

4 October 2016

Dear Shareholder

As a fellow shareholder and Non-Executive Chairman of IOT Group Limited, I am writing to seek your support for the removal of one of our directors, Mr Simon Kantor.

As you would be aware in late August, IOT Group was named as a defendant in proceedings commenced in the New South Wales Supreme Court regarding a dispute around the acquisition by an IOT Group subsidiary of certain intellectual property from Mr Kantor and a related company of Mr Kantor's. Details of the dispute are set out in a company announcement of 22 August 2016.

Given this dispute, the Board of Directors, excluding Mr Kantor, is of the firm view that his position has become untenable. We believe Mr Kantor cannot continue in his fiduciary duties whilst a dispute involving allegations of serious breaches of director's duties continues before the Court. The rest of the Board has on several occasions requested for Mr Kantor to step aside since the proceedings commenced but Mr Kantor has refused to do so.

IOT Group's Directors were very surprised by these proceedings as Mr Kantor gave every assurance that a dispute between him and his former business partners relating to this intellectual property acquired had been resolved by mutual consent. Clearly this was not the case, and IOT Group has become an innocent party in this dispute.

Subsequently, some shareholders have exercised their rights under the Corporations Law and called a General Meeting to put a resolution to remove Mr Kantor as a Director of the Company. Given the above, all your Directors, apart from Mr Kantor, support this resolution.

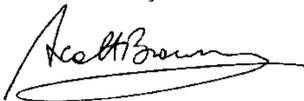
As previously announced, in September 2016 the Company terminated Mr Kantor's employment as an Executive for misconduct including failing to follow clear directions of the Company, failing to provide reports when requested, and acting in a manner which is detrimentally affecting the Company and its reputation. The Company also commenced legal action against Mr Kantor to regain some of the IT systems that Mr Kantor transferred into his own name after he had been terminated.

Unfortunately there will be some cost to the legal action, in terms of both money and time, even though our strong preference is to have the matters settled as soon as possible. We do however believe that it is unlikely to affect IOT Group's operations going forward.

IOT Group is at pivotal stage in its development and has multiple channels to deliver increased value to shareholders. This is the Board's priority. To achieve this, the Company needs to be led by a cohesive and united Board of Directors. Your Board is very encouraged by IOT Group's future prospects and we want to focus all our efforts on the Company's growth and development.

Your Directors, apart from Mr Kantor, strongly recommend that you vote in favour of the resolution to remove Mr Kantor. We would appreciate your support so we can move forward to make IOT Group a much stronger and more valuable Company than it is today.

Yours sincerely



**Scott Brown**  
Non-Executive Chairman

IOT Group Limited  
Level 14  
39 Martin Place  
SYDNEY NSW 2000

**IOT GROUP LIMITED - NOTICE OF SHAREHOLDER MEETING**

Notice is given that a meeting of shareholders of IOT Group Limited (**IOT** or the **Company**) will be held at the Company's offices at Level 14, 39 Martin Place Sydney NSW 2000 on Wednesday, 16 November 2016 at 11:00 AM (Sydney time).

**ITEM OF BUSINESS**

**1. Removal of Simon Kantor as a Director**

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

*"That in accordance with section 203D of the Corporations Act (Cth), **Simon Kantor**, be and is removed as a Director of the Company with effect from the close of this meeting."*

**2. Previous Issue of Shares**

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

*"That the issue of;*

*A. 2,000,000 ordinary shares in the company on 20 June 2016; and*

*B. 85,537,340 ordinary shares in the company on 14 July 2016.*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

**By Order of the Board**



Ron Hollands  
4 October 2016

## ELIGIBILITY TO VOTE

For the purpose of the Shareholder Meeting (SM), the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday, 14 November 2016**.

## PROXIES

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

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

## CORPORATE REPRESENTATIVES

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

## VOTING EXCLUSIONS

### Items 2 Previous Issue of Shares

Concerning Resolution 2, the company will disregard any votes cast on the resolution by a person who participated in the issue and any of their associates.

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

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

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

## PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the Meeting – that is, **by 11:00 AM (Sydney time) on Wednesday, 14 November 2016**.

Documents may be lodged with the Company by:

1. Email to [investor@theiotgroup.com](mailto:investor@theiotgroup.com); or
2. Mail to: IOT Group Limited  
Level 14, 39 Martin Place  
Sydney NSW 2000

## QUESTIONS FROM SHAREHOLDERS

Shareholders are invited to register questions in advance of the SM. If you would like further information on IOT, or would like to ask a question of IOT or the Auditor at this SM, you may submit your questions in writing to the Company at either the above email or postal addresses. Written questions must be received no later than 5 business days before the day before the Meeting, being **5:00 PM (Sydney time) on Wednesday, 9 November 2016**.

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders concerning the business to be transacted at the 2016 Annual General Meeting of shareholders (SM or Meeting). The Directors recommend shareholders read these Explanatory Notes in full before making any decision concerning the resolutions in question.

### ITEM 1 – REMOVAL OF SIMON KANTOR AS A DIRECTOR

Attached at Appendix 1 is a statement from one of the Shareholder groups that requisitioned the Resolution concerning Simon Kantor and called this General Meeting.

Pursuant to section 203D (4), Mr Kantor is entitled to put his case to members concerning the Resolution being put to members. As at the date of this NOM, he has not provided any statement to the company to distribute to members. Mr Kantor will also be afforded the opportunity to speak to this matter at the SM.

During discussion of this item, there will be an opportunity for shareholders to ask questions about the resolution.

#### **Directors' recommendation:**

**The Directors, except for Mr Kantor, unanimously recommend that shareholders vote in favour of Item 1.**

### ITEM 2 – PREVIOUS ISSUE OF SHARES

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

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

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

- (1) As announced 20 June 2016, the company issued of 2,000,000 ordinary class shares issued at \$nil<sup>1</sup> consideration to Paul Tobin (Terrapin Ventures) for establishing IOT Group Limited USA division and for attending to its ongoing obligations and requirements.
- (2) As announced 14 July 2016, the company issued, inter alia, 85,537,340 ordinary class shares at a price of 5.5 cents each to professional and sophisticated investors.

This capital raising was done to fund production of the ROAM-e flying selfie camera to support expected global sales, general working capital and the development and demerger of the OTT and Intervention (internet based television network) businesses into a new company which it intends to list on the ASX.

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

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

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<sup>1</sup> Market value of shares is \$196,000 or 0.098/share

At the date of this notice, the company had issued 722,669,905 ordinary shares. If this resolution is approved by shareholders, the company will be able to issue 15% of this amount, being a further 108,400,486 ordinary shares without shareholder approval, in the 12 month period to 16 November 2017.

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

**Directors' recommendation:**

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

**LOCATION OF ANNUAL GENERAL MEETING - IOT GROUP LIMITED, LEVEL 14, 39 MARTIN PLACE, SYDNEY NSW 2000 AT 11.00 AM (Sydney time) ON WEDNESDAY, 16 NOVEMBER 2016**

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

**Car:** There are also multiple public car parks located near 39 Martin Place Sydney.

**Proxy Form for Shareholders**

Shareholder  
 XXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXX

**1. I / We (please print):** Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_ Security Holder Reference Number (if known) \_\_\_\_\_

**2. Appointment of Proxy**

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

	<b>The Chairman of the Meeting</b> (mark with an "x")	or	
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(Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting)

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Shareholder Meeting of IOT Group Limited to be held at the offices of the company at Level 14, 39 Martin Place Sydney NSW 2000 at **11am on Wednesday 16 November 2016** and at any adjournment of that meeting.

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

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Removal of Simon Kantor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Previous issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

	Mark with an "x" if you wish to appoint a second proxy	and		or	
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**5. Authorised Signature/s**

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

Individual or Security Holder <input checked="" type="checkbox"/> _____ Individual/Sole Director and Sole Company Secretary	Security Holder 2 _____ Director	Security Holder 3 _____ Director/Company Secretary
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Contact Name	Contact daytime telephone
Email	Date

Completed proxy forms must be received by the Company no later than **11am on Monday, 14 November 2016** to be valid. You may return the form by:

1. Email to [investor@theiotgroup.com](mailto:investor@theiotgroup.com) ; or
2. Mail to: IOT Group Limited  
Level 14, 39 Martin Place  
Sydney NSW 2000

## How to Complete this Proxy Form

### (a) Your Name and Address

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

### (b) Appointment of a Proxy

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

### (c) Votes on Items of Business

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

### (d) Appointment of Second Proxy

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

To appoint a second proxy, you must:

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

### (e) Signing instructions

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

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

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

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail or email) by not later than 48 hours before commencement of the meeting ie **11am Monday, 14 November 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

## **Appendix 1 - IOT SM NOM**

**Statement by  
Alexandra Patrick Pty Ltd, Saratoga Capital Pty Ltd, IOT Ventures  
Pty Ltd, Snowy Venture Capital Group Pty Ltd and AFLH Family  
Fund Pty Ltd**

This statement has been prepared by Alexandra Patrick Pty Ltd, Saratoga Capital Pty Ltd, IOT Ventures Pty Ltd, Snowy Venture Capital Group Pty Ltd and AFLH Family Fund Pty Ltd as provided for under section 249P of the *Corporations Act 2001* (Cth) to set out their reasons for proposing the resolutions to be moved at the general meeting of shareholders of IOT Group Limited ACN 140 475 921 (the "**Company**").

### **Resolution 1**

Mr Kantor has been a director of the Company since its acquisition of OK IOT Pty Ltd in March 2016, and has been the individual primarily responsible for the Roam-e selfie drone project.

The initially promised timetable for delivery of the Roam-e has not been met and the share price is trading well below the levels reached earlier in the year.

It is time for this to end, and for the remaining Directors to get on with the job of creating substantial value for shareholders.

P. Neylon