

IOT GROUP LIMITED ACN 140 475 921
NOTICE OF MEETINGS

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

1. GENERAL MEETING OF SHAREHOLDERS

Notice is given that a General Meeting (**General Meeting**) of shareholders of IOT Group Limited (**IOT** or the **Company**) will be held at the Company's offices at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 on **Friday 31 March 2017** at **11:00 AM (Sydney time)**.

ITEMS OF BUSINESS

1. Resolution 1 – selective capital reduction – Kantor Shares and Lipkin Shares

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

“That, subject to a special resolution being passed by the Kantor Shareholder and the Lipkin Shareholder (being those shareholders listed in Schedule 1) on similar terms to this resolution, for the purposes of subsection 256C (2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given by shareholders for the Company to cancel the:

- (a) 20,791,411 ordinary shares in IOT issued to the Kantor Shareholder on 18 March 2016; and*
- (b) 6,924,199 ordinary shares in IOT issued to the Lipkin Shareholder on 18 March 2016, on the terms and conditions set out in the Explanatory Notes.”*

2. Resolution 2 - previous Issue of ordinary shares and unlisted options (over ordinary shares)

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

“That the issue of:

- A. 20,000,000 ordinary shares in the company on 23 November 2016*
- B. 10,000,000 unlisted options (over ordinary shares) in the company on 19 April 2016*
- C. 4,000,000 unlisted options (over ordinary shares) in the company on 3 May 2016*
- D. 22,500,000 unlisted options (over ordinary shares) in the company on 20 June 2016*

3. Resolution 3 – issue of options to Tod McGrouther or his nominee

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

“That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 7,500,000 options to acquire 7,500,000 ordinary shares in the capital of the Company to Tod McGrouther, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting.”

4. Resolution 4 – issue of options to Tod McGrouther or his nominee

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

“That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 5,000,000 options to acquire 5,000,000 ordinary shares in the capital of the Company to Tod McGrouther, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting.”

5. Resolution 5 – issue of options to Ian Duffell or his nominee

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

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

6. Resolution 6 – issue of options to Scott Brown or his nominee

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

“That, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, for the issue of 5,000,000 options to acquire 5,000,000 ordinary shares in the capital of the Company to Scott Brown, a Director of the Company or his nominee, in the manner described in the Explanatory Notes accompanying the notice of meeting.”

2. SPECIAL MEETING OF KANTOR SHAREHOLDER AND LIPKIN SHAREHOLDER

Notice is given that a Special Meeting (**Special Meeting**) of the Kantor Shareholder and the Lipkin Shareholder (being those shareholders listed in Schedule 1) of the Company will be held at the Company’s offices at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 on **Friday 31 March 2017, at 11:30 AM (Sydney time)** or, if the General Meeting referred to above extends beyond that time, immediately following conclusion of the General Meeting.

ITEM OF BUSINESS

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

“That, for the purposes of subsection 256C (2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given by the Kantor Shareholder and the Lipkin Shareholder for the Company to cancel the:

- (a) 20,791,411 ordinary shares in IOT issued to the Kantor Shareholder on 18 March 2016; and*
- (b) 6,924,199 ordinary shares in IOT issued to the Lipkin Shareholder on 18 March 2016, on the terms and conditions set out in the Explanatory Notes.”*

By Order of the Board



Ron Hollands
Company Secretary
20 February 2017

ELIGIBILITY TO VOTE

For the purpose of the General Meeting and the Special Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday 29 March 2017**.

PROXIES

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

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

CORPORATE REPRESENTATIVES

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

VOTING EXCLUSIONS

1. General Meeting of Shareholders

Resolution 1 – selective capital reduction – Kantor Shares and Lipkin Shares

The Company will disregard any votes cast on the proposed Resolution 1 by the Kantor Shareholder and the Lipkin Shareholder and by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates.

Resolution 2 - previous issue of ordinary shares and unlisted options (over ordinary shares)

The company will disregard any votes cast on the proposed Resolution 2 by a person who participated in the issues and any of their associates.

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

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

Resolution 3 – issue of options to Tod McGrouther or his nominee

The Company will disregard any votes cast on the proposed Resolution 3 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme concerning the Company) and any associate of any such Director.

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

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

Resolution 4 – issue of options to Tod McGrouther or his nominee

The Company will disregard any votes cast on the proposed Resolution 4 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme concerning the Company) and any associate of any such Director.

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

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

Resolution 5 – issue of options to Ian Duffell or his nominee

The Company will disregard any votes cast on the proposed Resolution 5 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme concerning the Company) and any associate of any such Director.

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

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

Resolution 6 – issue of options to Scott Brown or his nominee

The Company will disregard any votes cast on the proposed Resolution 6 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme concerning the Company) and any associate of any such Director.

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

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

There are no other voting exclusion concerning the resolution put to shareholders.

2. Special Meeting of Kantor and Lipkin Shareholders

No voting exclusions apply in respect of votes cast on the proposed resolution.

PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the General Meeting and the Special Meeting – that is, **by 11:00 AM (Sydney time) on Wednesday 29 March 2017.**

Documents may be lodged with the Company by:

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

LOCATION AND TIME OF MEETINGS

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

The **General Meeting** will commence at **11.00 AM (Sydney time)** on **Friday 31 March 2017.**

The **Special Meeting** will commence at **11.30 AM (Sydney time)** on **Friday 31 March 2017** or, if the General Meeting extends beyond that time, immediately following conclusion of the General Meeting.

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

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

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders concerning the business to be transacted at the General Meeting of shareholders (**General Meeting**) to be held at **11am (Sydney time)** on **Friday 31 March 2017** and the Special Meeting of the Kantor Shareholder and the Lipkin Shareholder to be held immediately following completion of the General Meeting.

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

General Meeting Resolution 1 and Special Meeting Resolution – selective capital reduction and cancellation of shares

Background

As announced on 10 November 2016, the Company has entered into settlement documentation with Mr Simon Kantor and his former business co-shareholders (together with Mr Kantor, the **Co-shareholders**) in Roam Systems Pty Limited (**Settlement**).

The key outcomes of the Settlement for IOT are summarised in the 10 November 2016 announcement, including the fact that, subject to shareholder approval (as required by the Corporations Act) and the ASX granting a waiver for the purposes of Listing Rule 9.7 in relation to escrowed shares and options, there will be a net reduction of 7,715,610 ordinary shares in IOT (comprising 27,715,610 ordinary shares proposed to be cancelled as part of these resolutions less 20,000,000 ordinary shares issued to a party as announced on 23 November 2016¹); and

- In addition, 28,036,810 options over ordinary shares in IOT will also be cancelled by the IOT Board and do not require shareholder approval. These comprise:
 - 10,536,810 options issued to Kantor shareholder.
 - 12,500,000 options issued to Simon Kantor (previously approved by IOT shareholders at the 2016 AGM held 30 June 2016.
 - 5,000,000 options issued to Valery Lipkin under the IoT Group Option Plan.

The 27,715,610 ordinary shares referred to above are comprised of:

- 20,791,411 ordinary shares in IOT issued to the Kantor Shareholder on 18 March 2016 (**Kantor Shares**); and
- 6,924,199 ordinary shares in IOT issued to the Lipkin Shareholder on 18 March 2016 (**Lipkin Shares**).

As part of the Settlement, IOT agreed to:

- discontinue the proceedings it commenced in the Federal Court concerning the alleged ownership, control and return of certain property of the Company;
- provide certain releases and covenants to the Co-shareholders which are customary for a settlement negotiation;
- make payments to or for the benefit of the Co-shareholders totalling \$1,101,000. Of that amount, up to \$454,000 is returnable to the Company if any of the Co-shareholders commit a material breach any of their obligations under the settlement documentation during the 12 month period following the date of the Settlement; and
- issue 20,000,000 fully paid ordinary shares in IOT to a Co-shareholder (as referred to above and as announced on 23 November 2016).

¹ These shares are the subject of resolution 2 of the General Meeting of Shareholders.

Proposed reduction of capital – cancellation of the Kantor Shares and the Lipkin Shares

To effect the cancellation of the Kantor Shares and the Lipkin Shares, the Company proposes to effect a selective capital reduction (**Proposed Cancellation**).

Under sections 256B and 256C of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company can effect a selective capital reduction and cancellation of the Kantor Shares and the Lipkin Shares if it meets four key requirements. Each requirement is set out below, together with a description of how that requirement will be met in relation to the Proposed Cancellation.

1. *The Proposed Cancellation must be fair and reasonable to the Company's shareholders as a whole*

The Directors believe that the Proposed Cancellation is fair and reasonable to the Company's shareholders as a whole.

As noted above, the Proposed Cancellation forms part of the Settlement and the Directors are satisfied with the Settlement which enables the Company to re-focus on growing its operations without the distraction of legal proceedings.

2. *The Proposed Cancellation must not materially prejudice the Company's ability to pay its creditors.*

The Directors are satisfied that the Proposed Cancellation will not materially prejudice the Company's ability to pay its creditors.

3. *The Proposed Cancellation must be approved by shareholders*

This requirement is the reason the Company has called the General Meeting. As the Proposed Cancellation is a selective capital reduction, approval must be by way of a special resolution of shareholders (subject to the voting exclusions outlined on page 2 of this document).

4. *The Proposed Cancellation must be approved by shareholders whose shares are to be cancelled*

Because the selective capital reduction involves the cancellation of shares, the reduction must also be approved by a special resolution passed at meeting of the Kantor Shareholder and the Lipkin Shareholder, being the shareholders whose shares are to be cancelled. This requirement is the reason the Company has called the Special Meeting.

In accordance with the requirements of the Corporations Act, a copy of this Notice of Meetings has been lodged with the Australian Securities and Investments Commission (**ASIC**).

Effect of the Proposed Cancellation on the Company's capital structure

The effect of the Proposed Cancellation is detailed below:

Shares	Total (current)	Proposed reduction	Total (after Proposed Cancellation)
Ordinary shares	742,669,905	27,715,610	714,954,295

Therefore, if the Proposed Cancellation proceeds, the voting power of shareholders (other than the Co-shareholders) will be increased on a pro rata basis.

Timetable

Pursuant to the Corporations Act, the Proposed Cancellation cannot be effected until 14 days after the Company lodges with ASIC the required notifications that the special resolutions regarding the Proposed Cancellation have been passed.

Assuming that the special resolutions are passed on 31 March 2017, the Company proposes to lodge copies of the resolutions on that date and to implement the Proposed Cancellation on 14 April 2017.

Directors' Interests

The number of ordinary shares and options in which each director has an interest as at the date of this Notice of Meeting is set out below.

Director	Ordinary class shares	Options (over Ordinary class shares)
Scott Brown	788,716	7,500,000
Tod McGrouther	18,131,060	-
Ian Duffell	8,777,136	16,021,034

Voting intentions

Each of the Directors who is eligible to vote intends to vote in favour of General Meeting Resolution 1.

No other material information

Other than as set out in this Notice of Meeting, and other than information previously disclosed by the Company to shareholders, there is no other information that is known to the Company and the Directors that may reasonably be expected to be material to the making of a decision by shareholders whether or not to vote in favour of the Proposed Cancellation.

Directors' recommendation

The Directors unanimously recommend that shareholders vote in favour of General Meeting Resolution 1.

ITEM 2 – PREVIOUS ISSUE OF ORDINARY SHARES AND UNLISTED OPTIONS (OVER ORDINARY SHARES)

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

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

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

- (1) As announced 23 November 2016, the company issued of 20,000,000 ordinary class shares issued for \$nil consideration as part of settlement of legal settlement previously announced 10 November 2016. The recipient of these shares was Talk To Geoffrey Pty Limited.

The abovementioned ordinary shares have the same rights as existing ordinary shares in the company.

- (2) As announced 19 April 2016, the company issued of 10,000,000 unlisted options (over ordinary shares) with an exercise price of 3.6 cents per option and an expiry date of 31 December 2017. The consideration paid for these options was \$nil per option. The options were issued to various brokers for procuring new investment in the company.
- (3) As announced 3 May 2016, the company issued (up to) 4,000,000 unlisted options (over ordinary shares) with an exercise price of 3.6 cents per options and an expiry date of 31 December 2017. The consideration paid for these options was \$nil per option. The options were issued to Top Tech Distribution LLC to fulfil obligations of a Distribution Agreement between IOT and Top Tech Distribution.

Up to 4,000,000 options over ordinary class shares that will vest and be exercisable at any time in the 3 year period after the award of the options upon the achievement of the following performance targets;

- o Upon the achievement of at least 25,000 units of the ROAM-e Drone being sold by 31 December 2016, 2,000,000 options; and

- o Upon the achievement of at least 50,000 units of the ROAM-e Drone being sold by 30 June 2017, 2,000,000 options.

Each option has a 7 cents exercise price.

- (4) As announced 20 June 2016, the company issued a total 22,500,000 unlisted options (over ordinary shares) comprising 15,500,000 options to senior management and 7,000,000 options to senior management and staff.

15,500,000 Options (over ordinary class shares) issued to Senior Management of the company.

- The 15,500,000 Options (over ordinary class shares) issued to Senior Management of the company were issued to the parties at \$nil/option consideration.
- Exercise price = number of Options X P
 - $P = 2 \times \text{ISP}$ (volume weighted average price of a Company share sold on ASX during 5 trading days prior to the date of issue of Options).
 - Options will vest immediately after their issue and can be exercised at any time prior to 31 December 2022, after which any vested but unexpired Options will lapse.
 - Cessation of employment – Rule 9 ('good' leaver or 'bad' leaver rules of The IOT Group Option Plan) applies.

7,000,000 Options (over ordinary class shares) issued to Senior Management and staff of the company.

- The 7,000,000 Options (over ordinary class shares) issued to Senior Management of the company were issued to the parties at \$nil/option consideration.
- Exercise price = \$0.09119/Option. Price determined by taking weighted average price of an IOT share sold on the ASX during the 5 days immediately prior to the date of issue of the Option (14 June 2016).
- Vesting condition – the sale (and collection of proceeds) of 100,000 ROAM-e (of any style) by the company by the end of the Vesting Period (14 June 2016 to 30 June 2017).
- Cessation of employment – Rule 9 ('good' leaver or 'bad' leaver rules of The IOT Group Option Plan) applies.

Resolution 2 seeks shareholder ratification pursuant to Listing Rule 7.4 for the above prior issues.

At the date of this notice, the company had issued 742,669,905 ordinary shares. In addition, the company issued the abovementioned 36,500,000 unlisted options (over ordinary shares).

If this resolution is approved by shareholders, the company will be able to issue 15% of the sum of the above shares and options (or 779,169,905 shares and options), being a further 116,875,486 ordinary shares without shareholder approval, in the 12-month period to 31 March 2018.

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

Directors' recommendation:

The Directors unanimously recommend that shareholders vote in favour of Item 2.

BACKGROUND INFORMATION FOR RESOLUTIONS 3, 4, 5 and 6

The Company has introduced the IoT Group Option Plan – refer Schedule 2 (**Plan**) to assist in the reward, motivation and retention of personnel (including executives and eligible employees) and to drive Company growth and therefore, shareholder returns. The below is a summary of the Plan:

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

The exercise price for Premium Price Options is greater than the market value of the underlying shares at the date of issue determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.
4. **Vesting Conditions:** Service and performance based vesting conditions apply to Market Price Options. Service based vesting conditions apply to Premium Price Options.

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

GENERAL MEETING RESOLUTIONS 3 AND 4 – ISSUE OF A MAXIMUM 12,500,000 OPTIONS TO TOD MCGROUTHER OR HIS NOMINEE

Summary

Shareholders are asked to approve for all purposes (including ASX Listing Rule 10.14) the issue of a maximum of 12,500,000 Premium Price Options to acquire 12,500,000 ordinary shares in the capital of the Company (**Shares**) to Tod McGruther (**McGruther Options**), a Director of the Company, or his nominee.

The 7,500,000 Premium Price Options contemplated by Resolution 3 will be issued to meet the Company's undertaking to issue options upon Tod McGruther's appointment as a Non-Executive Director of the Company on 11 October 2016.

The 5,000,000 Premium Price Options contemplated by Resolution 4 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 12 January 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the McGruther Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The McGruther Options do not carry dividend or voting rights. The Shares delivered on exercise of the McGruther Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company.

ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

IoT Group Option Plan (Plan)

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

The McGrouther Options will vest immediately following their issue and may be exercised by Tod McGrouther any time prior to 31 December 2022, after which any vested but unexercised McGrouther Options will lapse.

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

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

Termination of employment

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

Shareholder approval

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

Information required by ASX Listing Rule 10.15

1. Number of Options

The maximum number of Premium Price Options that may be granted to Tod McGrouther within the Issue Period is 12,500,000.

On the issue of the McGrouther Options, Tod McGrouther may acquire a maximum of 12,500,000 ordinary shares. Each McGrouther Option will, upon issue, become exercisable and entitle the holder to one Share for each McGrouther Option. Any vested but unexercised McGrouther Options will expire on 31 December 2022.

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

The price for the issue of the 12,500,000 McGrouther Options is \$0.0001 per McGrouther Option.

The exercise price of the 7,500,000 McGrouther Options contemplated by Resolution 3 is at a premium to market value at the date of issue calculated in accordance with the following formula:

$$\text{Exercise Price} = 7,500,000 \times P$$

Where P is calculated in accordance with the following formula:

$$P = \text{ISP} \times 2$$

ISP is the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the McGrouther Options.

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

The exercise price of the 5,000,000 McGrouther Options contemplated by Resolution 4 is at a set exercise price of \$0.09 per Premium Price Option. This exercise price is also greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

2. Persons who received Shares under the Plan since last approval

No Options or Shares have been issued to any persons under the Plan since the last approval at the 2016 Annual General Meeting.

3. Persons who are entitled to participate in the IoT Group Option Plan

Eligibility to participate in the Plan will be determined by the Board in accordance with the IoT Group Option Plan.

4. Terms of any related loan

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

5. Issue date of Options

The McGrouther Options will be issued to Tod McGrouther or his nominee within the Issue Period, on the conditions described in this Explanatory Note.

Directors' recommendation

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

GENERAL MEETING RESOLUTION 5 – ISSUE OF 10,000,000 OPTIONS TO IAN DUFFELL OR HIS NOMINEE

Summary

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

The 10,000,000 Premium Price Options contemplated by Resolution 5 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 12 January 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the Duffell Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The Duffell Options do not carry dividend or voting rights. The Shares delivered on exercise of the Duffell Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company.

ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

IoT Group Option Plan (Plan)

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

The Duffell Options will vest immediately following their issue and may be exercised by Ian Duffell any time prior to 31 December 2022, after which any vested but unexercised Duffell Options will lapse.

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

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

Termination of employment

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

Shareholder approval

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

Information required by ASX Listing Rule 10.15

1. Number of Options

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

On the issue of the Duffell Options, Ian Duffell may acquire a maximum of 10,000,000 ordinary shares. Each Duffell Option will, upon issue, become exercisable and entitle the holder to one Share for each Duffell Option. Any vested but unexercised Duffell Options will expire on 31 December 2022.

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

The price for the issue of the Duffell Options is \$0.0001 per Duffell Option. The Duffell Options will be issued at a set exercise price of \$0.09 per Premium Price Option. This exercise price is greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

2. Persons who received Shares under the Plan since last approval

No Options or Shares have been issued to any persons under the Plan since the last approval at the 2016 Annual General Meeting.

3. Persons who are entitled to participate in the IoT Group Option Plan

Eligibility to participate in the Plan will be determined by the Board in accordance with the IoT Group Option Plan.

4. Terms of any related loan

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

5. Issue date of Options

The Duffell Options will be issued to Ian Duffell or his nominee within the Issue Period, on the conditions described in this Explanatory Note.

Directors' recommendation

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

GENERAL MEETING RESOLUTION 6 – ISSUE OF 5,000,000 OPTIONS TO SCOTT BROWN OR HIS NOMINEE

Summary

Shareholders are asked to approve for all purposes (including ASX Listing Rule 10.14) the issue of a maximum of 5,000,000 Premium Price Options to acquire 5,000,000 ordinary shares in the capital of the Company (**Shares**) to Scott Brown (**Brown Options**), a Director of the Company, or his nominee.

The 5,000,000 Premium Price Options contemplated by Resolution 6 will be issued, if approved by shareholders, in accordance with an IOT Board resolution made on 12 January 2017 to issue those options subject to shareholder approval.

If approved by Shareholders, the Brown Options will be issued as soon as reasonably practicable following approval and no later than 12 months after this General Meeting (**Issue Period**). The Brown Options do not carry dividend or voting rights. The Shares delivered on exercise of the Brown Options will have full voting and dividend rights corresponding to the rights of other holders of ordinary shares in the Company.

ASX Listing Rule 10.14 requires simple majority shareholder approval for the issue of securities under an employee incentive scheme to a Director.

IoT Group Option Plan (Plan)

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

The Brown Options will vest immediately following their issue and may be exercised by Scott Brown any time prior to 31 December 2022, after which any vested but unexercised Brown Options will lapse.

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

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

Termination of employment

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

Shareholder approval

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

Information required by ASX Listing Rule 10.15

1. Number of Options

The maximum number of Premium Price Options that may be granted to Scott Brown within the Issue Period is 5,000,000.

On the issue of the Brown Options, Scott Brown may acquire a maximum of 5,000,000 ordinary shares. Each Brown Option will, upon issue, become exercisable and entitle the holder to one Share for each Brown Option. Any vested but unexercised Brown Options will expire on 31 December 2022.

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

The price for the issue of the Brown Options is \$0.0001 per Brown Option. The Brown Options will be issued at a set exercise price of \$0.09 per Premium Price Option. This exercise price is greater than the market value of the underlying shares at the date of issue as determined by reference to the volume weighted average price of a Company share sold on the ASX during the five trading days immediately prior to the date of issue of the options.

2. Persons who received Shares under the Plan since last approval

No Options or Shares have been issued to any persons under the Plan since the last approval at the 2016 Annual General Meeting.

3. Persons who are entitled to participate in the IoT Group Option Plan

Eligibility to participate in the Plan will be determined by the Board in accordance with the IoT Group Option Plan.

4. Terms of any related loan

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

5. Issue date of Options

The Brown Options will be issued to Scott Brown or his nominee within the Issue Period, on the conditions described in this Explanatory Note.

Directors' recommendation

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

Proxy Form for Shareholders

Shareholder
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

1. I / We (please print): Name _____

Address _____

_____ Security Holder Reference Number (if known) _____

2. Appointment of Proxy

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

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

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

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of shareholders of IOT Group Limited to be held at the offices of the company at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 at **11am (Sydney time) on Friday 31 March 2017** and at any adjournment of that meeting.

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

		For	Against	Abstain
Resolution 1	Selective capital reduction – Kantor Shares and Lipkin Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Previous issue of ordinary shares and unlisted options (over ordinary shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of options to Tod McGrouther or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of options to Tod McGrouther or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of options to Ian Duffell or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of options to Scott Brown or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

	Mark with an "x" if you wish to appoint a second proxy	%	or	No. of shares:
--	--	---	----	----------------

5. Authorised Signature/s

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

Individual or Security Holder	Security Holder 2	Security Holder 3
x		
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact daytime telephone

Email Date

Completed proxy forms must be received by the Company no later than **11am (Sydney time) on Wednesday 29 March 2017** 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 2011

How to Complete this Proxy Form

(a) Your Name and Address

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

(b) Appointment of a Proxy

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

(c) Votes on Items of Business

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

(d) Appointment of Second Proxy

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

To appoint a second proxy, you must:

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

(e) Signing instructions

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

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

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

(f) Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail or email) by not later than 48 hours before commencement of the meeting ie **11am (Sydney time) Wednesday 29 March 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Schedule 1 – Kantor and Lipkin Shareholders

Kantor Shareholder: Kantor Enterprises Pty Limited ACN 608 238 151 (a company wholly owned by Mr Simon Kantor)

Lipkin Shareholder: VL Investment Enterprises Pty Limited ACN 608 239 407 (a company wholly owned by Mr Valery Lipkin)

Schedule 2 – IOT 31 March 2017 Shareholder Meeting

IoT Group Option Plan Rules

IoT Group Ltd

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Epoch Employee Share Option Plan Rules

1 Purpose

The Plan is designed to align the interests of Eligible Employees with the interests of shareholders of the Company and each Group company and to assist the Company and each Group company to attract, reward and retain high quality staff.

2 Commencement

The Plan commences on the date determined by the Board.

3 Rules Binding

The Plan must be operated in accordance with these Rules which bind the Company, each Group company and each Participant.

4 Offers

4.1 Eligibility

Only Eligible Employees may participate in the Plan.

4.2 Issue

- (a) The Board may, from time to time and at its absolute discretion, issue Options to Eligible Employees.
- (b) Options will not be quoted on the ASX.

4.3 Terms of offer

Subject to these Plan Rules, offers of Options to Eligible Employees may be made on such terms and conditions as the Board determines at its absolute discretion, provided the offer:

- (a) is made in writing;
- (b) specifies:
 - (i) the number of Options the subject of the offer;
 - (ii) the Exercise Price;
 - (iii) the Vesting Conditions;
 - (iv) the Exercise Period;
 - (v) the Disposal Restrictions;
 - (vi) any other specific terms and conditions that apply to the offer of the Options; and
- (c) includes any document required by law or regulatory authority to be provided.

4.4 Right to receive benefits in respect of Options

Nothing in these Plan Rules confers any right or benefit in respect of the Option Shares that correspond to the Options issued (whether the right to receive dividends, the right to vote or otherwise) unless and until the Option is exercised and the Option Shares are issued, allotted or transferred to the Participant in accordance with Rule 6.

5 Acceptance of Options

5.1 Acceptance Form

An Eligible Employee may accept an offer of Options made in accordance with Rule 4 by:

- (a) delivering to the Company an Acceptance Form within the time period specified in the offer; and
- (b) if the Options the subject of the offer are Premium Price Options, together with the Option Price payable for the total Premium Price Options to be issued, by way of bank cheque made out in favour of the Company or any other payment method determined by the Board and notified to the Eligible Employee from time to time.

5.2 Acceptance in Whole

An Acceptance Form delivered to the Company in accordance with Rule 5.1 must be in respect of all, not some, Options issued in accordance with Rule 4.

5.3 Issue of Options

On receipt of an Acceptance Form, the Company will issue the Options the subject of the offer to the Eligible Employee.

5.4 Nominee

An Eligible Employee is not permitted to have their Options issued, allotted or transferred to any other person or associated body corporate unless the Board, at its absolute discretion, determines otherwise.

5.5 Employee agrees to be bound

On delivery of an Acceptance Form in accordance with Rule 5.1, an Eligible Employee is deemed to have agreed to be bound by:

- (a) the terms of the issue;
- (b) the provisions of these Plan Rules;
- (c) the Constitution;
- (d) the Listing Rules; and
- (e) all applicable laws.

6 Vesting and Exercise

6.1 Exercise of Options

- (a) As soon as reasonably practicable after the Options may be exercised (whether as a result of the Options Vesting or otherwise), the Board will deliver a Vesting Notice to the relevant Participant.
- (b) Subject to the Listing Rules, any applicable laws (including the Corporations Act) and any policy of the Company or the Group in respect of insider trading, on receipt of a Vesting Notice, the Participant may exercise the Vested Options at any time during the Exercise Period by delivering to the Company:
 - (i) an Exercise Notice in respect of the Vested Options; and
 - (ii) the Exercise Price for each Option Share to be issued, allotted or transferred upon exercise of the Vested Options, by way of bank cheque made out in favour of the Company or any other payment method determined by the Board and notified to the Participant from time to time.
- (c) For the avoidance of doubt, an Exercise Notice may be in respect of some but not all of the Vested Options.

- (d) Where a Participant delivers an Exercise Notice in respect of only some of the Vested Options, the Board will deliver a new Vesting Notice which details the remaining number of Vested Options which may be exercised by the Participant.

6.2 Satisfaction of Options upon Vesting or Exercise by Shares

- (a) Subject to the Listing Rules, any applicable laws (including the Corporations Act) and any policy of the Company or the Group in respect of insider trading, as soon as reasonably practicable following the exercise of Options in accordance with Rule 6.1 (or where applicable, Rule 9.2) the Company will:
 - (i) issue, allot or transfer (as determined by the Company at its absolute discretion) Option Shares to the Participant;
 - (ii) cause the Option Shares to be registered in the name of the Participant; and
 - (iii) otherwise do all things necessary to ensure the Option Shares are issued, allotted or transferred to the Participant in accordance with the terms and conditions of these Plan Rules.
- (b) Option Shares issued, allotted or transferred to a Participant in accordance with this Rule 6.2 will rank equally with all existing Shares from the date of issue.

6.3 Waiver

For the avoidance of doubt, the Board may, at its absolute discretion, waive some or all of the Vesting Conditions applicable to Options in respect of a Participant such that the Options may Vest despite a Vesting Condition not being satisfied.

7 Participation in future issues and reorganisation

7.1 Participation in future issues

- (a) A Participant cannot participate in new issues of Shares or other securities to holders of Shares, unless the Shares in respect of Options held by the Participant have been acquired by, and registered in the name of, the Participant before the record date for determining entitlements to the new issue.
- (b) If the Company makes a pro rata bonus issue of Shares or other securities to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and Shares in respect of Options held by a Participant have not been acquired by, and registered in the name of, the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares the subject of the Options shall be increased by the number of Shares that the Participant would have received if the Shares the subject of the Options had been registered in the name of the Participant before the record date for the bonus issue.
- (c) If the Company makes a pro rata issue of Shares (except a bonus issue) to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and
 - an Exercise Price is payable on the exercise of Options, the Exercise Price shall be changed as permitted by the Listing Rules.

7.2 Reorganisation

In the event of any reorganisation of the issued capital of the Company, a Group company or the Group, the number of Options, Option Shares or the Exercise Price payable will be adjusted in accordance with the Listing Rules as applicable to options at the time of the reorganisation.

8 Restrictions

8.1 **General**

Except as specified in these Plan Rules or unless otherwise approved by the Board, a Participant must not sell, assign, transfer or otherwise Encumber their Options.

8.2 **Disposal Restrictions**

- (a) The Board may at its absolute discretion, determine that a restriction period or other conditions will apply to some or all Option Shares, and may determine the terms and conditions applying to any such restriction period or other conditions.
- (b) If the Board determines a restriction period applies to Option Shares, a Participant must not dispose of or otherwise deal with, or purport to deal with, their Option Shares which are subject to a restriction period unless otherwise as required or approved by the Board.

9 Forfeiture

9.1 **General**

The provisions of this Rule 9 will apply if the terms of the offer of Options made in accordance with Rule 4 state that this Rule 9 applies.

9.2 **Good Leaver**

(a) **Unvested Options**

(i) If:

- (A) a Participant is a Good Leaver; and
- (B) as at the date the Participant became a Good Leaver some or all of that Participant’s Options have not Vested,

the Participant will be entitled to retain that part of the Unvested Options for each tranche with the same issue date calculated in accordance with the following formula:

$$RA = \frac{\text{Number of Unvested Options}}{TPV} \times D$$

Where:

RA = The number of Unvested Options which the Participant may retain on becoming a Good Leaver.

TVP = The total number of full months in the Vesting Period.

D = The total number of full months which have elapsed in the period beginning on the date the Options last Vested (and if the Options have not yet Vested, beginning on the date of issue of the Options) and ending on the date the Participant became a Good Leaver.

- (ii) Those Unvested Options that a Participant is not entitled to retain in accordance with Rule 9.1(a) will be forfeited by the Participant and all rights of the Participant in respect of those Unvested Options which are forfeited will cease.

(b) **Vested Options**

(i) If:

- (A) a Participant is a Good Leaver; and
- (B) that Participant is the holder of Vested (but unexercised) Options; and

irrespective of the Exercise Period applicable to those Vested Options, as soon as reasonably practicable after the Participant becomes a Good Leaver, the Board will deliver a Vesting Notice to that Participant.

- (ii) On receipt of a Vesting Notice, the Participant may exercise some or all of the Vested Options until the earlier of 90 days from the date of the Vesting Notice delivered in accordance with Rule 9.2(b)(i) and the expiration of the Exercise Period by delivering to the Company:
 - (A) an Exercise Notice in respect of the Vested Options; and
 - (B) the Exercise Price for each Option Share to be issued, allotted or transferred upon exercise of the Vested Options, by way of bank cheque made out in favour of the Company or any other payment method determined by the Board and notified to the Participant from time to time.
- (iii) For the avoidance of doubt, if a Participant exercises some but not all Vested Options in accordance with Rule 9.2(b)(ii), any unexercised Vested Options will be forfeited immediately on delivery of the Exercise Notice to the Company in accordance with Rule 9.2(b)(ii).
- (iv) If a Participant exercises Vested Options in accordance with Rule 9.2(b)(ii), the provisions of Rules 6.2 will apply.

9.3 **Bad Leaver**

If a Participant is a Bad Leaver, all Options held by that Participant will be forfeited and all rights of the Participant in respect of all:

- (a) unvested Options;
 - (b) exercised Options for which Shares are yet to be transferred, allotted or issued; and
 - (c) vested but unexercised Options,
- will cease.

10 **Corporate Action**

In the event of a Corporate Action or any other event determined by the Board at its absolute discretion, subject to the Listing Rules and any applicable laws (including the Corporations Act), the Board may determine at its absolute discretion that:

- (a) a Participants' Unvested Options will Vest notwithstanding some or all of the Vesting Conditions have not been satisfied in which case the provisions of Rule 6 will apply;
- (b) a Participant may transfer or otherwise dispose of their Options; or
- (c) any Disposal Restrictions will be waived.

11 **Administration of the Plan**

11.1 **Board to administer Plan**

The Plan is to be administered by the Board in accordance with these Plan Rules.

11.2 **Delegation of Board powers and discretions**

Any power or discretion which is conferred on the Board by these Plan Rules including the power to issue Options to Eligible Employees may be delegated by the Board to any person on such terms it determines at its absolute discretion.

11.3 Documents

The Company may from time to time require an Eligible Employee to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

11.4 Decisions of the Board Final

All decisions of the Board as to the interpretation, effect or application of these Plan Rules and all calculations and determinations made by the Board under these Plan Rules are final, conclusive and binding in the absence of manifest error.

11.5 Suspension of Plan

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan. The suspension or cancellation of the Plan must not prejudice the existing rights (if any) of Participants.

12 Limits on capital

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.

13 Amendment of the Plan

13.1 Board may amend

Subject to Rules 13.2 and the Listing Rules, the Board may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Plan Rules (including this Rule 13).

13.2 No alteration to existing rights

Any amendment to the provisions of these Plan Rules must not materially alter the rights of any Participant in respect of an issue of Options under the Plan prior to the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to present or future local or foreign legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable the Plan, the Company or any Group company to comply with any applicable local or foreign laws or any required policy of a local or foreign regulatory body.

13.3 Retrospective amendment possible

Subject to Rule 13.2, any amendment made under Rule 13.1 may be given retrospective effect as specified in the written instrument or resolution by which the amendment is made.

14 Rules for Specific Countries

14.1 General

The Board may, in its absolute discretion:

- (a) issue Options to Eligible Employees who reside outside of Australia; and
- (b) by written instrument or by resolution of the Board, introduce specific rules applicable to the issue of Options to Eligible Employees who reside outside of Australia.

14.2 Inconsistency

To the extent the provisions of any specific rule(s) introduced in accordance with Rule 14.1(b) conflict with these Plan Rules, the provisions of the specific rule(s) will apply.

14.3 Application

Unless otherwise specified, any specific rule(s) introduced in accordance with Rule 14.1(b) shall apply only to Options issued to Participants under the jurisdiction of the country that is the subject of the specific rule(s).

15 Termination of the Plan

The Plan terminates and is to be wound up:

- (a) if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction; or
- (b) if the Board determines that the Plan is to be wound up.

16 General provisions

16.1 Rights of Participants

- (a) Nothing in these Plan Rules:
 - (i) confers on any Eligible Employee any expectation to become a Participant or Participant Shareholder;
 - (ii) confers on any Employee the right to be invited to apply for, to be offered or to receive any Option or Share;
 - (iii) confers on any Participant or Participant Shareholder the right to continue as an employee of the Company or any Group company;
 - (iv) affects any rights which the Company or any Group company may have to terminate the employment of any Employee; or
 - (v) may be used to increase damages in any action brought against the Company or any Group company in respect of any termination of employment.
- (b) No person, whether a Participant, Participant Shareholder or otherwise, has any claim, right or interest in respect of the Plan or any Shares (including Option Shares) or other property of the Plan, whether against the Company or any other person, as a consequence of termination of the Employee's employment or appointment or otherwise, except under and in accordance with these Plan Rules.

16.2 Withholding

- (a) If the Company or any person (excluding the Participant) is obliged as a result of, or in connection with, the issue, Vesting or exercise of Options to account for income tax, withholding tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contribution or levy or charge of a similar nature, that person is entitled to be reimbursed by the Participant for the amounts so paid or that will become payable.
- (b) Where Rule 16.2(a) applies, the Company is not obliged to pay the relevant amount or issue or transfer the relevant Option Shares to the Participant unless the relevant person is satisfied that arrangements have been made for reimbursement. Such arrangements may include reimbursement prior to the amounts becoming payable by the relevant person and the sale, on behalf of the Participant, of Option Shares issued, allotted or transferred or otherwise to be issued, allotted or transferred to the Participant and, in the event of such a sale, the Participant must also reimburse the costs of any such sale (including brokerage).

16.3 Attorney

- (a) Each Participant, 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 Participant's 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 Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Plan Rules.
- (b) The Participant shall be deemed to covenant that the Participant shall:
- (i) ratify and confirm any act or thing done pursuant to the powers conferred by this Rule 16; and
 - (ii) release the Company, each Group company, each Director and the Attorney (where applicable) from any liability whatsoever arising from the exercise of the powers conferred by this Rule 16,
- and shall indemnify and hold harmless the Company, each Group company, each Director and the Attorney (where applicable) in respect of such powers.

16.4 Notices

- (a) Any notice, certificate, consent, approval, waiver or other communications given by the Board, the Company or any Group company is deemed to have been duly given if:
- (i) sent by electronic mail or delivered by hand; or
 - (ii) sent by ordinary prepaid mail,
- and is deemed to have been served:
- (iii) if sent by electronic mail or delivered by hand, at the time of sending or delivery; or
 - (iv) if posted, three Business Days (or, if posted to a Participant's address outside Australia, seven Business Days) after the date of posting.
- (b) Delivery, transmission and postage is to the address of any Participant as indicated on the Application Form, any other address as the Board or any Participant may notify to the other or in the case of a Participant who is an Employee, the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of his or her office or employment.

16.5 Governing Law and Jurisdiction

This Plan is governed by the laws of New South Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of New South Wales and Australia.

17 Definitions and Interpretation

17.1 Definitions

In this document, unless the context requires otherwise:

Acceptance Form means a duly completed document of acceptance of the issue of Options signed by an Eligible Employee, in the form set out in Schedule 1 or such other form approved by the Board from time to time, and lodged in accordance with rule 5.1.

ASX means ASX Limited ABN 98 008 624 691, or the stock market conducted by it, as the context requires.

Attorney has the meaning given to that term by Rule 16.3(a).

Bad Leaver means a Participant who ceases to be an employee and who:

- (a) breaches any provision of the terms of their employment and who the Board determines is a Bad Leaver; or

- (b) breaches any provision of these Plan Rules and fails rectify such breach within 10 days of the date the Board issues notice of such breach;
 - (c) is subject to an Insolvency Event; or
 - (d) the Board determines at its absolute discretion is a Bad Leaver,
- but does not include a Participant who is a Good Leaver.

Board means all or some of the Directors of the Company acting as a board or a duly authorised committee of the board.

Business Day means a day that is not a Saturday, Sunday or public holiday in New South Wales.

Company means IoT Group Ltd ACN 140 475 921 of Suite 3, Level 14, 39 Martin Place, Sydney, NSW 2000.

Constitution means the constitution of the Company as amended from time to time.

Corporate Action means where:

- (a) the Board determines there are circumstances which have occurred or are likely to occur which will result in significant changes to the structure or control of the Company or the Group or any person with a controlling interest in the Company or the Group which may adversely affect the rights of or value of benefits to Participants;
- (b) offers are made to acquire all of the Shares (or all of those that the offeror does not already have a relevant interest in) and after the announcement of the offer the offeror acquires Control of the Company or the Group or offers are made to acquire all of the Shares (or all of those that the offeror does not already have a relevant interest in) by any person who has Control of the Company or the Group;
- (c) a scheme of arrangement under the Corporations Act is proposed between the Company and its shareholders; or
- (d) a resolution for a members' voluntary winding of the Company is passed.

Corporations Act means the Corporations Act 2001 (Cth).

Director means the director of any Group company from time to time (including an alternate director or managing director appointed in accordance with the relevant constitution).

Disposal Restrictions means such restriction on disposal or dealing in Options, or in an Option Share, as determined by the Board from time to time at its absolute discretion, including the restrictions referred to in Rule 7.

Eligible Employee means:

- (a) in respect of Premium Price Options, an Employee who is a director or executive of the Company or any Group company;
- (b) in respect of Market Price Options, an Employee who is not a director or executive the Company or any Group company,

and who the Board determines in its absolute discretion to issue Options.

Employee means:

- (a) an employee, contractor or consultant of the Group;
- (b) a director of the Company or any Group company;
- (c) a person to whom an offer of employment, engagement as a contractor or engagement as a consultant by the Group has been made; or
- (d) any individual who is otherwise engaged by the Group to provide services.

Encumbrance means any security interest, mortgage, lien, charge, pledge, restriction against transfer, title retention, preferential right or trust arrangement, claim, covenant, easement or any other arrangement having the same effect and **Encumber** has the corresponding meaning.

Exercise Notice means a duly completed exercise notice in respect of Vested Options signed by the Participant, in the form set out in Schedule 3 or such other form approved by the Board from time to time, and lodged in accordance with Rule 6.1(b).

Exercise Period means the period commencing on the First Exercise Date and ending on the Last Exercise Date.

Exercise Price means the price payable for the acquisition of Option Shares on the exercise of Vested Options and which is specified in the terms of the issue of those Options.

First Exercise Date means the first possible time Options may be exercised, being a date determined by the Board at its absolute discretion and specified in the terms of the issue of those Options.

Good Leaver means a Participant who:

- (a) ceases to be an Employee, is not a Bad Leaver and who the Board determines at its absolute discretion is a Good Leaver; or
- (b) is subject to a Qualifying Event and who the Board determines at its absolute discretion is a Good Leaver.

Group means the Company and its Subsidiaries and Group company means any one of them.

Last Exercise Date means the last possible time Options may be exercised, being 31 December 2022.

Listing Rules means the official listing rules of ASX.

Market Price Options means Options with an Exercise Price equal to the market value of the underlying Shares which may be acquired on exercise of the Options at the date of issue of the Options determined by taking the volume weighted average price of a Share sold on the ASX during the five trading days immediately prior to the date of issue of the Options.

Option means a right to acquire a specified number of Shares at the Exercise Price in accordance with the Plan Rules and includes (but is not limited to) Market Price Options and Premium Price Options.

Option Price means the price payable for the issue of Premium Price Options being the amount of \$0.0001 per Premium Price Option.

Option Share means a Share acquired by a Participant as a result of the exercise by that Participant of its Options.

Participant means an Eligible Employee to whom an Option has been issued.

Participant Shareholder means a Participant who is the holder of Option Shares.

Plan means the IoT Group Option Plan, being the plan constituted by these Plan Rules.

Plan Rules means the rules of the Plan set out in this document, as amended from time to time.

Premium Price Options means Options with an Exercise Price that is greater than the market value of the underlying Shares which may be acquired on exercise of the Options at the date of issue of the Options as determined by taking the volume weighted average price of a Share sold on the ASX during the five trading days immediately prior to the date of issue of the Options.

Qualifying Event means a Participant who ceases to be an employee as a result of genuine redundancy, death or Total and Permanent Disablement.

Share means an ordinary share in the capital of the Company.

Subsidiary has the meaning given in the Corporations Act but so that:

- (a) an entity will also be deemed to be a Subsidiary of a company if it is controlled by that company (expressions used in this paragraph have the meanings given for the purposes of Parts 2.6 and 2.7 of the Corporations Act);

- (b) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (c) a corporation or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Total and Permanent Disablement means the Participant, has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation with the Group for which he or she is reasonably qualified by education, training or experience.

Unvested or Unvested Options means Options in respect of which the Vesting Conditions have not been:

- (a) satisfied as required by the terms of the relevant issue and these Plan Rules; or
 - (b) waived by the Board in accordance with these Plan Rules,
- and which have not lapsed.

Vest, Vested or Vesting means Options in respect of which the Vesting Conditions have been:

- (a) satisfied as required by the terms of the relevant issue and these Plan Rules; or
 - (b) waived by the Board in accordance with these Plan Rules,
- and which have not lapsed.

Vesting Conditions means, in respect of Options, any conditions (including any Vesting Period), determined by the Board at its absolute discretion applicable to those Options and specified in the terms of the issue to an Eligible Employee.

Vesting Notice means a notice, in the form set out in Schedule 2 or such other form approved by the Board from time to time, delivered by the Board to a Participant in accordance with Rule 6.1(a) in respect of the satisfaction or waiver of the Vesting Conditions.

Vesting Period means the period during which the Vesting Conditions applicable to those Options must be satisfied, as determined by the Board at its absolute discretion and specified in the terms of the issue to an Eligible Employee.

17.2 Interpretation

In these Plan Rules, unless the context requires otherwise:

- (a) the singular includes its plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) headings are for convenience only and do not affect interpretation;
- (d) a reference to:
 - (i) a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity;
 - (ii) a party in these Plan Rules or another document includes that party's successors, permitted substitutes or permitted assigns;
 - (iii) a particular time is a reference to that time in Sydney, New South Wales;
 - (iv) any agreement (including these Plan Rules) or document is to the agreement or document as amended, supplemented, novated or replaced from time to time;
 - (v) a clause, paragraph, schedule or annexure is to a clause, paragraph, schedule or annexure in or to these Plan Rules;
 - (vi) these Plan Rules include any schedules and annexures to it;
 - (vii) writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible or tangible form; and

- (viii) legislation (including subordinate legislation) or a provision of it is to that legislation or provision as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (e) words such as including or for example do not limit the meaning of the words preceding them;
- (f) an obligation or liability assumed by, or a right conferred on, two or more parties binds or benefits all of them jointly and each of them severally; and
- (g) nothing in these Plan Rules is to be interpreted against a party solely on the ground that the party or its advisers drafted it.

17.3 **Inconsistency**

In the event of an inconsistency between these Plan Rules and the terms of an offer or issue of Options, the terms of these Plan Rules prevail over the terms of the issue of those Options.

Schedule 1

ACCEPTANCE FORM

TO: **IoT Group Ltd**
Suite 3, Level 14, 39 Martin Place
Sydney
New South Wales 2000
(Company)

FROM: Participant Name: _____

Address: _____

Date of offer (date of participant letter): _____

Number of Options specified in Vesting Notice: _____

Pursuant to the terms of the offer of my Options referred to in this Acceptance Form, I, the Participant, request the Company issued to me all of the Options specified in the Acceptance Form referred to above.

[DELETE IF NOT APPLICABLE] Attached to this Acceptance Notice is a bank cheque in favour of the Company in the amount of:

Total Option Price: \$ _____

I, the Participant:

- (a) request that you issue to me that number of Options referred to in this Acceptance Form;
- (b) agree to be bound by the Plan Rules, the terms of the issue of my Options, the Listing Rules and the Constitution of the Company; and
- (c) acknowledge and agree that I have had the opportunity to obtain my own professional advice in respect of my participation in the Plan.

Dated:

EXECUTED by:

Signature

← _____ ←
Insert Name

Schedule 2

VESTING NOTICE

TO: **Participant Name:** _____

Address: _____

Date of issue of Options: _____

Number of Vested Options: _____

Exercise Price: _____

Exercise Period: _____

FROM: **IoT Group Ltd**
Suite 3, Level 14, 39 Martin Place
Sydney
New South Wales 2000
(Company)

Pursuant to the terms of the issue of your Options, the Company notifies you that the Options specified in this Vesting Notice have Vested.

The Options specified in this Vesting Notice may be may be exercised by you within the Exercise Period specified above by:

- 1) completing the Exercise Notice attached to this Vesting Notice; and
- 2) providing the completed Exercise Notice together with a bank cheque in favour of the Company for the total Exercise Price payable to the exercise the Vested Options, to the Company.

Dated:

EXECUTED by **IoT GROUP LTD** ACN 140 475 921 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Date

Date

Schedule 3

EXERCISE NOTICE

TO: **IoT Group Ltd**
Suite 3, Level 14, 39 Martin Place
Sydney
New South Wales 2000
(Company)

FROM: Participant Name: _____

Address: _____

Date of issue of Options _____

Date of Vesting Notice: _____

**Number of Options
specified in Vesting Notice:** _____

Pursuant to the terms of the issue of my Options referred to in this Exercise Notice, I, the Participant, exercise all of the Options specified in the Vesting Notice referred to above.

Attached to this Exercise Notice is a bank cheque in favour of the Company in the amount of:

Total Exercise Price: **\$** _____

I, the Participant:

- (a) request that you allot to me that number of Option Shares which corresponds to the number of Vested Options referred to in this Exercise Notice;
- (b) authorise the Company to enter my name in the register of members in respect the number of Option Shares which corresponds to the number of Vested Options referred to in this Exercise Notice;
- (c) agree to be bound by the Plan Rules, the terms of the issue of my Options and the Constitution of the Company; and
- (d) acknowledge and agree that I have had the opportunity to obtain my own professional advice in respect of my participation in the Plan.

Dated:

EXECUTED by:

Signature

Insert Name

Proxy Form for Kantor Shareholder

Shareholder
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX

1. **I / We (please print):** Name _____

Address _____

_____ Security Holder Reference Number (if known) _____

2. Appointment of Proxy

I / We being the Kantor shareholder of IOT Group Limited hereby appoint

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

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

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Special Meeting of Kantor shareholder and Lipkin shareholder (of IOT Group Limited) to be held at the offices of the company at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 at **11.30am (Sydney time) on Friday 31 March 2017** and at any adjournment of that meeting.

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

		For	Against	Abstain
Resolution 1	Selective capital reduction – Kantor Shares and Lipkin Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE: Undirected proxies received by the Chairman of the meeting will be voted in favour of each item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on, Resolution 1 by marking the relevant box opposite Resolution 1. Note that under Section 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite Resolution 1, you are directing the Chairman to vote in favour of the relevant resolution.

4. _____ Appointment of a Second Proxy I/We wish to appoint a second proxy

State the percentage of your voting rights
 Or the number of shares for this Proxy

Mark with an "x" if you wish to appoint a second proxy

Form

%	or	No. of shares:
---	-----------	----------------

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 <input type="checkbox"/> _____ Individual/Sole Director and Sole Company Secretary	Security Holder 2 _____ Director	Security Holder 3 _____ Director/Company Secretary
--	--	--

_____ Contact Name _____ Contact daytime telephone

_____ Email _____ Date

Completed proxy forms must be received by the Company no later than **11.30am (Sydney time) on Wednesday 29 March 2017** 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 2011

How to Complete this Proxy Form

(a) Your Name and Address

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

(b) Appointment of a Proxy

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

(c) Votes on Items of Business

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

(d) Appointment of Second Proxy

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

To appoint a second proxy, you must:

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

(e) Signing instructions

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

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

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

(f) Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail or email) by not later than 48 hours before commencement of the meeting ie **11.30am (Sydney time) Wednesday 29 March 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Form for Lipkin Shareholder

Shareholder
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX

1. **I / We (please print):** Name _____

Address _____

_____ Security Holder Reference Number (if known) _____

2. Appointment of Proxy

I / We being the Lipkin shareholder of IOT Group Limited hereby appoint

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

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

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Special Meeting of Kantor shareholder and Lipkin shareholder (of IOT Group Limited) to be held at the offices of the company at Suite 902, Level 9, 100 William Street, East Sydney NSW 2011 at **11.30am (Sydney time) on Friday 31 March 2017** and at any adjournment of that meeting.

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

Resolution 1	Selective capital reduction – Kantor Shares and Lipkin Shares	For	Against	Abstain
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE: Undirected proxies received by the Chairman of the meeting will be voted in favour of each item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on, Resolution 1 by marking the relevant box opposite Resolution 1. Note that under Section 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite Resolution 1, you are directing the Chairman to vote in favour of the relevant resolution.

4. _____ Appointment of a Second Proxy I/We wish to appoint a second proxy

State the percentage of your voting rights
 Or the number of shares for this Proxy

Mark with an "x" if you wish to appoint a second proxy

Form

%	or	No. of shares:
---	-----------	----------------

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 <input type="checkbox"/> _____ Individual/Sole Director and Sole Company Secretary	Security Holder 2 _____ Director	Security Holder 3 _____ Director/Company Secretary
--	--	--

_____ Contact Name _____ Contact daytime telephone

_____ Email _____ Date

Completed proxy forms must be received by the Company no later than **11.30am (Sydney time) on Wednesday 29 March 2017** 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 2011

How to Complete this Proxy Form

(a) Your Name and Address

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

(b) Appointment of a Proxy

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

(c) Votes on Items of Business

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

(d) Appointment of Second Proxy

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

To appoint a second proxy, you must:

- C. 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.
- D. 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 **11.30am (Sydney time) Wednesday 29 March 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.