

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

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

**Extraordinary General Meeting of Shareholders to be  
held at the offices of Trident Capital,  
Level 24, 44 St Georges Terrace, Perth WA  
at 10am (WST) on Thursday 9 April 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.

## Notice of Extraordinary General Meeting

Notice is given that the General Meeting of Shareholders of Connected IO Limited ACN 009 076 233 (**Company**) will be held at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000 commencing at 10.00am (WST) on Thursday 9 April 2020.

### Business

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#### Resolution 1 – Consolidation of Securities

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

*“That, for the purposes of section 254H of the Corporations Act, and for all other purposes, approval is given for the consolidation of the Company’s existing securities on the basis that:*

*(a) every 10 Shares be consolidated into 1 Share;*

*(b) every 10 Options be consolidated into 1 Option;*

*(c) every 10 Performance Rights be consolidated into 1 Performance Right; and*

*(d) the Convertible Notes on issue be reorganised in accordance with Listing Rule 7.21,*

*with fractional entitlements rounded down to the nearest whole number, on the terms and conditions set out in the Explanatory Statement.”*

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#### Resolution 2 – Ratification of issue of Placement Shares

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 416,666,664 Shares (on a pre-Consolidation basis) each at an issue price of \$0.003 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 participated in the issue the subject of this Resolution; or an associate of that person (or those persons).

However, the Company need not disregard any vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) 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 3 – Approval of issue of New Shares to 708 Capital Pty Ltd

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 2,200,000 New Shares to 708 Capital Pty Ltd (and/or its nominees) at a deemed issue price of \$0.03, on the terms and conditions set out 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, the Company need not disregard any vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) 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 4 – Re-Approval of Employee Incentive Plan**

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

*“That in accordance with Exception 13 of Listing Rule 7.2, and for all other purposes, Shareholders re-approve the Employee Incentive Plan, as described in the Explanatory Memorandum.”*

**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the employee incentive scheme in respect of which approval is sought or any of their Associates.

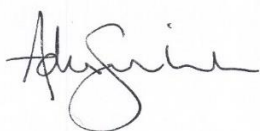
However, the Company need not disregard any vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) 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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**Other business**

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the General Meeting.

**By Order of the Board**

Adam Sierakowski  
Non-Executive Director  
Connected IO Limited  
5 March 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 Extraordinary General Meeting to be held at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000, commencing at 10am (WST) on Thursday 9 April 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 General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7pm (AEST) on 7 April 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Extraordinary General Meeting.

## 3 Resolution 1 – Consolidation of Securities

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Resolution 1 is an ordinary resolution which proposes that the issued capital of the Company be altered by consolidating the existing securities on a 1 for 10 basis (**Consolidation**). The record date for determining the Consolidation will be on 16 April 2020. Any fractional entitlements as a result of holdings not being evenly divisible by 10 will be rounded down to the nearest whole number.

## Section 254H of the Corporations Act

Section 254H of the Corporations Act enables a company to convert all of its ordinary securities into a smaller number of securities by a resolution passed at a general meeting. The conversion proposed by Resolution 1 is permitted under section 254H of the Corporations Act.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders. As a result of the large number of Shares currently on issue, the purpose of the Consolidation is to reorganize the Company's share capital which, in turn, will provide a higher nominal price per Share.

The Consolidation will reduce the number of existing securities on issue. For example, a Shareholder currently holding 1,200 Shares will, as a result of the Consolidation, hold 120 Shares, and an Option holder currently holding 1,200 Options will, as a result of the Consolidation, hold 120 Options.

The Company's balance sheet and tax position will remain unaltered as a result of the Consolidation.

### (a) Shares

The Company's issued share capital as a result of the Consolidation on a 1 for 10 basis will be as follows (subject to rounding):

	Pre-Consolidation	Post-Consolidation
Shares on issue	2,407,582,054	240,758,205

### (b) Options

The Listing Rules require the Company to consolidate the number of existing Options of the Company on the same 1 for 10 ratio with the exercise price being amended in inverse proportion to that ratio. Accordingly, the existing Options will be consolidated as follows (subject to rounding):

Pre-Consolidation			Post-Consolidation	
Expiry date	Number of Options	Exercise price	Number of Options	Exercise price
20/12/2020	75,000,000	\$0.01	7,500,000	\$0.10
<b>Total</b>	<b>75,000,000</b>		<b>7,500,000</b>	

### (c) Performance Shares and Performance Rights

The Company's Performance Shares and Performance Rights as a result of the Consolidation on a 1 for 10 basis will be as follows (subject to rounding):

	Pre-Consolidation	Post-Consolidation
Securities	Number	Number
Class A Performance Shares <sup>(i)</sup>	100,000,000	10,000,000 <sup>(i)</sup>
Class B Performance Shares <sup>(i)</sup>	50,000,000	5,000,000 <sup>(i)</sup>

Class A Performance Rights	100,000,000	10,000,000
Class B Performance Rights	100,000,000	10,000,000

**Note:**

- (i) As the milestones of the 100,000,000 Class A Performance Shares and 50,000,000 Class B Performance Shares were not satisfied, the Performance Shares will be cancelled on 15 March 2020, being the date 4 years from being readmitted to quotation, in accordance with the terms of the Performance Shares.

(d) **Convertible Notes**

The Company also has 23 convertible notes on issue with an aggregate face value of \$1,321,000 (**Convertible Notes**). The Convertible Notes are convertible into ordinary fully paid Shares at a deemed conversion price of \$0.003 per Share.

The convertible note terms provide that if the Company reorganises its capital in any way while a convertible note is on issue, in respect of a convertible note, the number of Shares to be issued on conversion will be reorganised so that the convertible note holder will not receive a benefit the holders of Shares do not receive and vice versa. Further, ASX Listing Rule 7.21 requires the reorganisation of the convertible notes so that the holder of such notes will not receive a benefit that holders of Shares do not receive.

Accordingly, each Convertible Note will become convertible into ordinary fully paid Shares at a deemed conversion price of \$0.03 per Share.

(e) **Holding statements**

Following the Consolidation, all holding statements for existing Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares (on a post-Consolidation basis). After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to Shareholders.

(f) **Timetable**

If Resolution 1 is passed, the Consolidation will take effect in accordance with the timetable set out in paragraph 7 of Appendix 7A of the Listing Rules. The anticipated timetable for the Consolidation is set out below.

Event	Date
Company announces the Consolidation and sends out Notice of Meeting to Shareholders	10 March 2020
Effective date of Consolidation as specified in the resolution approving the Consolidation	9 April 2020
Last day for trading in pre-consolidation securities	14 April 2020
Trading in post-consolidation securities commences on a deferred settlement basis	15 April 2020
Record Date Last day for the Company to register transfers on a pre-Consolidation basis	16 April 2020
First day for the Company to update its register and to send holding statements to security holders	17 April 2020

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Last day for the Company to update its register, to send holding statements to security holders and notify ASX

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23 April 2020

The above dates are indicative only and are subject to change.

(g) **Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 for the reasons outlined in section 3 of this Explanatory Statement.

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## **4 Resolution 2 – Ratification of issue of Placement Shares**

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### **4.1 Background**

The Company recently raised \$1.25 million (before costs) through the issue of 416,666,664 Shares (on a pre-consolidation basis) at an issue price of \$0.003 each under the Placement. The Company issued the Shares under the Placement on 20 December 2019. The Placement was within the Company's capacity under ASX Listing Rules 7.1 and 7.1A, with 182,428,033 Shares issued under Listing Rule 7.1A and 234,238,631 Shares under Listing Rule 7.1.

The Company is seeking Shareholder approval to ratify the prior issue of 416,666,664 Shares under the Placement to the Placement Applicants in accordance with Listing Rule 7.4.

### **4.2 Listing Rule 7.4**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company during the previous 12 months (without approval and which were not subject to an exception), exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that eligible entities may, subject to shareholder approval by special resolution, issue equity securities up to 10% of its issued capital over a period of 12 months after the annual general meeting. Shareholder approval was obtained pursuant to Listing Rule 7.1A on 27 November 2019.

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

By ratifying the Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. In addition, approval of Resolution 2 will refresh the additional 10% placement capacity provided under Listing Rule 7.1A which was used in undertaking the Placement.

If Resolution 2 is not passed, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date the Placement Shares were issued.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 2 for the purposes of Listing Rule 7.4:

(a) **Number of securities issued**

416,666,664 Shares (on a pre-consolidation basis).

(b) **Price at which the securities were issued**

\$0.003 per Share.

(c) **Terms of the securities**

The Shares issued under the Placement rank equally in all respects with existing Shares on issue.

(d) **Name of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

The Shares were issued to the placement applicants, being clients of, or investors introduced by, 708 Capital and Trident Capital.

No Placement Applicant is a related party, a member of the Company's key management personnel or a substantial shareholder of the Company. The following entities, being associates of 708 Capital, a corporate adviser of the Company, were collectively issued more than 1% of the Company's current issued capital: 5114 Pty Ltd, 924 Pty Ltd <Zoloto S/F A/C>, Doric Wealth Pty Ltd <Pivot Trading A/C>, Veld Nominees Pty Ltd <Zoloto Family A/C> and Bonarc Pty Ltd.

(e) **Intended use of the funds raised**

Funds raised were used to manufacture products to directly fulfil purchase orders placed with the Company and general working capital.

#### **4.3 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

### **5 Resolution 3 – Approval of issue of New Shares to 708 Capital Pty Ltd**

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Resolution 3 is an ordinary resolution and seeks Shareholder approval under Listing Rule 7.1, for the issue of 2,200,000 New Shares at a deemed issue price of \$0.03 to 708 Capital Pty Ltd in lieu of broking fees totaling 6% of funds raised by 708 Capital Pty Ltd and GST in relation to the Placement.

#### **Listing Rule 7.1**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 3 seeks approval for the issue of 2,200,000 New Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 3 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.



If Resolution 3 is not passed, the issue of the 2,200,000 New Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the date the New Shares are issued.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

(a) **Maximum number of securities the entity is to issue**

2,200,000 New Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued to 708 Capital shortly after the Meeting. In any event, however, no Shares will be issued to 708 Capital later than 3 months after the Meeting, (or any such longer period permitted by ASX).

(c) **Issue price of the securities**

The issue price for the Shares is nil, at a deemed issue price of \$0.03 per Share (on a post-Consolidation basis). No cash consideration is payable for the New Shares as they are being issued in lieu of broking fees payable to 708 Capital in relation to the Placement.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

708 Capital Pty Ltd (and/or its nominees).

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

No funds will be raised by the issue of New Shares under Resolution 3 as they are being issued in lieu of broking fees payable to 708 Capital in relation to the Placement.

## **6 Resolution 4 – Re-approval of Employee Incentive Plan**

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Resolution 4 is an ordinary resolution which provides for the re-approval of the employee incentive plan of the Company (**Plan**). This is the second approval sought under Listing Rule 7.2 Exception 13 with respect to the Plan, with the first approval received at the 2016 Annual General Meeting.

The Board is committed to incentivising and retaining the Company's personnel in a manner which promotes alignment of their interests with shareholder interests, whilst ensuring our remuneration package for all eligible participants is market-competitive. The Company's ability to execute our strategy is dependent on the experienced talent we have recruited, and their retention and alignment with shareholder' interests is critical. At the same time, the Company desires to maintain the flexibility to respond promptly to maximise opportunities afforded by capital markets.

Accordingly, the Board seeks further shareholder approval of the Company's existing Plan for the purposes of Listing Rule 7.2 Exception 13.

As the Directors are excluded from voting on this Resolution pursuant to the ASX Listing Rules, the Directors will not make a recommendation to shareholders with respect to vote in relation to this Resolution. The Chairman intends to exercise all undirected proxies in favour of Resolution 4.

## 6.1 Listing Rule 7.2, Exception 13(b)

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Under Exception 13(b) in Listing Rule 7.2, shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of equity securities in the Company made under an employee share option plan within three years of the approval.

The grant of any securities to a director of the Company will require specific approval under Listing Rule 10.14.

Listing Rule 7.2 Exception 13(b) requires the following additional information to be provided to members for approval under this Resolution:

(a) *Securities already issued*

The Company has not issued any securities pursuant to the Plan since last approved on 30 November 2016.

(b) *Employee Share Option Plan Summary*

The key terms of the Plan are summarised below.

## 6.2 Summary of the Plan

(a) **Objectives**

The primary objectives of the Plan are to:

- (i) establish a method by which eligible participants can participate in the future growth and profitability of the Company;
- (ii) to provide an incentive and reward for eligible participants for their contribution to the Company; and
- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Set out below is a summary of the Plan Rules.

(b) **Eligible Participants**

Under the Plan, an option (**Option**) is a right to subscribe for or acquire a fully paid ordinary share in the capital of the Company (**Share**).

The Board at its sole discretion may invite any eligible person selected by it to complete an application relating to a specified number of Options allocated to that eligible person by the Board. The Board may offer Options to any eligible person it determines and determine the extent of that person's participation in the Plan (**Participant**).

An offer by the Board is required to specify, among other things, the type of Option offered, the date and total number of Options granted, the exercise price and exercise period and any other matters the Board determines necessary, including the exercise conditions and disposal restrictions attaching to the Options.

(c) **5% Limit**

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] (**Class Order**) and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order, being 120,379,102 Shares.

(d) **Option Rights**

Unless the Board determines otherwise, Options granted under the Plan are not capable of being transferred or encumbered by a Participant. Options do not carry any voting or dividend rights however Shares issued to Participants on the exercise of an Option carry the same rights and entitlements as other Shares on issue. The Company will not seek quotation of any Options on the ASX however will seek quotation for Shares issued on the exercise of Options.

(e) **Exercise of Options**

At the sole and absolute discretion of the Board, and in general terms, Options granted under the Plan may only be exercised if particular exercise or vesting conditions have been met, the exercise price has been paid to the Company and the Options are exercised within the respective exercise period. An Option granted under the Plan may not be exercised once it has lapsed.

(f) **Cashless Exercise Facility**

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off. Any such request must be expressly made by the Participant in the exercise notice. The Board may approve or refuse the request in its sole and absolute discretion.

(g) **Change of Control Event**

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results in the holders of Shares holding 50% or less of the voting shares in the Company, the Board may in its sole discretion determine that all or a percentage of unvested Options will vest and become exercisable in accordance with the Plan Rules.

(h) **Cessation of Employment**

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy dismissal for cause or poor performance on or before the relevant exercise period, the Options will lapse.

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy dismissal for cause or poor performance during the exercise period, the expiry date is adjusted to 60 days (in cases of resignation or redundancy) or 30 days (in cases of dismissal for cause or poor performance) after the termination date (or a later date determined by the Board).

(i) **Fraudulent Behaviour**

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any Option granted to that Participant should lapse, and the Option will lapse accordingly.

(j) **Reconstruction of Share Capital**

If the event of any reconstruction of the share capital of the Company, the number of Options to which each Participant is entitled and/or the exercise price must be reconstructed in accordance with the ASX Listing Rules. Options must be reconstructed in a manner which is fair with respect to the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

(k) **Participation Rights**

Holders of Options issued under the Plan may only participate in new issues of securities by the Company if they have first exercised their Options within the relevant exercise period and become a shareholder of the Company prior to the relevant record date and are then only entitled to participate in relation to Shares of which they are a registered holder.

(l) **Compliance with Laws**

Options may not be granted and/or Shares may not be allotted and issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan Rules contain customary and usual terms having regard to Australian law for dealing with administration, variation and termination of the Plan.

**6.3 Listing Rule 7.2, Exception 13(b)**

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Under Exception 13(b) in Listing Rule 7.2, shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of equity securities in the Company made under an employee share option plan within three years of the approval.

The grant of any securities to a director of the Company will require specific approval under Listing Rule 10.14.

## GLOSSARY

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

<b>ASIC</b>	the Australian Securities and Investments Commission.
<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>Chair</b>	the chair of the Meeting.
<b>Consolidation</b>	the consolidation of the Existing Shares on the basis of 1:10, as proposed under Resolution 1 and detailed in section 3.
<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>Existing Shares</b>	the issued shares in the Company as at the date of this Notice of meeting being 2,407,582,054 fully paid ordinary shares.
<b>Explanatory Statement</b>	this Explanatory Statement accompanying the Notice of Meeting.
<b>General Meeting or Meeting</b>	the extraordinary general meeting of the Shareholders convened by the Notice of Meeting.
<b>New Shares</b>	fully paid ordinary shares in the Company after the Consolidation.
<b>Notice or Notice of Meeting</b>	the notice convening the Extraordinary General Meeting accompanying this Explanatory Statement.
<b>Placement</b>	the placement of 416,666,664 Shares (on a pre-Consolidation basis) to Exempt Investors as announced by the Company on 18 December 2019 at an issue price of \$0.003 per Share.
<b>Proxy Form</b>	the proxy form attached to this Notice.
<b>Resolution</b>	a resolution to be considered at the Extraordinary General Meeting or contained in the Notice of Meeting.
<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.



CIO  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

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



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## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST)** Tuesday, 7 April 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.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. 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: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**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.



I 9999999999

I ND

## 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 General Meeting of Connected IO Limited to be held at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australia on Thursday, 9 April 2020 at 10:00am (WST) 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 4 (except where I/we have indicated a different voting intention in step 2) even though Resolution 4 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 4 by marking the appropriate box in step 2.

### Step 2 Items 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 Consolidation of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of New Shares to 708 Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-Approval of Employee Incentive Plan	<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

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Computershare

