



Cellnet Group Limited

ACN 010 721 749

Notice of Annual General Meeting

to be held at

Date: Friday, 24 October 2014

Time: 11.00am (Brisbane time)

Place: Cellnet Group Limited Head Office, 59-61 Qantas Drive, Eagle Farm, QLD, 4009

This is an important document and requires your attention

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

Notice of Annual General Meeting

Notice is given that the 2014 Annual General Meeting of Cellnet Group Limited ACN 010 721 749 (**Company**) will be held at the Company's head office at 59-61 Qantas Drive, Eagle Farm, Brisbane, Queensland, on Friday, 24 October 2014 at 11:00am (Brisbane time).

The business to be considered at the meeting is set out below. This notice of meeting should be read in conjunction with the accompanying Explanatory Memorandum. A Proxy Form also accompanies this Notice of Annual General Meeting.

Agenda

1 Financial statements and reports

To receive and consider the Financial Report, Director's Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 30 June 2014.

2 Resolution 1 – Adoption of the Remuneration Report

To consider and if thought fit, to pass the following resolution as a non-binding ordinary resolution under section 250R(2) of the Corporations Act 2001:

'That the Remuneration Report for the year ended 30 June 2014 is hereby adopted.'

Notes:

- (1) *This resolution is advisory only and does not bind the Company or the directors.*
- (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*

Voting exclusion

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

- (a) *a member of the Company's Key Management Personnel; or*
- (b) *a Closely Related Party of a member of the Company's Key Management Personnel.*

unless:

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

Resolution 2 - Re-election of Mr Mel Brookman as Director

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

'That Mr Mel Brookman, a non-executive director retiring by rotation in accordance with the Constitution and the ASX Listing Rules and being eligible for re-election, be re-elected as a director of the Company.'

3 Resolution 3 – Approval of the Performance Rights Plan and the subsequent issue of securities under that plan

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

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

Voting restrictions:

The Company will disregard any votes cast on this resolution by a director of the entity (except one who is ineligible to participate in any employee incentive scheme of the Company) and any of their associates. However, the Company will not disregard a vote if:

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

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

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

4 Resolution 4 – Approval of issue of options to Mr Alexander Beard

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

'In accordance with ASX listing Rule 10.11 of the Corporations Act, Shareholders authorise the Directors to:

- (a) Issue 1,200,000 Options to Mr Alexander Beard or his nominee on the terms set out in the Explanatory Notes*
- (b) Issue and allot 1,200,000 shares to Mr Alexander Beard or his nominee on exercise of the Options in accordance with the terms and conditions of the issue.'*

Voting restrictions:

The Company will disregard any votes cast on this resolution by Mr Alexander Beard and any of his associates. However, the Company will not disregard a vote if:

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

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

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

5 Resolution 5 – Approval of issue of options to Mr Elliott Kaplan

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

'In accordance with ASX listing Rule 10.11 of the Corporations Act, Shareholders authorise the Directors to:

- (a) *Issue 1,200,000 Options to Mr Elliott Kaplan or his nominee on the terms set out in the Explanatory Notes*
- (b) *Issue and allot 1,200,000 shares to Mr Elliott Kaplan or his nominee on exercise of the Options in accordance with the terms and conditions of the issue.'*

Voting restrictions:

The Company will disregard any votes cast on this resolution by Mr Elliott Kaplan and any of his associates. However, the Company will not disregard a vote if:

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

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

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

Dated: 22 September 2014

By order of the Board

Chris Barnes
Company Secretary

Notes

- 1 Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the meeting will be as it appears in the share register at 7.00pm (Sydney time) on Wednesday, 22 October 2014.
- 2 Votes at the Meeting may be given personally or by proxy, attorney or representative. A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies.
- 3 A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 4 If the member appoints two proxies and the appointment does not specify the proportion or the number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither proxy may vote on a show of hands.
- 5 A proxy form is attached. A proxy need not be a member of the Company.
- 6 A proxy form must be signed by the member or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.
- 7 The proxy form (and any power of attorney under which it is signed) must be received by Link Market Services Limited either by –
 - (a) fax to +61 (2) 9287 0309
 - (b) by mail in the enclosed self addressed envelope, or
 - (c) by delivery to 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000

no later than 48 hours before the commencement of the meeting, that is by no later than 11.00am (Brisbane time) on Wednesday 22 October 2014. Any proxy form received after that time will not be valid for the scheduled meeting.
- 8 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 1.
- 9 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - (a) the proxy holds a Directed Proxy Form;
 - (b) where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
 - (c) the proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 10 Clause 9(b) does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.

11 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions, including Remuneration Resolutions.

12 The following definitions apply in this Notice of Meeting:

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act 2001, and include certain members of their family, dependents and companies they control.

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

Key Management Personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2014.

Listing Rules means the ASX Listing Rules.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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

Explanatory Memorandum

This explanatory memorandum has been prepared to assist Shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on 24 October 2014. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

1 Financial statements and reports

The Corporations Act 2001 requires the Financial Report, Directors' Report and Audit Report to be laid before the Annual General Meeting. In addition, the Company's Constitution provides for such reports to be received and considered at the meeting.

Apart from the matters involving remuneration, which are required to be voted upon, neither the Corporations Act 2001 nor the Company's Constitution requires Shareholders to vote on such reports. However, Shareholders will be given ample opportunity to ask questions or make comments about these reports and the management at the meeting.

2 Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2014 is set out in the Company's 2014 Annual Report.

In accordance with section 250R(2) of the Corporations Act 2001, Shareholders are asked to adopt the Company's Remuneration Report at the Company's Annual General Meeting.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Under the Corporations Act 2001, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

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

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

3 Resolution 2 - Re-election of Mr Mel Brookman

Clause 17.1 of the Company's Constitution requires that at annual general meeting, one-third of the Directors (other than the Managing Director) must retire from office.

Mr Brookman was appointed a Director on 4 June 1992. Mr Brookman will, in accordance with the Constitution, retire by rotation and, being eligible, offer himself for re-election.

Mr Brookman was a co-founder of Cellnet in 1992. He has over 20 years' experience in mobile phone and distribution industries. He was previously the Managing Director of the Company from 1999 to November 2002, and is presently chair of the Remuneration Committee and a member of the Audit and Risk Management Committee.

The Directors (with Mr Brookman abstaining) unanimously recommend that Shareholders vote in favour of this Resolution.

4 Resolution 3 – Approval of the Performance Rights Plan and the subsequent issue of securities under that plan

The purpose of the Company's performance rights plan (**PRP**) is to provide certain eligible employees (**Eligible Employees**) with an opportunity to acquire Rights to receive shares in the Company. By doing so, the PRP seeks to provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. The PRP is also intended to assist the Company to attract and retain skilled and experienced senior employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company

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

Listing Rule 7.2 (Exception 9) contains an exception to Listing Rule 7.1 so that performance rights issued under a PRP that has either been previously approved by shareholders or disclosed in the Company's prospectus are not required to be counted in calculating the Company's Placement Capacity for a 3 year period.

There have been no securities issued under the PRP however there are 1,200,000 Options currently on issue to Key Management Personnel, issued under the Employee Share Option Plan (**ESOP**) approved by Shareholders on 18 December 2007. These Options have an exercise price of \$0.36 and a last exercise date of 21 October 2014.

The Company's directors consider it desirable to seek shareholder approval for the PRP so that performance rights granted (and the shares issued on exercise of the performance rights) under the PRP can continue to be issued under an exception to Listing Rule 7.1 for 3 years after the date of the AGM and will not be counted as reducing the number of securities which the Company can issue under its Placement Capacity.

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

A summary of the PRP is set out below:

- (a) The PRP is open to certain senior management and directors of the Company or of any subsidiary of the Company, as determined by the Board.
- (b) The Board may invite eligible persons to participate in the PRP. Participation is voluntary. The Board may determine the number of performance rights to be issued under the PRP (**Rights**) and other terms of issue of the PRP.
- (c) All rights are granted at nil issue price and nil exercise price unless otherwise determined by the Board (**Plan Rules**).

- (d) Rights holders are not permitted to participate in new issues of securities by the Company but adjustments may be made to the number of shares over which the Rights are granted or the exercise price to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the Plan Rules and the ASX Listing Rules.
- (e) The PRP limits the number of Rights that the Company may issue, such that the sum of all Rights and options on issue and offered under all employee incentive schemes of the Company does not, if they are all exercised, equate to more than 8% of the ordinary shares on issue by the Company. For the avoidance of doubt, CLT Options referred to in Resolutions 4 and 5 of this Notice of Meeting are not issued under an employee incentive scheme.

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

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

5 Resolution 4 and 5 – Approval of issue of options to Mr Alexander Beard and Mr Elliott Kaplan

5.1 Introduction

In accordance with ASX Listing Rules and the Corporations Act, Shareholders of the Company are asked to approve the grant of 1,200,000 options over fully paid ordinary shares in the Company (**Director Options**) each to Mr Alexander Beard and Mr Elliott Kaplan, or their nominees.

The issuing of equity securities is an established practice in Australia as part of the remuneration of senior executives. If no equity securities were issued, the cash remuneration of Mr Alexander Beard and Mr Elliott Kaplan may have to be increased. Issuing equity securities is considered a preferable alternative as the recipient benefits if the Company's share price increases, in which case all shareholders also benefit. It also allows the Company to preserve its cash reserves by issuing Director Options in lieu of directors' fees.

If the resolutions are approved, the Company will grant the Director Options as soon as practicable but in any event no later than 1 month after the date of the meeting.

Regulatory requirements

(a) ASX Requirements

ASX Listing Rule 10.11 provides that the Company must not issue or agree to issue equity securities to a related party without shareholder approval. As Messrs Beard and Kaplan are directors of the Company they are considered to be related parties.

If the proposed issue of the Director Options is approved under ASX Listing Rule 10.11, then approval is not required under ASX Listing Rule 7.1.

(b) Corporations Act requirements

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

5.2 Director remuneration

Messrs Beard and Kaplan's remuneration packages for the year ended 30 June 2014 (as detailed in the Remuneration Report included in the Directors' Report of the 2014 Annual Report) is as follows:

Director	Salary and fees \$	Superannuation \$	Other long term benefits \$	Share-based payments	Total \$
Alexander Beard	-	-	-	-	-
Elliott Kaplan	-	-	-	-	-

5.3 Relevant interest in shares and options

Messrs Beard and Kaplan's current relevant interest in shares and options in the Company as at the date of this notice are as follows:

Director	Shares	Options
Alexander Beard	Nil	Nil
Elliott Kaplan	Nil	Nil

5.4 Cost to the Company

The Director Options will not be quoted on ASX and accordingly have no readily identifiable market value.

The Directors have adopted the Black-Scholes model in calculating the indicative value of the Director Options. Based on this calculation, the indicative value per Director Option is \$0.041.

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

- Valuation date 30 June 2014.
- Underlying share price of \$0.17, being the price for one Company share at 29 August 2014.
- Exercise Date of 30 September 2017
- The exercise price of each Director Option is \$0.25;
- The term is 1,090 days;
- A risk-free rate of 2.99%;
- Volatility of the underlying shares to be 50%; and
- Expected dividend yield of Nil.

5.5 Impact on capital structure

Until exercised, the grant of Director Options will not impact on the number of ordinary shares on issue in the Company. If all of the proposed Director Options were exercised, an additional 2,400,000 fully paid ordinary shares may be issued representing approximately 4.13% of the total issued share capital of the Company as at the date of this notice (assuming that no other options were exercised or shares issued by the Company between the date the Director Options were granted and the date on which those Director Options were exercised).

5.6 Information required under ASX Listing Rules

In accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Options to Mr Alexander Beard and Mr Elliott Kaplan.

Maximum number of securities to be issued	1,200,000 Director Options to Mr Beard 1,200,000 Director Options to Mr Kaplan
The date by which the entity will issue securities	The Director Options will be issued no later than 1 month after the date of the General Meeting.
Price at which the securities will be issued	\$nil per Director Option
Exercise Price	\$0.25 per Director Option
Terms of the Director Options:	<ul style="list-style-type: none"> • Each Director Option is exercisable at any time during the period from the date of its issue until 31 October 2017 (Exercise Period). • An Director Option not exercised will lapse on the earlier of: <ul style="list-style-type: none"> • 1 November 2017; and • The date on which a option holder ceases to hold the office of director in the Company (other than due to the occurrence of death or total and permanent disablement). • Subject to any adjustment in the event of a bonus issue, rights issue or reconstruction of capital, each Director Option is an option to subscribe for 1 share. • Upon the valid exercise of the Director Option, each share issued will rank equally with other shares of the Company. • Option holders do not have any right to participate in new issues of securities in the Company made to shareholders without first exercising the Director Options. • Option holders do not participate in any dividends unless the Director Options are exercised and the resultant shares are issued prior to the record date for determining entitlements.

	<ul style="list-style-type: none"> • In the event of a reorganisation of capital (including consolidation, subdivision, reduction or return) of the issued capital of the Company the number of Director Options, the exercise price of the Director Options , or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the option holders which are not conferred on shareholders. • If there is a pro-rata issue (except a bonus issue), the exercise price of a Director Option may be reduced in accordance with the formula in the Listing Rules. • If there is a bonus issue to shareholders, the number of shares over which the Director Option is exercisable may be increased by the number of shares which the option holder would have received if the option had been exercised before the record date for the bonus issue. • The Company will not apply for quotation of the options on ASX. The Company must apply to ASX for official quotation of shares issued on the exercise of the Director Options. • The Directors are not entitled to exercise any Director Option if the exercise of that Director Option could contravene the Company's constitution, Listing Rules or the Corporations Act.
Terms of any loan in relation to the acquisition of the Director Options	The Company will not provide any loans in respect of the acquisition of the Director Options.
Use (or intended use) of the funds raised:	The funds raised by the payment of the exercise price or the Director Options will be used for working capital purposes.

A voting exclusion applies in relation to Resolutions 4 and 5 (see notes to Resolutions 4 and 5).

5.7 Directors Recommendation

Mr Mel Brookman recommends that shareholders vote in favour of Resolutions 4 and 5.



Cellnet Group Limited

ABN 97 010 721 749

LODGE YOUR VOTE

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

By fax: +61 2 9287 0309

All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **11:00am on Friday, 24 October 2014 at Cellnet Group Limited Head Office, 59-61 Qantas Drive, Eagle Farm, QLD, 4009** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Mel Brookman as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of the Performance Rights Plan and the subsequent issue of securities under that plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of issue of options to Mr Alexander Beard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of issue of options to Mr Elliott Kaplan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

CLT PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

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

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Wednesday, 22 October 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



by mail:

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



by fax:

+61 2 9287 0309



by hand:

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

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.