

27 October 2020

Dear Shareholder,

**Annual General Meeting - Notice and Proxy Form**

Notice is hereby given that the Annual General Meeting (**Meeting**) of Shareholders of Connected IO Limited (ACN 009 076 233) (**Company**) will be held at Level 9, 40 St Georges Terrace, Perth WA at 9.30am (WST) on Friday 27 November 2020.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions for physical gatherings.

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice is available through the Company's website at <http://connectedio.com.au/investor-relations/asx-announcements>.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience.

Shareholders are encouraged to vote online at <https://www.investorvote.com.au/> or by returning the attached proxy form by:

post to:               Computershare Investor Services Pty Limited  
                            GPO Box 242  
                            Melbourne VIC 3001  
                            Australia  
                            or

facsimile to:       1800 783 447 within Australia or +61 3 9473 2555 outside Australia

To vote online you will require your secure access information set out on your proxy form or use your mobile device to scan your personalised QR code.

Your proxy voting instruction must be received by 9.30 am (WST) on 25 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

Circumstances relating to COVID-19 are changing. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice please contact the Company's share registry, Computershare, on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours faithfully  
Nicki Farley  
Company Secretary

**CONNECTED IO LIMITED**  
**ACN 009 076 233**

**Notice of Annual General Meeting  
And  
Explanatory Statement**

**Annual General Meeting of Shareholders to be held at  
Level 9, 40 St Georges Terrace, Perth WA  
at 9.30am (WST) on Friday 27 November 2020.**

**Important**

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

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions for physical gatherings.

*In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of this Notice of Meeting. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter or postcard setting out a URL for viewing or downloading the Notice and other material. If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.*

## Notice of Annual General Meeting

Notice is given that an Annual General Meeting of Shareholders of Connected IO Limited ACN 009 076 233 (**Company**) will be held at Level 9, 40 St Georges Terrace, Perth WA 6000 commencing at 9.30am (WST) on Friday 27 November 2020.

### Business

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#### Item 1 – Annual Report

To receive and consider the Annual Report of the Company for the year ended 30 June 2020, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

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#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2020 be adopted.”*

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

##### **Voting exclusion statement**

In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or Closely Related Party of such member.

However, the Company will not disregard a vote if:

- (a) The person is acting as proxy, the proxy form specifies how the proxy is to vote and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) The person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of the member of the Key Management Personnel.

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#### Resolution 2 – Re-election of Mr Davide Bosio as a Director

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

*“That Mr Davide Bosio, who retires by rotation in accordance with clause 6.3(c) of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”*

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#### Resolution 3 – Re-election of Mr Dougal Ferguson as a Director

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

*“That Mr Dougal Ferguson, who was appointed as a Director by the Board on 15 July 2020 and in accordance with article 6.3(j) of the Company's Constitution holds office until this Annual General Meeting, and who is eligible and offers himself for re-election, is re-elected as a Director.”*

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#### **Resolution 4 – Approval of Additional 10% Placement Capacity**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

##### **Voting exclusion statement**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or any associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or
- b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

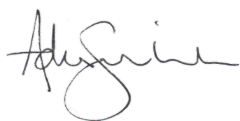
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#### **Resolution 5 – Replacement of Constitution**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair of the Meeting for identification purposes.”*

**By Order of the Board**



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Adam Sierakowski  
Chairman  
Connected IO Limited  
8 October 2020

# EXPLANATORY STATEMENT

## Important Information

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at Level 9, 40 St Georges Terrace, Perth WA 6000, commencing at 9.30am (WST) on Friday 27 November 2020.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## 1 Proxies

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Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

## 2 Voting entitlements

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In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm (AEST) on 25 November 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

## 3 Item 1 – Annual Report

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The Annual Report, comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2020, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these Reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about these Reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

- (a) conduct of the audits;
- (b) preparation and content of the Auditor's Report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) independence of the auditor in relation to the conduct of the audits.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the Auditor's Report or the conduct of the audit, may be submitted no later than 5 business days before the date of the Annual General Meeting to the Company Secretary at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA 6000, or by facsimile to +61 8 9218 8875.

The Company's Annual Report is available on the Company's website at [www.connectedio.com.au](http://www.connectedio.com.au).

#### **4 Resolution 1 – Adoption of Remuneration Report**

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The Remuneration Report of the Company for the financial year ended 30 June 2020 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is "advisory only" resolutions which does not bind the Directors. Under section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2021 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting (**Spill Meeting**) to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company's 2021 annual general meeting. All of the Directors who are in office when the Company's 2021 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

At the Company's previous Annual General Meeting, the votes cast against the remuneration report considered at that Annual General Meeting were not more than 25%. Accordingly, the Spill Resolution will not be relevant for this Annual General Meeting.

#### **5 Resolution 2 – Re-election of Davide Bosio as a Director**

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In accordance with clause 6.3(c) of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Davide Bosio retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Mr Bosio is a Corporate Adviser specialising in offering corporate services and strategic advice to private and public organisations, specifically in relation to capital raisings and M&A advice. He has over 19 years' experience in the finance industry as an Investment Adviser, Responsible Manager, and through various Executive and Non-Executive Director Roles. Mr Bosio is the WA State Manager and Director of Corporate Finance of Shaw and Partners, having previously held the position of Managing Director, Chief Executive Officer and Head of Corporate Finance of DJ Carmichael.

Mr Bosio is a Fellow member of the Financial Services Institute of Australia (Finsia) and a Graduate Member of the Australian Institute of Company Directors (GAICD). Davide holds a Bachelor of Commerce (Marketing) degree and a Graduate Diploma in Applied Finance and Investment.

The Directors (excluding Mr Bosio) unanimously recommend that Shareholders vote in favour of Resolution 2. Resolution 2 is an ordinary resolution.

## **6 Resolution 3 – Re-election of Dougal Ferguson as a Director**

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Article 6.2(b) of the Constitution allows the Directors to appoint at any time a person to be a Director to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Article 6.3(j) of the Constitution also provides that a Director appointed under article 6.2(b) of the Constitution will hold office until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Accordingly, Mr Dougal Ferguson (appointed 15 July 2020) retires in accordance with article 6.3(j) and being eligible for re-election, offers himself for re-election at the Annual General Meeting.

Mr Ferguson has a financial, commercial and business development background and has held senior management positions in listed companies with both domestic and international operations. Most recently, Mr Ferguson was Managing Director of XCD Energy Limited prior to its recent successful acquisition by 88 Energy Limited and he has held executive director positions with Salinas Energy, Sirocco Energy and Elixir Energy. Mr Ferguson spent seven years in London with Premier Oil plc and Hess Corporation and has gained extensive commercial and technical experience working in business development and commercial roles in small to medium sized enterprises. He has successfully raised and matched risk capital with value accretive opportunities creating tangible shareholder value in the process for a number of companies over his career and has over 25 years of capital markets, financial and commercial expertise and experience

The Directors (excluding Mr Ferguson) unanimously recommend that Shareholders vote in favour of Resolution 3. Resolution 3 is an ordinary resolution.

## **7 Resolution 4 - Approval of Additional 10% Placement Capacity**

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Resolution 4 is a **special resolution** to approve the Company's ability to utilise the additional 10% placement capacity available under Listing Rule 7.1A for the next 12 months.

This Resolution 4 will be passed by Shareholders as a special resolution if 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Capacity). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Shareholder approval was previously obtained pursuant to Listing Rule 7.1A on 27 November 2019 (at the 2019 Annual General Meeting). The Company is now seeking Shareholder approval by way of a special resolution to enable the Company's to issue Equity Securities under the 10% Placement Capacity over the next 12 months.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% placement capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

## **7.2 Description of Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% placement capacity is subject to shareholder approval by way of a special resolution at an annual general meeting.

### **(b) Equity Securities**

Any Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the only quoted Equity Securities that the Company has on issue are its 247,944,029 Shares.

### **(c) Formula for calculating Additional 10% Placement Capacity**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or



- the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid +ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,

*Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.*

- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to section c above).

**(e) Effect of Resolution 4**

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to section c above).

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the Additional 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **7.3 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided in relation to the approval of the Additional 10% Placement Capacity as follows:

**(a) Effective period**

Shareholder approval of the Additional 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The time and date of the Company's next annual general meeting; or

- (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

**(Additional 10% Placement Period).**

**(b) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in section (i), the date on which the Equity Securities are issued.

**(c) Purpose of issue**

The Company may only issue Equity Securities under the Additional 10% Placement Capacity for cash consideration, which it may do to fund any one or more of the following:

- (i) general working capital expenses;
- (ii) activities associated with its current assets;
- (iii) repayment of debt; and
- (iv) acquisition and investment in new assets (including associated expenses).

The Company will disclose this information when Equity Securities are issued under the Additional 10% Placement Capacity.

**(d) Economic and voting dilution risks**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0105 50% decrease in Market Price	\$0.021 Current Market Price	\$0.042 100% increase in Market Price
<b>Current Variable A</b> 247,944,029	<b>10% Voting Dilution</b>	24,794,403 Shares	24,794,403 Shares	24,794,403 Shares
	<b>Funds raised</b>	\$260,341.23	\$520,682.46	\$1,041,364.92
<b>50% increase in current Variable</b> 371,916,044	<b>10% Voting Dilution</b>	37,191,604 Shares	37,191,604 Shares	37,191,604 Shares
	<b>Funds raised</b>	\$390,511.85	\$781,023.69	\$1,562,047.38
<b>100% increase in current Variable A</b> 495,888,058	<b>10% Voting Dilution</b>	49,588,806 Shares	49,588,806 Shares	49,588,806 Shares
	<b>Funds raised</b>	\$520,682.46	\$1,041,364.92	\$2,082,729.84

**The table has been prepared on the following assumptions:**

- 1 The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity.
- 2 The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 3 The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Annual General Meeting.
- 4 The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 5 The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- 6 The issue price is \$0.021, being the closing price of Shares on the ASX on 7 October 2020.

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

**(e) Allocation Policy**

The Company may seek to issue the Equity Securities under the Additional 10% Placement Capacity to raise funds for its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Capacity. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;

- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; prevailing market conditions; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the Additional 10% Placement Capacity have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the Additional 10% Placement Capacity will be the vendors of the new assets or investments.

(f) **Previous approvals and issues under Listing Rule 7.1A**

During the 12 months preceding the date of the Meeting the Company issued the following shares under Listing Rule 7.1A.2 (ASX Listing Rule 7.3A.6):

<b>Date of issue</b>	20 December 2019
<b>Number issued</b>	182,428,033 Shares (pre-consolidation)
<b>Class of Security</b>	Ordinary fully paid shares
<b>Persons who received securities</b>	Exempt Investors under Company's Placement announced to ASX on 18 December 2019
<b>Price (per Share)</b>	\$0.003 (pre-consolidation)
<b>Discount to market</b>	Nil based on share closing price on date of issue
<b>Non cash consideration</b>	Nil
<b>Current value of non-cash consideration</b>	Not applicable
<b>Total cash consideration</b>	\$547,284.10
<b>Amount of cash spent</b>	100%
<b>Use of cash</b>	Funds raised were used to manufacture product to fulfil purchase orders and general working capital.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

(h) **Directors' Recommendation**

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

## **8 Resolution 5 – Replacement of Constitution**

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Resolution 5 is a special resolution which seeks to approve the repealing of the existing Constitution and adopt a new constitution ("**Proposed Constitution**") which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules. A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The replacement of the Constitution requires approval for all purposes by way of a special resolution, meaning that at least seventy-five percent (75%) of votes must be cast in favour of the Resolution in order for it to be passed.

The Proposed Constitution will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2015. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A brief summary of the material proposed differences between the existing and Proposed Constitution is set out below. This summary is not exhaustive and does not identify all of the differences between the existing Constitution and Proposed Constitutions. A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary by email at [info@connectedio.com](mailto:info@connectedio.com). Shareholders are invited to contact the Company if they have any queries or concerns.

### **8.1 Summary of Material Proposed Changes**

(a) **General Update**

The Proposed Constitution generally updates the various provisions in a variety of respects to reflect industry best practice, the Corporations Act and the Listing Rules in a form approved by the ASX.

(b) **Restricted Securities**

The Company notes the changes to the escrow of securities contained in ASX Listing Rules 9 and 15.12 and ASX Guidance Note 11 dated 1 December 2019.

To facilitate the Company complying with this change to the Listing Rules, the Company proposes to reflect these changes at clause 3.9 of the Proposed Constitution.

(c) **Partial (Proportional) Takeover Provisions (Clause 14)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

**(d) Registration Procedure for Transfer of Shares**

In 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to as “off-market transfers”. Proposed new Clause 6.2(a)(v) of the Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

## **8.2 Information required by section 648G of the Corporations Act**

**(a) Effect of Proposed Proportional Takeover Provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

**(b) Reasons for Proportional Takeover Provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

**(c) Knowledge of any Acquisition Proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

**(d) Potential Advantages and Disadvantages of Proportional Takeover Provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- assisting in preventing Shareholders from being locked in as a minority;
- increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- proportional takeover bids may be discouraged;

- lost opportunity to sell a portion of their Shares at a premium; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

**Directors' Recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 5.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>Annual General Meeting</b>	the annual general meeting of Shareholders convened by the Notice of Meeting.
<b>Annual Report</b>	the Company's annual report for the year ended 30 June 2020 comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.
<b>Associate</b>	has the meaning set out in sections 11-17 of the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
<b>ASX Listing Rules</b>	the official listing rules of the ASX.
<b>Board</b>	the board of Directors.
<b>Chairman</b>	the chair of the Meeting.
<b>Closely Related Party</b>	a closely related party to Key Management Personnel as defined in Section 9 of the Corporations Act.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Exempt Investor</b>	a professional and/or sophisticated investor for the purposes of section 708 of the Corporations Act.
<b>Explanatory Statement</b>	this Explanatory Statement accompanying the Notice of Meeting.
<b>Key Management Personnel</b>	the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Notice or Notice of Meeting</b>	the notice convening the Annual General Meeting accompanying this Explanatory Statement.
<b>Proxy Form</b>	the proxy form attached to this Notice.
<b>Remuneration Report</b>	the section of the Directors' Report in the Annual Report entitled "Remuneration Report".
<b>Resolution</b>	a resolution to be considered at the Annual General Meeting or contained in the Notice of Meeting.
<b>Schedule</b>	a schedule to this Explanatory Statement.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of a Share.
<b>WST</b>	Western Standard Time in Australia.



## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (WST) on Wednesday, 25 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 184542**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Connected IO Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Connected IO Limited to be held at Level 9, 40 St Georges Terrace, Perth, Western Australia on Friday, 27 November 2020 at 9:30am (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

## Step 2 Item of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Davide Bosio as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Dougal Ferguson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

