000	PBT for the Company of at least \$4.5 million	1 July 2019 to 30 June 2020
3	130,500	PBT for the Company of at least \$5 million	1 July 2020 to 30 June 2021

The issuing of equity securities is an established practice in Australia as part of the remuneration of senior executives. If no equity securities were issued, the cash remuneration of Mr. Alan Sparks may have to be increased. Issuing equity securities is considered a preferable alternative as the recipient benefits if the price of Shares increases, in which case all Shareholders also benefit.

If Resolution 4 is approved, the Company will grant the Director Options as soon as practicable but, in any event, no later than one month after the date of the Annual General Meeting.

(b) Regulatory requirements

Listing Rule 10.11 provides that the Company must not issue or agree to issue equity securities to a related party without Shareholder approval. As Mr. Sparks is a Director, he is considered to be a related party. If the proposed issue of the Director Options is approved under Listing Rule 10.11, then approval is not required under Listing Rule 7.1.

Shareholder approval under Chapter 2E of the Corporations Act (related party benefit) is not required because the Director Options are considered reasonable remuneration and the Directors consider the issue of the Director Options to fall within the exception to the requirements for Shareholder approval under the Corporations Act.

(c) Director remuneration

Mr Sparks' remuneration package for the year ended 30 June 2018 (as detailed in the Remuneration Report) is as follows:

Salary	Superannuation	Other long term benefits	Share based payments	Total
\$325,115	\$26,478	\$Nil	\$1,299	\$352,892

(d) Relevant interest in Shares and Options

Mr. Sparks' current relevant interest in Shares and Options as at the date of this Notice is as follows:

Shares	Option
1,300,000	Nil

(e) Cost to the Company

The Director Options will not be quoted on ASX and accordingly have no readily identifiable market value. The Directors have adopted the 'Black-Scholes model' in calculating the indicative value of the Director Options. Based on this calculation, the indicative average value per Director Option is \$0.089.

The material assumptions used in the application of the methodology to arrive at this indicative value

are:

- (a) valuation date 29 November 2017;
- (b) underlying Share price of \$0.30, being the price for one Share at the valuation date;
- (c) exercise date of:
 - i. 30 August 2020 for the Director Options in tranche one;
 - ii. 30 August 2021 for the Director Options in tranche two;
 - iii. 30 August 2022 for the Director Options in tranche three;
- (d) the exercise price of each Director Option is \$0.28;
- (e) the term is:
 - i. 33 months for the Director Options in tranche one;
 - ii. 45 months for the Director Options in tranche two; and
 - iii. 57 months for the Director Options in tranche three;
- (f) a risk-free rate of:
 - i. 1.86% for the Director Options in tranche one
 - ii. 1.98% for the Director Options in tranche two; and
 - iii. 2.09% for the Director Options in tranche three;
- (g) volatility of the underlying Shares to be 50%; and
- (h) expected dividend yield of 5%.

(f) Impact on capital structure

Until exercised, the grant of Director Options will not impact on the number of Shares on issue.

If all of the proposed Director Options are exercised, an additional 500,000 Shares may be issued representing approximately 0.86% of the total issued share capital of the Company as at the date of this Notice (assuming that no other options were exercised or Shares issued by the Company between the date the Director Options were granted and the date on which those Director Options were exercised).

(g) Information required under Listing Rules

In accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Director Options to Mr. Alan Sparks:

Maximum number of securities to be issued	500,000 Director Options
The date by which the entity will issue securities	The Director Options will be issued no later than one month after the date of the Annual General Meeting.
Price at which the securities will be issued	\$nil per Director Option
Exercise price	\$0.28 per Director Option
Terms of the Director Options	(a) Each Director Option is exercisable at any time following, in respect of: <ul style="list-style-type: none">i. tranche one, the release of the Company's audited accounts for the year ending 30 June 2019;ii. tranche two, the release of the Company's audited accounts for the year ending 30 June 2020; andiii. tranche three, the release of the Company's audited accounts for the year ending 30 June 2021. (b) A Director Option not exercised will lapse on the earlier of: <ul style="list-style-type: none">i. in respect of:

	<ol style="list-style-type: none"> 1. tranche one, 5pm on the day 12 months after the release of the Company's audited accounts for the year ended 30 June 2019; 2. tranche two, 5pm on the day 12 months after the release of the Company's audited accounts for the year ended 30 June 2020; and 3. tranche three, 5pm on the day 12 months after the release of the Company's audited accounts for the year ended 30 June 2021; <p>ii. the date on which the holder of the Director Option ceases to hold the office of Director (other than due to the occurrence of death or total and permanent disablement).</p> <p>(c) Subject to any adjustment in the event of a bonus issue, rights issue or reconstruction of capital, each Director Option is an option to subscribe for one Share.</p> <p>(d) Upon the valid exercise of the Director Option, each Share issued will rank equally with other Shares.</p> <p>(e) Holders of Director Options do not have any right to participate in new issues of securities in the Company made to Shareholders without first exercising the Director Options.</p> <p>(f) Holders of Director Options do not participate in any dividends unless the Director Options are exercised and the resultant Shares are issued prior to the record date for determining entitlements.</p> <p>(g) In the event of a reorganisation of capital (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Director Options, the exercise price of the Director Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of Director Options which are not conferred on Shareholders.</p> <p>(h) If there is a pro rata issue (except a bonus issue), the exercise price of a Director Option may be reduced in accordance with the formula in the Listing Rules.</p> <p>(i) If there is a bonus issue to Shareholders, the number of Shares over which the Director Option is exercisable may be increased by the number of Shares which the holder of the Director Options would have received if the Option had been exercised before the record date for the bonus issue.</p> <p>(j) The Company will not apply for quotation of the Options on ASX. The Company must apply to ASX for official quotation of Shares issued on the exercise of the Director Options.</p> <p>(k) The Directors are not entitled to exercise any Director Option if the exercise of that Director Option could contravene the Constitution, Listing Rules or the Corporations Act.</p>
Terms of any loan in relation to the issue of the Director Options	The Company will not provide any loans in respect of the acquisition of the Director Options.
Use (or intended use) of the funds raised	The funds raised by the payment of the exercise price or the Director Options will be used for working capital purposes.

(h) Directors' Recommendation

The Directors (with Mr. Alan Sparks abstaining) unanimously recommend that Shareholders vote in favour of Resolution 4.

6 Resolution 5 - Ratification of issue of Options to Eligible Employees

(a) Introduction

Resolution 5 seeks approval for the ratification of a total of 2,212,500 Options which were issued under the PRP to Eligible Employees prior to the date of this Notice.

The Employee Options are exercisable in three tranches based on the Company's PBT provided that the Company meets the performance hurdle relevant to each tranche:

Tranche	Number of Director Options	Performance Hurdle	Performance Period
1	645,000	PBT for the Company of at least \$4 million	1 July 2018 to 30 June 2019
2	645,000	PBT for the Company of at least \$4.5 million	1 July 2019 to 30 June 2020
3	922,500	PBT for the Company of at least \$5 million	1 July 2020 to 30 June 2021

(b) Listing Rule 7.4

As discussed above in relation to Resolution 3, Listing Rule 7.1 imposes a 15% cap on the issue of equity securities being the Placement Capacity. However, the Company is permitted to issue equity securities in excess of the Placement Capacity if those equity securities are issued in reliance on an exception to Listing Rule 7.1 or the issue is approved by Shareholders.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of equity securities and provides that where Shareholders in a general meeting ratify a previous issue of equity securities made without approval under Listing Rule 7.1, provided that the previous issue of equity securities did not breach Listing Rule 7.1, those equity securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1.

(c) Listing Rule 7.5

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the Placement Capacity without the requirement to obtain prior Shareholder approval.

In accordance with Listing Rule 7.5, the following information is provided in relation to obtaining approval of Resolution 5 for the purposes of Listing Rule 7.4:

Number of securities issued	2,212,500 Employee Options
Price at which securities were issued	\$nil per Employee Option
Exercise price	\$0.28 per Employee Option in respect of 1,900,000 Employee Options \$0.375 per Employee Option in respect of 312,500 Employee Options
Terms of the Employee Options	The Employee Options have the same: (a) exercise dates; and (b) expiry dates, and are otherwise consistent with the Director Options as discussed in relation to Resolution 4.
Recipients of Employee Options	The Employee Options were issued as an incentive and reward for certain Eligible Employees and in recognition of their contribution to the Company.

Use (or intended use) of the funds raised	The funds raised by the payment of the exercise price or the Employee Options will be used for working capital purposes.
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(d) Directors' recommendation


The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Cellnet Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Cellnet Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 10 October 2018 at Cellnet Group Limited Head Office, 59-61 Qantas Drive, Eagle Farm QLD 4009 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of issue of Options to Eligible Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Michael Reddie as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of Performance Rights Plan and subsequent issues of securities under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Grant of Options to Mr Alan Sparks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address 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.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may 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 or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A 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's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the 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, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

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 shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge 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.

CORPORATE REPRESENTATIVES

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Monday, 8 October 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Cellnet Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**