

**I SYNERGY GROUP LIMITED**  
**(ACN 613 927 361)**

**Notice of Annual General Meeting**

**Annual General Meeting to be held at  
Ground Floor, 16 Ord Street, West Perth WA 6005 on  
28 May 2019 commencing at 2:00 pm (WST).**

**Important**

This Notice of Annual General Meeting 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.

# NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an annual general meeting of the shareholders of I Synergy Group Limited (ACN 613 927 361) ("**Company**") will be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on 28 May 2019, commencing at 2:00 pm (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

## Business

### Annual Report

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To receive and consider the Annual Report of the Company for the financial year ended 31 December 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

### Resolution 1: Approval of Remuneration Report

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 31 December 2018 be adopted."*

**Note:** The votes on this Resolution are advisory only and do not bind the Directors or the Company.

#### Voting exclusion statement

The Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy.

### Resolution 2: Re-election of Director – Mr Dato Chee Hong Teo

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

*"That, for the purpose of clause 11.1 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Dato Chee Hong Teo, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

### Resolution 3: Issue of Director options – Related Party

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

*"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 300,000 Related Party Options exercisable at \$0.30 on or before 28 May 2022 to Morgan Barron or his nominee on the terms and conditions set out in the Explanatory Statement."*

#### Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Morgan Barron, or any associate or nominees of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 4: Approval of 10% Placement Facility

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

*“That, in accordance with Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement.”*

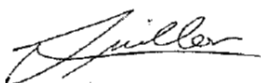
### Voting exclusion statement

The Company will disregard any votes cast in favour of this 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, an issue under the 10% Placement Facility (except a benefit solely by reason of being a Shareholder) or any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**By order of the Board**



**HARRY MILLER**  
COMPANY SECRETARY  
I SYNERGY GROUP LIMITED

12 April 2019

# EXPLANATORY STATEMENT

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## Important information

This Explanatory Statement has been prepared for the information of the shareholders of I SYNERGY GROUP LIMITED (ACN 613 927 361) ("**Company**") in connection with Resolutions 1 to 4 to be considered at the Annual General Meeting to be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on 28 May 2019, commencing at 2:00 pm (WST).

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 Notice and Explanatory Statement 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.

## Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to "\$" and "A\$" in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

## Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

## Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- 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
- 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 Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly

authorises him or her to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 1.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 1, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 1 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to Automic, GPO Box 5193, Sydney NSW 2001
- by hand delivery at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- by email at **meetings@automicgroup.com.au**

so that it is received by no later than 2:00 pm (WST) on 26 May 2019. Proxy Forms received later than this time will be invalid.

### **Voting entitlements**

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 2:00 pm (WST) on 26 May 2019. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

## REGULATORY INFORMATION

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### 1. Annual Report

The Annual Report of the Company for the financial year ended 31 December 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Report and the management of the Company.

A representative of the Company's auditor, Crowe Horwath, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

### 2. Resolution 1: Approval of Remuneration Report

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 a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 31 December 2018, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would be up for re-election.

The Directors encourage all Shareholders to vote on Resolution 1.

### 3. Resolution 2: Re-election of Director – Mr Dato Chee Hong Teo

Clause 11.1 of the Constitution of the Company requires that at the Company's annual general meeting in every year one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office.

Accordingly, Mr Dato Chee Hong Teo retires by rotation and seeks re-election.

A biography of Mr Chee Hong Teo is set out below.

Mr Chee Hong Teo is the founder of I Synergy and has over 13 years of experience in creative and strategic planning where he specialises in the integration of affiliate marketing solution to businesses. As an innovative entrepreneur, Mr Chee Hong Teo has significant presence in the brick & mortar business industry and he has been featured on various national media outlets to share his expertise and views on the industry.

For his outstanding leadership, achievements and business excellence, Mr Chee Hong Teo has been awarded with various prestigious awards including being the top nominee for Emerging Entrepreneur category of EY Entrepreneur Of The Year™ (EOY) Malaysia Awards 2014, Global Leadership Awards 2014: Master Class Entrepreneur of the Year, Most Promising Entrepreneur Award in Asia Pacific Entrepreneurship Award (APEA) 2013 and ASEAN Outstanding Business Award (AOBA) 2013: Master Class Award – Emerging Entrepreneur of the Year.

Mr Chee Hong Teo is an active member of the Malaysian Retail Chain Association (MRCA), ASEAN Retail-Chains Franchise Federation (ARFF) and has strong networks within the retail industry. Mr Chee Hong Teo is also an adviser to a prominent Malaysian angel investment platform. Mr Chee Hong Teo holds a Bachelor of Engineering (Electrical-Instrumentation and Control) from the University of Technology, Malaysia. Mr Chee Hong Teo was appointed as a Director on 28 July 2016.

#### **Directors' recommendations**

Other than to the Director to whom the Resolution relates, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

### **4. Resolution 3: Issue of Director Options – Related Party**

#### **4.1. Background**

Resolution 3 is an ordinary resolution which seeks approval for the issue of 300,000 to Morgan Barron or his Nominee.

#### **4.2. General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 300,000 Options ("**Related Party Options**") to Morgan Barron on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Morgan Barron is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to Mr Barron.

#### 4.3. Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options.

- the related party is Mr Morgan Barron and he is a related party by being a Director of the Company.
- the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to Mr Barron is 300,000 Related Party Options;
- the Related Party Options will, subject to the Resolution being passed, be granted to Mr Barron shortly after the Meeting and no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised.
- the terms and conditions of the Related Party Options are set out in Schedule 1;
- the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- the relevant interests of Mr Barron in securities of the Company are set out below:

Related Party	Shares	Unlisted Options	Performance Rights
Morgan Barron*	25,000	5,540,109	Nil

\*Mr Barron also holds an indirect interest via option holding. Ventnor Capital Pty Ltd, a company of which Mr Barron is a Director, holds 5,540,109 unlisted options exercisable on \$0.30 cents on or before 22 January 2020.

- the remuneration and emoluments from the Company to Mr Barron for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year per annum (\$)	Previous Financial Year (\$)
Morgan Barron	27,396	Nil

- if the Related Party Options granted to Mr Barron are exercised, a total of 300,000 Shares would be issued. This will increase the number of Shares on issue from 18,316,725 to 18,616,725 (assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice (if any) are issued or cancelled under a buyback) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.61%. The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.



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

	Price	Date
Highest	0.24 cents	29/10/2018
Lowest	0.125 cents	10/08/2018
Last	0.165 cents	10/04/2019

- the Board acknowledges the grant of Related Party Options to Mr Barron is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to Mr Barron reasonable in the circumstances for the reason set out in the below paragraph;
- the primary purpose of the grant of the Related Party Options to Mr Barron is to provide a performance linked incentive component in the remuneration package to motivate and reward the performance of Mr Barron in his role as a Director, which is consistent with performance based incentives granted to other Directors of the Company;
- the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options to Mr Barron under Resolution 3;
- Morgan Barron declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 3 be passed.
- the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to Mr Barron as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to Mr Barron will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## 5. Resolution 4: Approval of 10% Placement Facility

Resolution 4 is a special resolution which seeks Shareholder approval for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A.

### 5.1. Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of their issued share capital through placements over the 10% Placement Period (defined below) ("**10% Placement Facility**"). The 10% Placement Facility 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.

The Company currently has 183,068,088 Shares on issue and the last recorded closing price of the Shares on 9 April 2019 was \$0.16. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$29,290,894.

As Resolution 4 is a special resolution, at least 75% of the votes cast must be cast in favour of the Resolution in order for it to be passed.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its Shares.

Approval of the 10% Placement Facility is valid from the date of the Annual General Meeting until the earlier of:

- 12 months after the Annual General Meeting; and
- the date shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("**10% Placement Period**").

The number of Equity Securities that the Company will have the capacity to issue under the 10% Placement Facility will be calculated in accordance with the following formula:

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

**A** has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity – i.e. the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

**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.

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 4:

(a) **Minimum price at which the securities may be issued**

In accordance with Listing Rule 7.1A.3, any Equity Securities issued under the 10% Placement Facility will be issued for at least 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the above date, the date on which the Equity Securities are issued.

(b) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Facility will dilute Shareholders who do not participate in the issue. The table below shows the potential economic and voting dilution of existing Shareholders as a result of the Company issuing Shares under the 10% Placement Facility, based on different issue prices and values for variable 'A' in the formula above.

Variable 'A' (Shares on issue)		Issue price		
		\$0.08 (50% decrease)	\$0.16 (Current) <sup>2</sup>	\$0.24 (50% increase)
183,068,088 (Current) <sup>1</sup>	Shares issued	18,306,808	18,306,808	18,306,808
	Funds raised	\$1,464,544	\$2,929,089	\$4,393,634
274,602,132 (50% increase)	Shares issued	27,460,214	27,460,214	27,460,214
	Funds raised	\$2,196,817	\$4,393,634	\$6,590,451
366,136,176 (100% increase)	Shares issued	36,613,618	36,613,618	36,613,618
	Funds raised	\$2,929,089	\$5,858,179	\$8,787,268

**Notes:**

1. The current variable 'A' is assumed to be the number of Shares on issue as at the date of this Notice. The number of Shares on issue could increase as a result of, for example, an issue that does not require Shareholder approval (e.g. a pro rata offer to Shareholders) or an issue with Shareholder approval under Listing Rule 7.1.
2. The current price of Shares is the closing price on the ASX on 9 April 2019.
3. The table assumes that no Options or other convertible securities are exercised or converted into Shares prior to an issue under the 10% Placement Facility.
4. The table assumes that the Company issues the maximum number of Shares available under the 10% Placement Facility.
5. The table assumes that issues of Equity Securities under the 10% Placement Facility consist only of Shares.
6. The table does not show examples of dilution that may be caused to a particular Shareholder by reason of issues under the 10% Placement Facility. Shareholders should consider the potential dilution caused in the context of their own circumstances.
7. The table only shows the effect of issues under Listing Rule 7.1A, and not issues under the 15% placement capacity under Listing Rule 7.1.

Shareholders should further note that:

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

(c) **Date by which the securities may be issued**

In accordance with Listing Rule 7.1A.1, any Equity Securities issued under the 10% Placement Facility will be issued during the 10% Placement Period. The 10% Placement Facility will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(d) **Purposes for which the securities may be issued**

Any Equity Securities issued under the 10% Placement Facility may be issued for the following purposes (without limitation):

- as non-cash consideration for the acquisition of new assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3;
- for cash consideration to raise funds. In such circumstances, the Company may apply the funds raised towards international expansion, development of existing technology and programs, sale and marketing, and general working capital.

(e) **Allocation policy for issues of securities**

The Company's allocation policy for any Equity Securities issued under the 10% Placement Facility will depend on the prevailing market conditions at the relevant time, however recipients will not be related parties of the Company. The identity of recipients of Equity Securities will otherwise be determined on a case by case basis having regard to the following factors (without limitation):

- the purpose of the issue;
- alternative methods for raising funds that are available to the Company including rights issues or other issues in which existing Shareholders can participate;
- the effect of the issue on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers.

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

(f) **Previous issues of securities**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2018 Annual General Meeting held on 25 May 2018. The Company has issued a total of 4,810,000 Equity Securities during the preceding 12 months, representing 2.6% of the total number of equity securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued during the 12 month period prior to the date of the Annual General Meeting are set out below:

<b>Date of issue</b>	15 January 2019
<b>Number of Equity Securities issued</b>	4,810,000

<b>Class of Equity Security</b>	Unlisted options exercisable at \$0.30 each on or before 15 January 2024
<b>Person(s) who received Equity Securities</b>	Employees and key contractors of the Company determined at the discretion of the Board under the Company's Long Term Incentive Plan.
<b>Issue price per Equity Security and discount to market</b>	N/a
<b>Non cash consideration and current value of non-cash consideration</b>	N/a – the unlisted options were issued to employees and key contractors as incentive for future performance under the Company's Long Term Incentive Plan.

#### **Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 9:00 am (WST) on 28 May 2022 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Ceasing to be a Director**

If the holder ceases to be an employee of the Company, the award will lapse.

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## SCHEDULE 2 – VALUE OF RELATED PARTY OPTIONS

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The Related Party Options to be issued to the related parties pursuant to Resolution 3 have been valued by management who have experience in dealing with such valuations.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed a value range as follows:

<b>Assumptions:</b>	
Valuation date	Tuesday, 28 May 2019
Market price of shares	\$0.16
Exercise price	\$0.30
Expiry date	3 years from the date of issue
Risk free interest rate	2.12%
Historical volatility (annualised)	100.00%
<b>Indicative value per Director Option</b>	<b>\$0.08</b>
<b>Total value of Director Options</b>	<b>\$24,024</b>
Morgan Barron (Resolution 3)	\$24,024



## DEFINITIONS

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In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

**10% Placement Facility** has the meaning given in Section 5.

**10% Placement Period** has the meaning given in Section 5.

**Annexure** means an annexure to this Explanatory Statement.

**Annual Report** means the annual report of the Company for the financial year ended 31 December 2018.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Auditor's Report** means the auditor's report contained in the Annual Report.

**Board** means the board of Directors.

**Chair** means the chairperson of the Meeting.

**Closely Related Party** means a closely related party of a member of Key Management Personnel as defined in section 9 of the Corporations Act, being:

- (a) a spouse or child of the member;
- (b) a child of that member's spouse;
- (c) a dependent of that member or of that member's spouse;
- (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- (e) a company that is controlled by that member; or
- (f) any other person prescribed by the regulations.

**Company** means I Synergy Group Limited ACN 613 927 361.

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

**Director** means a director of the Company.

**Directors' Report** means the directors' report contained in the Annual Report.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Statement** means this explanatory statement incorporated in this Notice.

**Financial Report** means the financial report contained in the Annual Report.

**Key Management Personnel** means 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).

**Listing Rules** means the official listing rules of ASX.

**Meeting** or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held on 28 May 2019 at 2:00 pm (WST).

**Notice of Meeting** means the notice of annual general meeting incorporating this Explanatory Statement.

**Proxy Form** means the proxy form attached to this Notice.

**Remuneration Report** means the remuneration report contained in the Annual Report.

**Resolution** means a resolution contained in the Notice.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

## Vote by Proxy: IS3

Your proxy voting instruction must be received by **2.00pm (WST) on Sunday, 26 May 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/login>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of the Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in the post.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote, if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home>. If the Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

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

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

**Joint holding:** Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.





#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact	<b>Return your completed form</b>				<b>All enquiries to Automic</b>
	 <b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	 <b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	 <b>BY EMAIL</b> <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>	 <b>WEBCHAT</b> <a href="https://automic.com.au/">https://automic.com.au/</a>	

[illegible]

STEP 2: Your Voting Direction

Resolutions		For	Against	Abstain
1.	Approval of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Re-election of Director – Mr Dato Chee Hong Tat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Issue of Director Options – Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**STEP 3: Sign Here + Contact Details**

**SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED**

Individual or Securityholder 1      Securityholder 2      Securityholder 3

Sole Director and Sole Company Secretary      Director      Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone      Date (DD/MM/YY)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).