

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-23153

TRACK GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

87-0543981

(I.R.S. Employer Identification No.)

200 E. 5th Avenue Suite 100 Naperville, Illinois 60563

(Address of principal executive offices, Zip Code)

(877) 260-2010

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant computed by reference to the closing price on March 31, 2019 was \$2.4 million.

As of January 28, 2020, there were 11,414,150 shares of the registrant's common stock issued and outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the “*Amendment*”) amends the Annual Report on Form 10-K of Track Group, Inc. (the “*Company*”, “*us*”, “*we*” or “*our*”) for the year ended September 30, 2019, originally filed with the Securities and Exchange Commission (“*SEC*”) on January 10, 2020 (the “*Original Filing*”). We are filing this Amendment to present the information required by Items 10, 11, 12, 13, and 14 of Part III of the Original Filing in reliance on General Instruction G(3) to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement filed with the SEC within 120 days after fiscal year end. In addition, the reference on the cover of the Original Filing to the incorporation by reference to portions of our definitive proxy statement into Part III of the Original Filing is hereby deleted.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, (i) Part III, Items 10 through 14 of the Original Filing are hereby amended and restated in their entirety, and (ii) Part IV, Item 15 of the Original Filing is hereby amended and restated in its entirety. In addition, a new certification of our principal executive officer is attached as of the filing date of this Amendment. Except as described above, no other changes have been made to the Original Filing.

Except as stated herein, this Amendment does not reflect events occurring after the filing of the Original Filing and no attempt has been made in this Amendment to modify or update other disclosures as presented in the Original Filing.

Track Group, Inc.
FORM 10-K/A
For the Fiscal Year Ended September 30, 2019

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company's Board of Directors (the "*Board*") and executive officers consist of the persons named in the table below. Each director serves for a one-year term, until his or her successor is elected and qualified, or until earlier resignation or removal. Our Bylaws provide that the authorized number of directors shall be fixed by the Board from time to time. The directors and executive officers are as follows:

Guy Dubois	61	Chair of the Board
Karen Macleod	56	Director
Karim Sehnaoui	41	Director
Derek Cassell	46	Chief Executive Officer
Peter K. Poli	58	Chief Financial Officer

Guy Dubois was appointed as a director in December 2012, and has served as Chair of the Board since February 2013. In addition, Mr. Dubois previously served as our Chief Executive Officer from September 2016 to December 2017. Mr. Dubois is the Founder and Chairman of Singapore-based Tetra House Pte. Ltd., a provider of bespoke consulting and advisory services out of Singapore. He is co-founder of Circo³, a regulated capital arrangement company with a platform approach to the investor capital raising business. Mr. Dubois is a former director and Chief Executive Officer of Gategroup AG, and previously held various executive leadership roles at Gate Gourmet Holding LLC. Mr. Dubois has held executive management positions at Roche Vitamins Inc. in New Jersey, as well as regional management roles in that firm's Asia Pacific operations. Mr. Dubois also served the European Organization for Nuclear Research (CERN) team in Switzerland in various roles, including as its Treasurer and Chief Accountant. Additionally, Mr. Dubois worked with IBM in Sweden as Product Support Specialist for Financial Applications. A Belgian citizen, Mr. Dubois holds a degree in Financial Science and Accountancy from the Limburg Business School in Diepenbeek, Belgium.

Mr. Dubois' extensive financial and management expertise and experience, in addition to his public company senior management and board experience, and the leadership he has shown in his positions with prior companies as well as his knowledge of the daily operations of the Company having previously served as Chief Executive Officer, make him a valuable asset to the Board and the Company.

Karen Macleod was appointed as a director in January 2016 and currently serves as Chief Executive Officer of Arete Group LLC, a professional services firm. Prior to Arete Group, Ms. Macleod was President of Tatum LLC, a New York-based professional services firm owned by Randstad, from 2011 to 2014, and was a co-founder of Resources Connection (NASDAQ: RECN), now known as RGP, a multinational professional services firm founded as a division of Deloitte in June 1996. Ms. Macleod served in several positions for RGP, including as a director from 1999 to 2009 and President, North America from 2004 to 2009. Prior to RGP, Ms. Macleod held several positions in the Audit Department of Deloitte from 1985 to 1994. Ms. Macleod served as a director for A-Connect (Schweiz) AG, a privately held, Swiss-based global professional services firm, from 2014 to 2016, and was a director for Overland Solutions from 2006 to 2013. Currently, Ms. Macleod is serving as a director on the Board of the FWA (Financial Women's Association) in New York and is a member of their Audit Committee. Ms. Macleod holds a Bachelor of Science in Business/Managerial Economics from the University of California, Santa Barbara.

Ms. Macleod's senior public company leadership experience along with her finance and accounting background make her a significant contributor to the Board and the strategic growth of the Company.

Karim Sehnaoui was appointed as a director in February 2018. Mr. Sehnaoui is an entrepreneur and investment professional, who specializes in private equity, venture capital, and corporate finance. Currently, he serves as Chief Investment Officer of ADS Securities LLC, a position he has held since October 2018, and as a Director of ETS Limited. In addition, Mr. Sehnaoui is the Founder and current Managing Director of Elham Management and Investment Group, an investment firm founded in 2011 that is dedicated to sustainable strategic investing. From 2012 to 2016, Mr. Sehnaoui taught graduate level finance courses as a visiting Assistant Professor at MSB Mediterranean School of Business in Tunisia. Prior to that, Mr. Sehnaoui spent several years in investment banking and private equity, serving as Acting Chief Investment Officer of Abu Dhabi Investment House PJSC and General Manager for Abu Dhabi Investment House S.A., and Business Development Director at Ithmaar Bank. Mr. Sehnaoui is currently a member of the Supervisory Board of Fyber N.V. (FRA: FBEN), an advertising technology company. Mr. Sehnaoui holds Bachelor's and Master's degrees in Civil Engineering from McGill University in Montreal, Canada, and was a Global Leadership Fellow at the World Economic Forum in Geneva, Switzerland from 2005 to 2007.

Mr. Sehnaoui was appointed as a director in connection with ETS Limited becoming the Company's largest stockholder of record in 2018. Mr. Sehnaoui's senior leadership experience, along with his private equity and venture capital background make him a valued member of the Board and a strong asset to the ongoing growth of the Company.

Derek Cassell joined the Company in June 2014 through the strategic acquisition of Emerge Monitoring, at which time he was appointed Divisional President, Americas. Mr. Cassell was appointed to serve as our President in December 2016 and was promoted to the role of Chief Executive Officer effective January 1, 2018. From September 2008 until June 2014, Mr. Cassell served as an Executive Vice President of Emerge Monitoring, which was part of the Bankers Surety Team. Mr. Cassell has over 20 years of experience providing correctional solutions to the criminal justice industry. His previous positions include Director of Operations for ADT Correctional Services, Director of Customer Support for G4S Justice Services, and National Sales and Marketing Manager for ElmoTech Inc. He holds a Criminal Justice Degree from Henry Ford College in Dearborn Heights, Michigan.

Peter K. Poli has served as our Chief Financial Officer since January 2017. In addition, he has served as the Chief Financial Officer and Treasurer of Emerge Monitoring, Inc., Secretary and Treasurer of Track Group – Puerto Rico, Inc., Secretary of Track Group Analytics, Limited and Manager of Emerge Monitoring LLC, all of which are subsidiaries of the Company, since May 2017. Before joining the Company, Mr. Poli served as the Chief Financial Officer of Grand Banks Yachts Limited from August 18, 2004 through December 31, 2015. In addition, he served as an Executive Director of Grand Banks Yachts from March 31, 2008 through October 28, 2015. Prior to his time with Grand Banks Yachts Limited, Mr. Poli served as the Chief Financial Officer for Acumen Fund Inc., I-Works Inc., and as Vice President and Chief Financial Officer of FTD.COM. Mr. Poli also spent nine years as an Investment Banker with Dean Witter Reynolds, Inc. and served as the CFO of a wholly-owned subsidiary of Morgan Stanley Dean Witter from 1997 to 1999. In addition, Mr. Poli served as an Independent Director of Leapnet, Inc. from 2000 to 2002. Mr. Poli earned a Bachelor of Art in Economics and Engineering from Brown University in 1983 and an MBA from Harvard Business School in 1987.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), requires our officers, directors, and persons who beneficially own more than ten percent of our common stock to file reports of ownership and changes in ownership with the SEC. Officers, directors, and greater-than-ten-percent stockholders are also required by the SEC to furnish us with copies of all Section 16(a) forms that they file.

Based solely upon a review of these forms that were furnished to us, we believe that all reports required to be filed by these individuals and persons under Section 16(a) were filed during fiscal year 2019 and that such filings were timely.

Code of Business Conduct and Ethics

We have established a Code of Business Conduct and Ethics (the “*Code*”) that applies to our officers, directors and employees. This Code contains general guidelines for conducting our business consistent with the highest standards of business ethics, and is intended to qualify as a “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. A copy of our Code is available online at www.trackgrp.com. Any amendments to or waivers from a provision of our Code that apply to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions and that relates to any element of the Code will be made available to the public at the aforementioned website..

Board Leadership Structure

Our Board of Directors has the discretion to determine whether to separate or combine the roles of Chief Executive Officer and Chair of the Board. As previously mentioned, Mr. Dubois served in both roles from September 11, 2016 through December 31, 2017. During that time, our Board believed that his combined role was most advantageous to the Company and our stockholders. Effective January 1, 2018, the Board of Directors promoted the President of the Company, Mr. Cassell, to the role of Chief Executive Officer, and thereby separated the roles of Chief Executive Officer and Chair of the Board. Mr. Dubois continues to serve as Chair of the Board.

In addition to Messrs. Cassell and Dubois’ leadership, the Board maintains effective independent oversight through a number of governance practices, including, open and direct communication with management, input on meeting agendas, and regular executive sessions.

Board Role in Risk Assessment

Management, in consultation with outside professionals, as applicable, identifies risks associated with the Company’s operations, strategies and financial statements. Risk assessment is also performed through periodic reports received by the Board from management, counsel and the Company’s independent registered public accountants relating to risk assessment and management. Our Board meets privately in executive sessions with representatives of the Company’s independent registered public accountants. The Board also provides risk oversight through its periodic reviews of the financial and operational performance of the Company.

Director Nominations

The Board nominates directors for election at each annual meeting of stockholders and appoints new directors to fill vacancies when they arise, and has the responsibility to identify, evaluate and recruit qualified candidates to the Board for such nomination or appointment.

The Board of Directors identifies director nominees by first considering those current members of the Board who are willing to continue service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. Nominees for director are selected by a majority of the members of the Board of Directors. Although the Company does not have a formal diversity policy, in considering the suitability of director nominees, the Board considers such factors as it deems appropriate to develop a Board that is diverse in nature and comprised of experienced and seasoned advisors. Factors considered by the Board include judgment, knowledge, skill, diversity, integrity, experience with businesses and other organizations of comparable size, including experience in the software and/or technology industries, software, intellectual property, business, finance, administration or public service, the relevance of a candidate's experience to our needs and experience of other Board members, experience with accounting rules and practices, the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members, and the extent to which a candidate would be a desirable addition to the Board and any committees of the Board.

A stockholder who wishes to suggest a prospective nominee for the Board may notify the Secretary of the Company in writing with any supporting material the stockholder considers appropriate. Nominees suggested by stockholders are considered in the same way as nominees suggested from other sources.

In addition, the Company's Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to the Board at the Company's annual meeting of stockholders. In order to nominate a candidate for director, a stockholder must give timely notice in writing to the Secretary of the Company and otherwise comply with the provisions of the Company's Bylaws. Information required by the Company's Bylaws to be in the notice include: the name, contact information and share ownership information for the candidate and the person making the nomination, and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") and its related rules and regulations. The Board may also require any proposed nominee to furnish such other information as may reasonably be required by the Board to determine the eligibility of such proposed nominee to serve as director of the Company. The recommendation should be sent to: Secretary, Track Group, Inc., 200 E. 5th Avenue, Suite 100, Naperville, Illinois 60563. You can obtain a copy of the Company's Bylaws by writing to the Secretary at this address.

Stockholder Communications

If you wish to communicate with the Board, you may send your communication in writing to: Secretary, Track Group, Inc., 200 E. 5th Avenue, Suite 100, Naperville, Illinois 60563. You must include your name and address in the written communication and indicate whether you are a stockholder of the Company. The Secretary will review any communication received from a stockholder, and all material and appropriate communications from stockholders will be forwarded to the appropriate director or directors or committee of the Board based on the subject matter.

Board Meetings

Directors are generally elected for a term of one year until the next annual meeting of stockholders and until their successors have been elected or appointed and duly qualified. Vacancies on the Board which are created by the retirement, resignation or removal of a director, may be filled by the vote of the remaining members of the Board, with such new director serving the remainder of the term or until his/her successor is elected and qualified.

The Board of Directors is elected by and is accountable to our stockholders. The Board establishes policy and provides strategic direction, oversight, and control. The Board met twelve times during the year ended September 30, 2019 and all incumbent directors attended at least 75% of the aggregate number of meetings of the Board.

Board Committees and Charters

Prior to May 31, 2018, the Board of Directors had three standing committees which consisted of the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Due to the resignations of certain former directors during 2018 as previously disclosed by the Company and the current size of the Board, these committees are no longer active. Instead the full Board administers the duties of each of these committees, and will likely do so for the foreseeable future.

Audit Committee

Prior to May 31, 2018, we had a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The primary duties of the Audit Committee were to oversee (i) management's conduct related to our financial reporting process, including reviewing the financial reports and other financial information provided by the Company, and reviewing our systems of internal accounting and financial controls, (ii) our independent auditors' qualifications and independence and the audit and non-audit services provided to the Company, and (iii) the engagement and performance of our independent auditors. The Audit Committee assisted the Board in providing oversight of our financial and related activities, including capital market transactions. The Audit Committee had a charter, a copy of which is available on our website at www.trackgrp.com.

Currently, the entire Board of Directors serves in the capacity as an Audit Committee with Ms. Macleod also serving as Committee Chair. With the exception of Mr. Sehnaoui, each member of the Audit Committee, satisfy, as determined by the full Board of Directors, the definition of independent director as established in the OTC Rules and all members are financially literate. In accordance with Section 407 of the Sarbanes-Oxley Act of 2002, the Board of Directors designated Ms. Macleod as the Audit Committee's "audit committee financial expert" as defined by the applicable regulations promulgated by the SEC. The Audit Committee met with our Chief Financial Officer and with our independent registered public accounting firm and evaluated the responses by the Chief Financial Officer, both to the facts presented and to the judgments made by our independent registered public accounting firm. The Audit Committee met four times during the year ended September 30, 2019, and all members of the Audit Committee attended at least 75% of the Committee's meetings.

Our full Board reviewed and discussed the matters required by United States auditing standards required by the Public Company Accounting Oversight Board (the "PCAOB") and our audited financial statements for the fiscal year ended September 30, 2019 with management and our independent registered public accounting firm. Our Board received the written disclosures and the letter from our independent registered public accounting firm required by Independence Standards Board No. 1, and our Board discussed with the independent registered public accounting firm the independent registered public accounting firm's independence.

Compensation Committee

We currently do not have a compensation committee of the Board or a committee performing similar functions. It is the view of the Board that it is appropriate for us not to have such a committee because of our size and because the Board participates in the consideration of executive compensation. As such, the entire Board of Directors has the responsibility for developing and maintaining an executive compensation policy that creates a direct relationship between pay levels and corporate performance and returns to stockholders. The Board monitors the results of such policy to assure that the compensation payable to our executive officers provides overall competitive pay levels, creates proper incentives to enhance stockholder value, rewards superior performance, and is justified by the returns available to stockholders.

Additionally, the Board administers compensation plans in a manner consistent with the terms of such plans (including, as applicable, the granting of stock options, restricted stock, stock units and other awards, the review of performance goals established before the start of the relevant plan year, and the determination of performance compared to the goals at the end of the plan year). None of our executive officers served as a director or member of the compensation committee of any entity that has one or more executive officers serving on our Board.

Nominating and Corporate Governance Committee

We do not have a nominating committee. Our Board of Directors selects individuals to stand for election as members of the Board and does not have a policy with regards to the consideration of any director candidates recommended by our stockholders. Our Board has determined that it is in the best position to evaluate our company's requirements as well as the qualifications of each candidate when it considers a nominee for a position on the Board. As such, the entire Board of Directors has the responsibility for identifying and recommending candidates to fill vacant and newly created Board positions, setting corporate governance guidelines regarding director qualifications and responsibilities, and planning for senior management succession.

Currently, our full Board is required to review the qualifications and backgrounds of all directors and nominees (without regard to whether a nominee has been recommended by stockholders), as well as the overall composition of the Board of Directors, and recommend director candidates to be nominated for election at the annual meeting of stockholders, or, in the case of a vacancy on the Board, elect a new director to fill such vacancy. If stockholders wish to recommend candidates directly to our Board, they may do so by communicating directly with our Secretary at the address specified on the cover of this annual report. There has not been any change to the procedures that our stockholder may recommend nominees to our Board of Directors.

Independent Directors

The Board has determined that Mr. Dubois and Ms. Macleod are currently the Company’s independent directors as defined by the rules and regulations of the OTC Markets. Mr. Dubois and Ms. Macleod meet the independence standards established by the OTC Markets and the U.S. Securities and Exchange Commission (the “SEC”). In addition, the Board has determined that of its current directors, Ms. Macleod satisfies the definition of an “audit committee financial expert” under SEC rules and regulations. These designations do not impose any duties, obligations or liabilities that are greater than those generally imposed as members of the Board, and the designation as an audit committee financial expert does not affect the duties, obligations or liability of any other member of the Board.

Indemnification of Officers and Directors

As permitted by Delaware law, the Company will indemnify its directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

ITEM 11. EXECUTIVE COMPENSATION

The following discussion relates to the compensation of our “named executive officers”.

Summary Compensation Table

The following summary compensation table sets forth the compensation paid to the following persons for our fiscal years ended September 30, 2018 and 2019:

- (a) our principal executive officer;
- (b) our other two most highly compensated executive officers who were serving as executive officers at the end of the fiscal year ended September 30, 2019 and who had total compensation exceeding \$100,000; and
- (c) additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as an executive officer at the end of the most recently completed financial year (together, the “Named Executive Officers”).

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total (\$)
Derek Cassell ⁽²⁾ <i>Chief Executive Officer and Former President</i>	2019	\$ 275,000	\$ 366,667	\$ -	\$ -	\$ 641,667
	2018	\$ 266,923	\$ 30,000	\$ 315,000	\$ -	\$ 611,923
Peter Poli <i>Chief Financial Officer</i>	2019	\$ 250,000	\$ 166,667	\$ -	\$ -	\$ 416,667
	2018	\$ 247,692	\$ 22,500	\$ 157,500	\$ -	\$ 427,692
Former Named Executive Officer						
Guy Dubois ⁽³⁾ <i>Chair and Former Executive Chair</i>	2019	\$ -	\$ -	\$ -	\$ -	\$ -
	2018	\$ -	\$ 60,000	\$ 300,000	\$ -	\$ 360,000

- (1) This column represents the grant date fair value in accordance with ASC 718. These amounts do not represent the actual value that may be realized by the named executive officers.
- (2) On January 1, 2018, Mr. Cassell was appointed as the Company’s Chief Executive Officer. Mr. Cassell previously served as the Company’s President from December 19, 2016 to January 1, 2018.
- (3) Mr. Dubois served as Chief Executive Officer from September 2016 to December 2017. The Company did not have an employment agreement in place with Mr. Dubois for this role. See "Director Compensation" below for fees paid to Mr. Dubois in connection with his service as Chair of the Board for the twelve months ended September 30, 2019.

Narrative Disclosure to the Summary Compensation Table

Compensation Paid to our Former Executive Chair

In the fiscal year ended September 30, 2018, Mr. Dubois received a \$60,000 cash bonus and 241,935 shares of stock equal to \$300,000 for services provided to the Company in his former role as Executive Chair.

Poli Employment Agreement

On December 12, 2016, the Company entered into a three-year employment agreement with Mr. Poli (the "*Poli Employment Agreement*"). Under the terms and conditions of the Poli Employment Agreement, Mr. Poli began receiving a base salary equal to \$240,000 per annum beginning in January 2017, and received an option to purchase 100,000 shares of the Company's common stock at an exercise price per share equal to the closing price of the Company's common stock on the date approved by the Board. One-half of this option vested on January 1, 2018, and the remaining one-half vested on January 1, 2019. If the Company terminates Mr. Poli's employment as a result of an involuntary termination, he would receive an amount equal to 12 months base salary, plus any annual bonus deemed to be vested and earned.

An amendment to the Poli Employment Agreement was approved at a Board meeting on December 13, 2017, and such amendment was executed on January 3, 2018. Pursuant to the terms of the Poli Agreement, as amended (the "*Poli Amendment*"), effective January 1, 2018, Mr. Poli's employment was extended three years, and shall automatically renew for successive one year periods thereafter unless either party provides the other with notice of its intent not to renew the Poli Agreement at least six months prior to termination. In addition, the Poli Amendment provides: (i) an increase in Mr. Poli's base salary to \$250,000 per year; (ii) the issuance of 150,000 unregistered restricted shares of the Company's common stock, which shall vest annually in increments of 50,000 beginning January 1, 2018; and (iii) in the event of a change of control, Mr. Poli shall be entitled to a cash payment equal to one year's salary, plus all restricted stock, warrants and options previously issued to Mr. Poli shall become immediately vested and exercisable.

Cassell Employment Agreement

On December 1, 2016, the Company entered into an employment agreement with Mr. Cassell, which was subsequently amended on February 13, 2017 (the "*Cassell Employment Agreement*"). Under the terms and conditions of the Cassell Employment Agreement, Mr. Cassell received a base salary equal to \$240,000 per annum, and received 60,000 unregistered restricted shares of the Company's common stock. One-half of these shares vested immediately upon issuance, and the remaining one-half vested on March 30, 2018. If the Company terminates Mr. Cassell's employment as a result of an involuntary termination, he would receive an amount equal to 12 months base salary, plus any annual bonus deemed to be vested and earned.

A second amendment to the Cassell Employment Agreement was approved at a Board meeting held on December 13, 2017, and such amendment was executed on January 4, 2018. Under the terms of the Cassell Agreement, as amended (the "*Cassell Amendment*"), effective January 1, 2018, Mr. Cassell was promoted from President to Chief Executive Officer of the Company, a position which he shall hold until December 31, 2020, unless earlier terminated or extended. Should Mr. Cassell elect to voluntarily terminate his employment with the Company, he must provide written notice of his intent to do so at least 180 days prior to terminating his employment. In addition, the Cassell Amendment provides: (i) an increase in Mr. Cassell's base salary to \$275,000 per year; (ii) an increase, to 100% of his base salary, in his annual bonus effective for bonus plan year 2018 and thereafter; (iii) the issuance of 300,000 unregistered restricted shares of the Company's common stock, which shall vest annually in increments of 100,000 beginning January 1, 2018; and (iv) in the event of a change of control, Mr. Cassell shall be entitled to a cash payment equal to one year's salary, plus all restricted stock, warrants and options previously issued to Mr. Cassell shall become immediately vested and exercisable.

Outstanding Equity Awards at September 30, 2019

The following table discloses outstanding shares, stock option awards and warrants held by each of the Named Executive Officers as of September 30, 2019:

Outstanding Equity Awards at Fiscal Year-End 2019

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of underlying unexercised options (#)	Option exercise price (\$)⁽¹⁾	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or Payout value of unearned shares, units or other rights that have not vested (\$)
Guy Dubois	2,385	-	-	\$ 1.24	3/21/2022	-	-	-	-
	64,665	-	-	\$ 1.24	4/14/2022	-	-	-	-
	4,083	-	-	\$ 1.24	6/30/2022	-	-	-	-
	2,280	-	-	\$ 1.24	9/30/2022	-	-	-	-
	2,344	-	-	\$ 1.24	12/31/2023	-	-	-	-
	2,432	-	-	\$ 1.24	3/31/2023	-	-	-	-
	51,576	-	-	\$ 1.24	6/02/2023	-	-	-	-
	2,647	-	-	\$ 1.24	6/30/2023	-	-	-	-
	14,988	-	-	\$ 1.24	1/27/2022	-	-	-	-
	8,868	-	-	\$ 1.24	4/20/2022	-	-	-	-
	113,310	-	-	\$ 1.24	8/14/2022	-	-	-	-
	8,571	-	-	\$ 1.24	9/30/2022	-	-	-	-
	12,676	-	-	\$ 1.24	10/14/2022	-	-	-	-
	15,126	-	-	\$ 1.24	1/15/2023	-	-	-	-
	14,286	-	-	\$ 1.24	3/31/2023	-	-	-	-
	18,000	-	-	\$ 1.24	6/30/2023	-	-	-	-
Peter Poli	100,000	-	-	\$ 1.24	1/1/2022	-	-	-	-
	-	-	-	-	-	50,000 ⁽²⁾	\$ 52,500	-	-
Derek Cassell	-	-	-	-	-	100,000 ⁽²⁾	\$ 105,000	-	-

(1) On November 30, 2017, the Board of Directors approved the repricing of the exercise price of all outstanding stock options and warrants held by the Company's officers and directors on such date. As such, all of the stock options reported in this table that were outstanding at November 30, 2017 have an exercise price of \$1.24, the closing price of the Company's Common Stock as reported by the OTCQX Marketplace on November 30, 2017.

(2) Such shares vested on January 1, 2020, subsequent to the year ended September 30, 2019.

Director Compensation

During the fiscal year ended September 30, 2019, each of our non-employee directors received \$25,000 per quarter for serving on the Board of Directors, which fees were payable in cash. The members of the Board of Directors are also eligible for reimbursement of their expenses incurred in attending Board meetings in accordance with our policies.

The following table sets forth the compensation awarded to, earned by, or paid to each non-employee director having served during the fiscal year ended September 30, 2019:

Name	Stock Awards (\$)	Warrant Awards (\$)	Cash (\$)	Total Fees Earned (\$)
Guy Dubois	\$ -	\$ -	\$ 100,000	\$ 100,000
Karen Macleod	\$ -	\$ -	\$ 100,000	\$ 100,000
Karim Sehnaoui	\$ -	\$ -	\$ 100,000	\$ 100,000

Director Warrants

The following table lists the warrants to purchase shares of common stock held by each of our non-employee directors as of January 28, 2020, all of which were granted in connection with their services as directors:

Name	Grant Date	Expiration Date	Exercise price	Number of Warrants	Compensation expense
Guy Dubois ⁽¹⁾	3/22/13	3/21/22	\$ 1.24	2,385	\$ 11,682
	4/16/13	4/14/22	\$ 1.24	64,665	\$ 285,003
	7/1/13	6/30/22	\$ 1.24	4,083	\$ 23,640
	10/1/13	9/30/22	\$ 1.24	2,280	\$ 17,982
	1/2/14	12/31/23	\$ 1.24	2,344	\$ 12,014
	4/1/14	3/31/23	\$ 1.24	2,432	\$ 8,684
	6/3/14	6/02/23	\$ 1.24	51,576	\$ 300,326
	7/1/14	6/30/23	\$ 1.24	2,647	\$ 7,270
	1/27/14	1/27/22	\$ 1.24	14,988	\$ 61,918
	4/20/15	4/20/22	\$ 1.24	8,868	\$ 27,464
	8/14/15	8/14/22	\$ 1.24	113,310	\$ 300,000
	10/1/15	9/30/22	\$ 1.24	8,571	\$ 25,114
	10/15/15	10/14/22	\$ 1.24	12,676	\$ 25,859
	1/15/16	1/15/23	\$ 1.24	15,126	\$ 45,008
	4/1/16	3/31/23	\$ 1.24	14,286	\$ 47,572
7/1/16	6/30/23	\$ 1.24	18,000	\$ 53,454	
Karen Macleod	7/1/16	6/30/23	\$ 1.24	9,000	\$ 37,154
	9/30/16	9/30/21	\$ 1.15	3,529	\$ 15,000
	10/1/16	9/30/21	\$ 1.15	5,882	\$ 25,000
	1/1/17	12/31/21	\$ 1.15	9,191	\$ 25,000
	4/1/17	3/31/22	\$ 1.15	12,195	\$ 25,000

- (1) Mr. Dubois served as the Company's Chief Executive Officer from September 2016 until December 31, 2017. Effective January 1, 2018 he resigned from such position but continues to serve as Chair of the Board.

Compensation Risks Assessment

As required by rules adopted by the SEC, management has assessed our compensation policies and practices with respect to all employees to determine whether risks arising from those policies and practices are reasonably likely to have a material adverse effect on us. In doing so, management considered various features and elements of the compensation policies and practices that discourage excessive or unnecessary risk taking. As a result of the assessment, we have determined that our compensation policies and practices do not create risks that are reasonably likely to have material adverse effects.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners

The following table presents information regarding beneficial ownership as of January 28, 2020 (the “*Table Date*”), of our common stock by (i) each stockholder known to us to be the beneficial owner of more than five percent of our common stock; (ii) each of our Named Executive Officers serving as of the Table Date; (iii) each of our directors serving as of the Table Date; and (iv) all of our executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and dispositive power with respect to all securities they beneficially own. As of the Table Date, the applicable percentage ownership is based on 11,414,150 shares of our common stock issued and outstanding.

Beneficial ownership representing less than one percent of the issued and outstanding shares of a class is denoted with an asterisk (“*”). Holders of common stock are entitled to one vote per share.

Name and Address of Beneficial Owner ⁽¹⁾	Common Stock	
	Shares	%
5% Beneficial Owners:		
ETS Limited ⁽²⁾	4,871,745	43%
Safety Invest S.A., Compartment Secure I ⁽³⁾	1,740,697	15%
Conrent Invest S.A. ⁽⁴⁾	500,000	4%
Directors and Named Executive Officers:		
Guy Dubois ⁽⁵⁾	653,568	6%
Karen Macleod ⁽⁶⁾	94,939	1%
Karim Sehnaoui ⁽⁷⁾	14,021	0%
Derek Cassell ⁽⁸⁾	317,209	3%
Peter Poli ⁽⁹⁾	233,640	2%
All directors and executive officers as a group (5 persons)	1,313,377	12%

- (1) Except as otherwise indicated, the business address for these beneficial owners is c/o the Company, 200 E. 5th Avenue, Suite 100, Naperville, Illinois 60563.
- (2) Address is c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands. Holding information is based on Amendment No. 2 to Schedule 13D filed by ADS Securities LLC on February 9, 2018.
- (3) Secure I is a compartment of Safety Invest S.A. (“*Safety*”), a company established under the Luxembourg Securitization Law and incorporated as a “société anonyme” under the laws of the Grand Duchy of Luxembourg whose principal business is to enter into one or more securitization transactions. Holding information is based on Schedule 13D filed on March 20, 2019.
- (4) Address is 283, Route d’Arlon L-8011 Strassen R.C.S. Luxembourg B 170.360. Holding information is based on an information supplied by Conrent Invest SA on January 6, 2020.
- (5) Holdings consist of 315,331 shares of common stock owned of record and 338,237 shares of common stock issuable upon exercise of stock purchase warrants.
- (6) Holdings includes 55,142 shares of Common Stock owned of record and 39,797 shares of Common Stock issuable upon exercise of stock purchase warrants.
- (7) Holdings include 14,021 shares of Common Stock owned of record.
- (8) Holdings include 317,209 shares of common stock owned of record.
- (9) Holdings consist of 133,640 shares of common stock and 100,000 shares of common stock issuable upon exercise of stock purchase warrants.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of September 30, 2019 regarding equity compensation plans approved by our security holders and equity compensation plans that have not been approved by our security holders:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	616,655 ⁽¹⁾	\$ 1.61	27,218 ⁽²⁾
Equity compensation plans not approved by security holders	68,604	1.15	-
Total	685,259	\$ 1.56	27,218

(1) Consists of shares of our common stock issuable upon exercise of outstanding options issued under the 2012 Plan.

(2) Consists of shares of our common stock reserved for future issuance under the 2012 Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related-Party Loan Agreements

Amended and Restated Facility Agreement and Debt Exchange Agreement with Conrent Invest, S.A. On July 14, 2015, the Company entered into an Amended and Restated Facility Agreement (the “*Amended Facility Agreement*”) with Conrent Invest S.A., a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg (“*Conrent*”), pursuant to which the Company may borrow up to \$29.4 million of unsecured debt, which accrues interest at a rate of 8% per annum and matures on July 31, 2018. The Amended Facility Agreement also provides the Company with a voluntary prepayment option, wherein the Company may pay the amounts borrowed under the debt facility, including all accrued but unpaid interest, prior to the maturity date without any penalty or prepayment fee.

On October 9, 2017, the Company entered into a Debt Exchange Agreement with Conrent regarding total debt and unpaid interest of approximately \$34.7 million due under the Amended Facility Agreement as of October 31, 2017 (the “*Debt*”) (the “*Debt Exchange*”). The Debt Exchange called for the Company to exchange newly issued shares of preferred stock for the entire Debt subject to approval by the investors who purchased securities from Conrent to finance the Debt (the “*Noteholders*”). On November 2, 2017, Conrent convened a meeting of the Noteholders to approve the Debt Exchange; however, the quorum required to approve the Debt Exchange was not achieved.

On February 26, 2018, the Company proposed that the maturity date of the Amended Facility Agreement be extended from July 31, 2018 to April 1, 2019. On April 26, 2018, the Noteholders approved the extension of the Facility Agreement from July 31, 2018 to April 1, 2019, subject to the satisfaction of certain conditions (the “*Debt Extension*”). On June 14, 2018, the Company received a letter from Conrent acknowledging that certain conditions had been met, and indicating that Conrent would proceed with the Debt Extension.

On July 19, 2018 the Company and Conrent, amended the facility agreement again, thereby (i) extending the Maturity Date to the earlier of either April 1, 2019 or the date upon which the Outstanding Principal Amount, as defined therein, is repaid by the Company, and (ii) provided that in the event of a Change of Control, as defined therein, Conrent shall immediately cancel the facility and declare the Outstanding Principal Amount, together with unpaid interest, immediately due and payable.

On November 14, 2018, the Company requested that Conrent further extend the maturity of the Amended Facility Agreement from April 1, 2019 to April 1, 2020. On December 3, 2018, Conrent agreed to convene meetings of the Noteholders and subsequently issued a notice of a meeting of Noteholders for each series of Notes, which meetings were held on January 16, 2019. Conrent notified the Company (via telephone), that the Noteholders agreed to extend the maturity of the Amended Facility Agreement to April 1, 2020, subject to the signing of a written agreement.

Subsequent to the year ended September 30, 2019, on December 4, 2019, the Company requested that Conrent extend the maturity of the Amended Facility Agreement from April 1, 2020 to July 1, 2021. On January 6, 2020 the investors who purchased the securities from Conrent to finance the debt (the “*Noteholders*”) held a meeting and on January 7, 2020, Conrent notified the Company in writing that the Noteholders agreed to extend the maturity of the Amended Facility Agreement from April 1, 2020 to July 1, 2021. On January 10, 2020, the Company and Conrent entered into an amendment to the Facility Agreement which extends the maturity of the Facility to July 1, 2021.

Conrent Loan Agreement. On May 1, 2016, the Company entered into an unsecured Loan Agreement with Conrent, acting with respect to its Compartment Safety III (the “*Conrent Loan Agreement*”). Pursuant to its terms, available borrowing capacity under the Conrent Loan Agreement was \$5.0 million; however, due to the failure of the lender to satisfy certain conditions precedent to its obligation to fund, the Company had not received funds under the Conrent Loan Agreement as of January 28, 2020, and no proceeds thereunder are anticipated.

ETS Limited is currently the beneficial owner of 4,871,745 shares of the Company's Common Stock (“*Track Group Shares*”) held by ADS Securities under an agreement dated September 28, 2017, pursuant to which ADS Securities transferred all of the Track Group Shares to ETS Limited in exchange for all of the outstanding shares of ETS Limited.

In the fiscal year ended September 30, 2018, the Company paid \$60,000 to Tetra House Pte. Ltd. for services. Our Chair, Mr. Dubois, is the founder and Chairman of Tetra House Pte. Ltd.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

During the years ended September 30, 2019 and 2018, Eide Bailly served as our independent registered public accounting firm. The following table presents approximate aggregate fees and other expenses for professional services rendered by Eide Bailly, our independent registered public accounting firm, for the audit of the Company's annual financial statements for the years ended September 30, 2019 and 2018 and fees and other expenses for other services rendered during those periods.

	<u>2019</u>	<u>2018</u>
Audit Fees ⁽¹⁾	\$ 187,823	\$ 174,179
Audit-Related Fees ⁽²⁾	\$ 8,764	\$ 6,862
Tax Fees ⁽³⁾	\$ 22,738	\$ 20,200
All Other Fees ⁽⁴⁾	\$ 10,500	\$ 28,400
Total	<u>\$ 229,825</u>	<u>\$ 229,641</u>

(1) Audit services in 2019 and 2018 consisted of the audit of our annual consolidated financial statements, and other services related to filings and registration statements filed by us and our subsidiaries, and other pertinent matters. Eide Bailly has served as our independent registered public accounting firm since September 24, 2013.

(2) Audit-related fees consisted of travel costs related to our annual audit.

(3) For permissible professional services related to income tax return preparation and compliance.

(4) All other fees are related to the preparation of the Company's Affordable Care Act forms and examination of the 401(k) financial statements.

Audit Committee Pre-Approval Policies and Procedures

Prior to May 31, 2018, our former Audit Committee had, and subsequent to such date our entire Board has, established pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit and permissible non-audit services provided by Eide Bailly in fiscal 2018 and the full Board approved the foregoing audit and permissible non-audit services provided by Eide Bailly in fiscal 2019. Such procedures govern the ways in which the Audit Committee pre-approved, and the full Board now pre-approves, audit and various categories of non-audit services that the auditor provides to the Company. Services that have not received pre-approval must receive specific approval of the full Board for fiscal 2019.

Auditor Independence

Our Audit Committee and the full Board considered that the work done for us in fiscal year 2018 and 2019, respectively, by Eide Bailly was compatible with maintaining Eide Bailly's independence.

Report of the Audit Committee of the Board of Directors

Date: January 9, 2020

The full Board, serving in the capacity of the Company's Audit Committee, has reviewed and discussed with management and Eide Bailly, LLP, our independent registered public accounting firm, the audited consolidated financial statements in the Track Group, Inc. Annual Report on Form 10-K for the year ended September 30, 2019. The Board has also discussed with Eide Bailly, LLP those matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 61.

Eide Bailly, LLP also provided the Board with the written disclosures and the letter required by the applicable requirements of the PCAOB regarding the independent auditor's communication with the Board concerning independence. The Board has discussed with the registered public accounting firm their independence from our Company.

Based on its discussions with management and the registered public accounting firm, and its review of the representations and information provided by management and the registered public accounting firm, including as set forth above, the Board determined that the audited financial statements should be included in our Annual Report on Form 10-K for the year ended September 30, 2019.

Respectfully Submitted,

Karen Macleod, Committee Chair
Guy Dubois
Karim Sehnaoui

The information contained above under the caption "*Report of the Audit Committee of the Board of Directors*" shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference into such filing.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

- [3\(i\)\(1\)](#) Articles of Transfer of Track Group, Inc., a Utah corporation, dated August 5, 2016 (previously filed on August 9, 2016 as Exhibit 3(i)(3) to the Form 10-Q for the quarter ended June 30, 2016).
- [3\(i\)\(2\)](#) Certificate of Conversion Converting Track Group, Inc., a Utah corporation, to Track Group, Inc., a Delaware corporation, dated August 5, 2016 (previously filed on August 9, 2016 as Exhibit 3(i)(4) to the Form 10-Q for the quarter ended June 30, 2016).
- [3\(i\)\(3\)](#) Certificate of Incorporation of Track Group, Inc., a Delaware corporation (previously filed on August 9, 2016 as Exhibit 3(i)(5) to the Form 10-Q for the quarter ended June 30, 2016).
- [3\(1\)\(4\)](#) Certificate of Designation of the Relative Rights and Preferences of the Series A Convertible Preferred Stock, dated October 12, 2017 (previously filed as Exhibit 3.1 to our Current Report on Form 8-K, filed on October 13, 2017).
- [3\(ii\)\(2\)](#) Bylaws of Track Group, Inc., a Delaware corporation (previously filed on August 9, 2016 as Exhibit 3(ii)(2) to the Form 10-Q for the quarter ended June 30, 2016).
- [4.01](#) 2006 Equity Incentive Award Plan (previously filed in August 2006 as an Exhibit to the Form 10-Q for the nine months ended June 30, 2006).
- [4.02](#) 2012 Equity Incentive Award Plan (previously filed as Exhibit to Definitive Proxy Statement, filed October 25, 2011, and amended in accordance with the Company's Definitive Proxy Statement, filed April 9, 2015).
- [10.1](#) Amended and Restated Facility Agreement, dated June 30, 2015, by and between Track Group, Inc. and Conrent Invest S.A, acting on behalf of its compartment "Safety 2" (incorporated by reference to our Current Report on Form 8-K, filed on July 15, 2015).
- [10.2](#) Loan Agreement between Sapinda Asia Limited and Track Group, Inc., dated September 14, 2015 (incorporated by reference to our Current Report on Form 8-K, filed on September 28, 2015).
- [10.3](#) Loan Agreement, by and between Conrent Invest S.A., acting with respect to its Compartment Safety III, and Track Group, Inc., dated May 1, 2016 (previously filed in August 2016 as an Exhibit to the Form 10-Q for the nine months ended June 30, 2016).
- [10.4](#) Employment agreement, by and between Track Group Inc. and Peter Poli, dated December 12, 2016 (incorporated by reference to our Current Report on Form 8-K, filed December 16, 2016).
- [10.5](#) Employment Agreement by and between Track Group, Inc. and Derek Cassell dated, December 1, 2016 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed February 14, 2017).
- [10.6](#) Services Agreement, dated December 7, 2016 (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q, filed February 14, 2017).
- [10.7](#) Amendment No. 1 to Employment Agreement by and between Track Group Inc. and Derek Cassell, dated February 13, 2017 (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q, filed February 14, 2017).
- [10.8](#) Amendment No. 1 to Loan Agreement between Sapinda Asia Limited and Track Group, Inc., dated March 13, 2017 (incorporated by reference to our Current Report on Form 8-K, filed on March 20, 2017).
- [10.9](#) Debt Exchange Agreement between Track Group, Inc. and Conrent Invest S.A., dated October 9, 2017 (incorporated by reference to our Current Report on Form 8-K, filed on October 13, 2017).
- [10.10](#) Amendment No. 1 to Employment Agreement by and between Track Group, Inc. and Peter K. Poli dated, January 3, 2018 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed January 5, 2018).

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10.11	Amendment No. 2 to Employment Agreement by and between Track Group Inc. and Derek Cassell, dated January 3, 2018 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed January 5, 2018).
10.12	Monitoring Services Agreement by and between Track Group, Inc. and Marion County Community Corrections Agency, dated December 18, 2017 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed February 8, 2018).
10.13	Monitoring Services Agreement by and between Track Group, Inc. and Gendarmeria of Chile, dated January 18, 2018 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed May 11, 2018).
10.14	Amendment Agreement by and between Track Group, Inc. and Conrent Invest S.A., dated July 19, 2018 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed July 19, 2018).
14.1	Code of Business Conduct & Ethics (incorporated by reference to our Annual Report on Form 10-K, filed December 19, 2017).
21	List of Subsidiaries of the Registrant.
31.1	Certification of Chief Executive Officer under Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Chief Financial Officer under Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
32	Certifications under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) (filed herewith).
101.INS *	XBRL INSTANCE DOCUMENT
101.SCH *	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL *	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF *	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB *	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE *	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Previously filed in Original Filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Track Group, Inc.

By: /s/ Derek Cassell
Derek Cassell (Chief Executive Officer)

Date: January 28, 2020

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Derek Cassell, Principal Executive Officer of Track Group, Inc. (the “Company”), certify that:

1. I have reviewed this annual report on Form 10-K/A of Track Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent three months (the registrant's fourth three months in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2020

/s/ Derek Cassell
Derek Cassell
Principal Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Peter K. Poli, Chief Financial Officer, Principal Financial Officer, of Track Group, Inc. (the “Company”), certify that:

1. I have reviewed this annual report on Form 10-K/A of Track Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2020

/s/ Peter K. Poli
Peter K. Poli
Chief Financial & Principal Accounting Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Amendment No. 1 to the Annual Report of Track Group, Inc. on Form 10-K/A for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “*Report*”), Derek Cassell, Chief Executive Officer (Principal Executive Officer), and Peter K. Poli, Chief Financial Officer (Principal Financial Officer), of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Derek Cassell
Derek Cassell
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Peter K. Poli
Peter K. Poli,
Chief Financial Officer
(Principal Accounting Officer)

Dated: January 28, 2020

This certification accompanies each Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
