

Xped Limited



Prospectus and Notice of Meeting

Xped Limited (**ASX: XPE**) ("**Xped**" or "**the Company**") is pleased to announce that it has today lodged a prospectus (**Prospectus**) in respect of the Share Purchase Plan (**SPP**) to raise up to \$7.5m and for the offer of convertible securities with a purchase price of \$9m and a face value of \$10m as announced on 16 November 2016. The Prospectus also provides for the issue of additional options on the same terms as the SPP options.

Xped has also convened an extraordinary general meeting of Shareholders to be held at 2.00pm on 19 January 2016 to approve the capital raising. The Prospectus and Notice of Meeting are attached.

The capital raising will raise up to \$16.5m. The proceeds from the capital raising are intended to be used for:

- (a) acceleration of roll out with new channel partners, and recent acquisitions, together with acquisition integration and development costs;
- (b) expansion of the Xped service offering and secure additional channel partners; and
- (c) costs of the capital raising.

Shareholders Eligible to Participate in the Share Purchase Plan

The right to participate in the Share Purchase Plan is optional and is available exclusively to shareholders of Xped who are registered as holders of Shares at 7pm (AEDT) on the Record Date of 15 November 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

The Share Purchase Plan is intended to raise a maximum of up to \$7,500,000 and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to a maximum of \$15,000 worth of Shares at a price of \$0.033 per Share. For every one new Share issued, an Eligible Shareholder will also receive one option exercisable at \$0.05 and expiring on 31 December 2018. The Company expects to have these options listed, subject to shareholder and regulatory approval.

The Share Purchase Plan opened today and will remain open until 5.00pm (AEDT) on **20 January 2017** (subject to the Directors' discretion to close the offer early or extend the closing date).

Xped Limited



Full details of the Share Purchase Plan are set out in the attached Prospectus.

The Prospectus, together with a personalised application form, will be dispatched to Eligible Shareholders on 21 December 2016.

Shareholder approval of capital raising

The Company is seeking shareholder approval for the capital raising, other than in respect of the Tranche 1A convertible security which is to complete by 21 December 2016 and does not require shareholder approval.

The Notice of Meeting will also be dispatched to Shareholders on 21 December 2016 and the Meeting will be held at 2.00pm on 19 January 2016.

Athan Lekkas
Chairman & CEO

ABOUT XPED

Xped has developed revolutionary and patent protected technology that allows any consumer, regardless of their technical capability, to connect, monitor and control devices and appliances found in our everyday environment. It's as simple as two people shaking hands. By enabling the Internet of Things, Xped's ADRC platform will bring benefit to Manufacturers, Retailers, Service Providers and Consumers.

At Xped, we're **Making Technology Easy Again**

FOR MORE INFORMATION:



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Notice of Extraordinary General Meeting and Explanatory Memorandum

Xped Limited ACN 122 203 196

Date of Meeting: 19 January 2017

Time of Meeting: 2 pm (Adelaide time)

Place of Meeting: The Watson
33 Warwick Street
Walkerville SA 5081

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of shareholders of Xped Limited ACN 122 203 196 (**Company**) will be held at The Watson, 33 Warwick Street, Walkerville SA 5081 on 19 January 2017 at 2.00 pm (Adelaide time).

Terms used in this Notice of Meeting are defined in section 12 of the accompanying Explanatory Memorandum.

The Explanatory Memorandum and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

Agenda

The agenda for the meeting is as follows:

Ordinary business

1. Resolution 1: Ratification of Issue of Tranche 1A Convertible Securities

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue of convertible securities with a face value of up to \$2,000,000 and otherwise on the terms and conditions set out in the Explanatory Memorandum to L1 Capital Global Opportunities Master Fund, or its nominee (**Tranche 1A Convertible Securities**) to be issued on or about 21 December 2016."*

2. Resolution 2: Approval to Issue Tranche 1B Convertible Securities

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue convertible securities with a face value of up to \$1,333,333 and otherwise on the terms and conditions set out in the Explanatory Memorandum to L1 Capital Global Opportunities Master Fund or its nominee (**Tranche 1B Convertible Securities**)."*

3. Resolution 3: Approval to Issue Tranche 2 Convertible Securities

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue convertible securities with a face value of up to \$3,333,333 and otherwise on the terms and conditions set out in the Explanatory Memorandum to L1 Capital Global Opportunities Master Fund or its nominee (**Tranche 2 Convertible Securities**)."*

4. Resolution 4: Approval to Issue Tranche 3 Convertible Securities

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue convertible securities with a face value of up to \$3,333,333 and otherwise on the terms and conditions set out in the Explanatory Memorandum to L1

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*Capital Global Opportunities Master Fund or its nominee (**Tranche 3 Convertible Securities**).*"

5. Resolution 5: Approval to Issue Convertible Securities Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue up to 35,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.05 each, expiring on 31 December 2018 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Convertible Securities Options**) to L1 Capital Global Opportunities Master Fund or its nominee.*

6. Resolution 6: Approval to Issue Advisor Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue up to 75,000,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.05 each, expiring on 31 December 2018 and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Advisor Options**) to professional advisors of the Company to the Offers, or their nominees.*

7. Resolution 7: Approval to Issue SPP

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue up to 227,272,727 fully paid ordinary shares at an issue price of \$0.033 per share (**SPP Shares**) to eligible shareholders, to raise a total of up to \$7,500,000 pursuant to the SPP announced to the market on 16 November 2016 in accordance with the terms and conditions set out in the Explanatory Memorandum."*

8. Resolution 8: Approval to Issue SPP Bonus Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes and subject to the approval of Resolution 7, the Company is authorised to issue up to 227,272,727 bonus options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.05 each, expiring on 31 December 2018 (**SPP Bonus Options**) to shareholders who receive SPP Shares, on the basis of one SPP Bonus Option for every one SPP Share issued, in accordance with the terms and conditions set out in the Explanatory Memorandum."*

9. Resolution 9: Approval to Issue Shortfall from the SPP and SPP Bonus Options in respect of the Shortfall

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That in accordance with the provisions of Listing Rule 7.1, and for all other purposes and subject to the approval of Resolutions 7 and 8, the Company is authorised to issue:

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- (a) *any fully paid ordinary shares offered, but not issued, to Shareholders pursuant to the SPP (**SPP Shortfall Shares**), up to a maximum of 227,272,727 SPP Shortfall Shares; and*
- (b) *up to 227,272,727 bonus options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.05 each, expiring on 31 December 2018 (**SPP Shortfall Bonus Options**), on the basis of one SPP Shortfall Bonus Option for every one SPP Shortfall Share issued,*

to unrelated investors on the terms and conditions set out in the Explanatory Memorandum.”

10. Voting Exclusion Statements

10.1 General Voting Exclusion Statement

The Company will disregard any votes cast by the following people:

- (a) with respect to Resolution 1, any person who received the Tranche 1A Convertible Securities and any associate of that person (or those persons);
- (b) with respect to Resolution 2, any person who may participate in the proposed issue of the Tranche 1B Convertible Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons);
- (c) with respect to Resolution 3, any person who may participate in the proposed issue of the Tranche 2 Convertible Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons);
- (d) with respect to Resolution 4, any person who may participate in the proposed issue of the Tranche 3 Convertible Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons);
- (e) with respect to Resolution 5, any person who may participate in the proposed issue of the Convertible Securities Options and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons);
- (f) with respect to Resolution 6, any person who may participate in the proposed issue of the Advisor Options and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons);
- (g) with respect to Resolutions 7 and 8, any underwriter or sub-underwriter of the SPP and any associate of that person (or those persons). The ASX granted the Company a waiver from ASX Listing Rule 7.3.8 to the extent necessary to permit the Company's notice of meeting to approve the issue of the SPP Shares and SPP Bonus Options not to include a voting exclusion statement or alternatively to include a voting exclusion statement on the condition that the only votes to be disregarded are any votes cast on that resolution by an underwriter or sub-underwriter of the SPP;
- (h) with respect to Resolution 9, any person who may participate in the proposed issue of the SPP Shortfall Shares and SPP Shortfall Bonus Options and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, and any associate of that person (or those persons); and

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- (i) with respect to Resolution 9, the proposed allottees of any SPP Shortfall Shares and SPP Shortfall Bonus Options are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rule 7.1), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of Resolution 9), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted. In accordance with Listing Rule 14.11.1, there is no reason to exclude the votes, and the votes will not be excluded, of such Shareholders.

However, the Company need not disregard a vote if:

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

11. General business

To consider any other business as may be lawfully put forward in accordance with the Constitution.

By order of the board

Ms Julie Edwards
Company Secretary

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of the Company in connection with the business to be considered at an Extraordinary General Meeting of Shareholders to be held at The Watson, 33 Warwick Street, Walkerville SA 5081 on 19 January 2017 at 2.00 pm (Adelaide time).

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the 9 Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Memorandum are defined in section 12.

Ordinary Business

2. Background

As announced on 16 November 2016, the Company is seeking to raise additional funding which involves:

- (a) the Share Purchase Plan, including SPP Bonus Options, and any Shortfall, which will raise up to approximately \$7,500,000, subject to shareholder approval;
- (b) the Tranche 1A Convertible Securities which will have been completed by the date of the Meeting and will have raised up to \$1,800,000 and has a face value of up to \$2,000,000;
- (c) the Tranche 1B Convertible Securities which will raise up to \$1,200,000 and have a face value of up to approximately \$1,333,333, subject to shareholder approval;
- (d) the Tranche 2 Convertible Securities which will raise up to \$3,000,000 and have a face value of up to approximately \$3,333,333, subject to shareholder approval; and
- (e) the Tranche 3 Convertible Securities which will raise up to \$3,000,000 and have a face value of up to approximately \$3,333,333, subject to shareholder approval.

In conjunction with the Convertible Securities offer, the Company is offering and will be issuing the SPP Shares and SPP Bonus Options to Eligible Shareholders. The SPP Shares will have an issue price of \$0.033 per share and one SPP Bonus Option will be issued for every one SPP Share issued. The SPP Bonus Options are a new class of Options which are exercisable at \$0.05 each, expire on 31 December 2018 and are otherwise on the terms set out in Attachment 2. It is intended that the Options will be listed.

The Company will also be seeking to issue any Shortfall arising from the SPP to unrelated parties, subject to Shareholder approval, and will offer one SPP Shortfall Bonus Option for every one SPP Shortfall Share issued as part of the Shortfall under the SPP.

The above process involves the issue of Convertible Securities in several tranches with a total face value of up to \$10,000,000 which may be converted into Shares within 36 months after the respective date of issue and are otherwise on the terms set out in Attachment 1.

In addition, subject to shareholder approval, the Company proposes to issue:

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- (a) 35,000,000 Convertible Securities Options, to L1 Capital Global Opportunities Master Fund or its nominee; and
- (b) 75,000,000 Advisor Options, to the professional advisors to the Company in respect of the Offers.

The Convertible Securities Options and Advisor Options will be on the same terms as the SPP Bonus Options.

In order to secure the additional funding and undertake a number of other matters, the following Resolutions are being put to Shareholders for their approval at the Meeting:

- (a) Resolution 1 - Ratification of issue of Tranche 1A Convertible Securities;
- (b) Resolutions 2 - 4 – Approval to issue Tranche 1B Convertible Securities, Tranche 2 Convertible Securities and Tranche 3 Convertible Securities to unrelated parties;
- (c) Resolution 5 – Approval to issue Convertible Securities Options to unrelated parties;
- (d) Resolution 6 – Approval to issue Advisor Options to unrelated parties;
- (e) Resolution 7 – Approval to issue SPP Shares;
- (f) Resolution 8 – Approval to issue SPP Bonus Options; and
- (g) Resolution 9 – Approval to issue any SPP Shortfall Shares and SPP Shortfall Bonus Options to unrelated parties.

The Offers (excluding the offer of the Tranche 1A Convertible Securities) are each conditional on the Company obtaining Shareholder approval for the grant of the respective Convertible Securities, Shares and Options.

Further details regarding each of these Resolutions are set out below.

3. Resolution 1: Ratification of Issue of Tranche 1A Convertible Securities

3.1 Introduction

As announced on 16 November 2016, the Company has agreed to issue convertible securities with a face value of up to \$2,000,000 (**Tranche 1A Convertible Securities**) to L1 Capital Global Opportunities Master Fund, or its nominee, an unrelated professional or sophisticated investor, which is expected to be issued on or about 21 December 2016. Shareholder approval is not required for the issue of the Tranche 1A Convertible Securities as the issue is within the Company's current Listing Rule 7.1 capacity, however, the Company is seeking Shareholder approval at the Meeting to ratify this issue pursuant to Listing Rule 7.4.

3.2 ASX Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue of the Tranche 1A Convertible Securities by the Company proposed to be issued on or about 21 December 2016 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

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Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 1 is approved it will have the effect of refreshing the Company's ability, to the extent of the Tranche 1A Convertible Securities, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 1 is not passed, the Tranche 1A Convertible Securities will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

For the purposes of ASX Listing Rule 7.5, the Company advises:

Maximum Number of securities to be issued	Resolution 1 approves the issue of the Tranche 1A Convertible Securities. The maximum number of Shares which may be issued upon conversion of the Tranche 1A Convertible Securities is determined in accordance with the Conversion Formula set out in Attachment 1.
Date the Company issued the securities	The Tranche 1A Convertible Securities will be issued on or about 21 December 2016.
Issue price of the securities	The issue price of the Tranche 1A Convertible Securities is up to \$1,800,000 with a face value of up to \$2,000,000. The issue price of any Shares that may be issued on the conversion of the Tranche 1A Convertible Securities will be determined in accordance with the Conversion Price set out in Attachment 1.
Recipients of the securities	L1 Capital Global Opportunities Master Fund, or its nominee, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the issued securities	The material terms of the Tranche 1A Convertible Securities are summarised in Attachment 1. Each Share issued on conversion of the Tranche 1A Convertible Securities will be fully paid ordinary shares and will rank equally with all other existing Shares then on issue.
Intended use of funds	The funds that will be raised by the issue of the Tranche 1A Convertible Securities (up to approximately \$1,800,000), together with funds raised from the other Offers (up to a further \$14,700,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs; (B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the offer.

3.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

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4. Resolution 2: Approval to Issue Tranche 1B Convertible Securities

4.1 Introduction

Resolution 2 seeks shareholder approval to issue convertible securities with a face value of up to \$1,333,333 (**Tranche 1B Convertible Securities**) to L1 Capital Global Opportunities Master Fund, or its nominee, an unrelated professional or sophisticated investor.

4.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Tranche 1B Convertible Securities to L1 Capital Global Opportunities Master Fund, or its nominee.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 2, the Company will be permitted to issue the Tranche 1B Convertible Securities during the 3 months after the Meeting. If Resolution 2 is not passed, the Company will not be permitted to issue the Tranche 1B Convertible Securities.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Resolution 2 approves the issue of the Tranche 1B Convertible Securities. The maximum number of Shares which may be issued upon conversion of Tranche 1B Convertible Securities is determined in accordance with the Conversion Formula set out in Attachment 1.
Date by which the Company will issue the securities	The Tranche 1B Convertible Securities will be issued within three months after the date of the Meeting. The Tranche 1B Convertible Securities will be issued progressively.
Issue price of the securities	The issue price Tranche 1B Convertible Securities is up to \$1,200,000 with a face value of up to \$1,333,333. The issue price of any Shares that may be issued on the conversion of the Tranche 1B Convertible Securities will be determined in accordance with the Conversion Price set out in Attachment 1.
Recipients of the securities	L1 Capital Global Opportunities Master Fund, or its nominee, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	The material terms of the Tranche 1B Convertible Securities are summarised in Attachment 1. Each Share issued on conversion of the Tranche 1B Convertible Securities will be fully paid ordinary shares and will rank equally with all other existing Shares then on issue.
Intended use of funds	The funds that will be raised by the issue of the Tranche 1B Convertible Securities (up to approximately \$1,200,000) together with funds raised from the other Offers (up to a further \$15,300,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs;

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	(B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the Offers.
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4.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

5. Resolution 3: Approval to Issue Tranche 1B Convertible Securities

5.1 Introduction

Resolution 3 seeks shareholder approval to issue convertible securities with a face value of up to \$3,333,333 (**Tranche 2 Convertible Securities**) to L1 Capital Global Opportunities Master Fund, or its nominee, an unrelated professional or sophisticated investor.

5.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Tranche 2 Convertible Securities to L1 Capital Global Opportunities Master Fund, or its nominee.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 3, the Company will be permitted to issue the Tranche 2 Convertible Securities during the 3 months after the Meeting. If Resolution 3 is not passed, the Company will not be permitted to issue the Tranche 2 Convertible Securities.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Resolution 3 approves the issue of the Tranche 2 Convertible Securities. The maximum number of Shares which may be issued upon conversion of Tranche 2 Convertible Securities is determined in accordance with the Conversion Formula set out in Attachment 1.
Date by which the Company will issue the securities	The Tranche 2 Convertible Securities will be issued within three months after the date of the Meeting. The Tranche 2 Convertible Securities will be issued progressively.
Issue price of the securities	The issue price Tranche 2 Convertible Securities is up to \$3,000,000 with a face value of up to \$3,333,333. The issue price of any Shares that may be issued on the conversion of the Tranche 2 Convertible Securities will be determined in accordance with the Conversion Price set out in Attachment 1.
Recipients of the securities	L1 Capital Global Opportunities Master Fund, or its nominee, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

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Terms of the securities to be issued	The material terms of the Tranche 2 Convertible Securities are summarised in Attachment 1. Each Share issued on conversion of the Tranche 2 Convertible Securities will be fully paid ordinary shares and will rank equally with all other existing Shares then on issue.
Intended use of funds	The funds raised by the issue of the Tranche 2 Convertible Securities (up to approximately \$3,000,000) together with funds raised from the other Offers (up to a further \$13,500,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs; (B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the Offers.

5.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

6. Resolution 4: Approval to Issue Tranche 3 Convertible Securities

6.1 Introduction

Resolution 4 seeks shareholder approval to issue convertible securities with a face value of up to \$3,333,333 (**Tranche 3 Convertible Securities**) to L1 Capital Global Opportunities Master Fund, or its nominee, an unrelated professional or sophisticated investor.

6.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Tranche 3 Convertible Securities to L1 Capital Global Opportunities Master Fund, or its nominee.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 4, the Company will be permitted to issue the Tranche 3 Convertible Securities during the 3 months after the Meeting. If Resolution 4 is not passed, the Company will not be permitted to issue the Tranche 3 Convertible Securities.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Resolution 4 approves the issue of the Tranche 3 Convertible Securities. The maximum number of Shares which may be issued upon conversion of Tranche 3 Convertible Securities is determined in accordance with the Conversion Formula set out in Attachment 1.
Date by which the Company will issue the securities	The Tranche 3 Convertible Securities will be issued within three months after the date of the Meeting. The Tranche 3 Convertible Securities will be issued progressively.
Issue price of the securities	The issue price Tranche 3 Convertible Securities is up to \$3,000,000 with a face value of up to \$3,333,333. The issue price of any Shares

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	that may be issued on the conversion of the Tranche 3 Convertible Securities will be determined in accordance with the Conversion Price set out in Attachment 1.
Recipients of the securities	L1 Capital Global Opportunities Master Fund, or its nominee, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	The material terms of the Tranche 3 Convertible Securities are summarised in Attachment 1. Each Share issued on conversion of the Tranche 3 Convertible Securities will be fully paid ordinary shares and will rank equally with all other existing Shares then on issue.
Intended use of funds	The funds raised by the issue of the Tranche 3 Convertible Securities (up to approximately \$3,000,000) together with funds raised from the other Offers (up to a further \$13,500,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs; (B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the Offers.

6.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

7. Resolution 5: Approval to Issue Convertible Securities Options

7.1 Introduction

In conjunction with the offer of the Convertible Securities, the Company also announced its intention to issue 35,000,000 options to L1 Capital Global Opportunities Master Fund, or its nominee, which are exercisable at \$0.05 each, expiring on 31 December 2018 (**Convertible Securities Options**). The terms of the Convertible Securities Options will be the same as those of the SPP Bonus Options.

7.2 ASX Listing Rule 7.1

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Convertible Securities Options to L1 Capital Global Opportunities Master Fund, or its nominee.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 5, the Company will be permitted to issue the Convertible Securities Options during the 3 months after the Meeting. If Resolution 5 is not passed, the Company will not be permitted to issue the Convertible Securities Options.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	35,000,000 Convertible Securities Options.
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Date by which the Company will issue the securities	The Convertible Securities Options will be issued within three months after the date of the Meeting. The Convertible Securities Options will be issued progressively.
Issue price of the securities	The issue price for the Convertible Securities Options is nil.
Recipients of the securities	L1 Capital Global Opportunities Master Fund, or its nominee, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	Refer to Attachment 2 for the terms of the Convertible Securities Options.
Intended use of funds	There will be no funds raised by the issue of the Convertible Securities Options until they are exercised.

7.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

8. Resolution 6: Approval to Issue Advisor Options

8.1 Introduction

In conjunction with the offer of the Convertible Securities, the Company also announced its intention to issue up to 75,000,000 options to professional advisors to the Company in respect of the Offers, or their nominees, which are exercisable at \$0.05 each, expiring on 31 December 2018 (**Advisor Options**). The terms of the Advisor Options will be the same as those of the SPP Bonus Options.

8.2 ASX Listing Rule 7.1

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Advisor Options to professional advisors to the Company in respect of the Offers or their nominees.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 6, the Company will be permitted to issue the Advisor Options during the 3 months after the Meeting. If Resolution 6 is not passed, the Company will not be permitted to issue the Advisor Options.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	75,000,000 Advisor Options.
Date by which the Company will issue the	The Advisor Options will be issued within three months after the date of the Meeting. The Advisor Options will be issued progressively.

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securities	
Issue price of the securities	The issue price for the Advisor Options is nil.
Recipients of the securities	Professional advisors to the Company in respect of the Offers, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	Refer to Attachment 2 for the terms of the Advisor Options.
Intended use of funds	There will be no funds raised by the issue of the Advisor Options until they are exercised.

8.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

9. Resolutions 7 and 8: Approval to Issue SPP and SPP Bonus Options

9.1 Introduction

On 16 November 2016 the Company announced that it would be undertaking a shareholder Share Purchase Plan (**SPP**) to raise up to approximately \$7,500,000, subject to Shareholder approval. The Company will issue up to 227,272,727 Shares, subject to shareholder approval (**SPP Shares**).

The Company also announced that it intends, subject to obtaining Shareholder approval, to issue each participant in the SPP with one SPP Bonus Option for every one SPP Share issued (with any fractional entitlement to be rounded down). The Company will issue up to 227,272,727 SPP Bonus Options, subject to shareholder approval. The SPP Bonus Options will be exercisable at \$0.05 each, expiring on 31 December 2018 (**SPP Bonus Options**).

9.2 ASX Listing Rules 7.2 and 10.11 – Share Purchase Plan

Listing Rule 7.2, Exception 15 and Listing Rule 10.12, Exception 8, provide an exception to the requirement to seek Shareholder approval for the issue of Shares, where the Company undertakes a security purchase plan. In order to comply with the exception in Listing Rule 7.2 and Listing Rule 10.12:

- (a) the security purchase plan must comply with ASIC Class Order 09/425 (**Class Order**);
- (b) the number of shares to be issued under the security purchase plan must not exceed 30% of the number of fully paid ordinary shares already on issue; and
- (c) the issue price for shares under the security purchase plan must be at least 80% of the average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded either before the day on which the issue was announced or before the day on which the issue was made.

The SPP to be undertaken by the Company does not comply with the Class Order, as Xped's securities have been suspended from quotation on the ASX for more than 5 days during the 12 months prior to date of the SPP. This was because the Company undertook a reverse takeover in early 2016 which resulted in the Company's Shares being suspended for more

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than 5 days in accordance with ASX policy pending completion of the reverse takeover. The suspension occurred during the last 12 months and as such the Company does not meet the technical requirements of the Class Order. Accordingly, any Shares issued pursuant to the SPP requires shareholder approval under Listing Rule 7.1 as Listing Rule 7.2, Exception 15 cannot be relied on.

The Company notes that ASX may provide a waiver from Listing Rule 7.1 to permit Xped, without Shareholder approval, to issue securities to Eligible Shareholders under the SPP provided that the Class Order would otherwise have applied but for the suspension and Xped is concurrently issuing a prospectus in connection with the SPP. The Company has requested this waiver (**ASX Waiver**) and consequently if it is granted, Shareholder approval will not be required to approve the issue of the SPP Shares and will only be required to approve the issue of the SPP Bonus Options.

The SPP Bonus Options do not fall within Listing Rules 7.2, Exception 15 and Listing Rule 10.12, Exception 8, as these exceptions apply only to Shares issued pursuant to the SPP. Further, the Company does not presently have sufficient capacity pursuant to Listing Rule 7.1 to issue the SPP Bonus Options. Accordingly, the Company is seeking Shareholder approval to issue the SPP Bonus Options.

9.3 **ASX Listing Rule 7.1 - Issues exceeding 15% of capital**

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the SPP Shares and SPP Bonus Options to Eligible Shareholders who were issued shares under the SPP.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

By passing Resolution 7, the Company will be permitted to issue the SPP Shares during the 3 months after the Meeting. If Resolutions 7 is not passed, the Company will not be permitted to issue the SPP Shares unless it is granted the ASX Waiver.

By passing Resolution 8, the Company will be permitted to issue the SPP Bonus Options during the 3 months after the Meeting. If Resolution 8 is not passed, the Company will not be permitted to issue the SPP Bonus Options.

Listing Rule 10.11 prohibits a company from issuing shares to a related party unless shareholder approval is obtained or the issue falls within a number of exceptions. As part of the ASX Waiver Application, the Company is seeking a waiver from Listing Rule 10.11 to the extent necessary to permit the Company to issue the SPP Bonus Options to related parties, on the condition that all related parties are offered securities on the same terms as all other shareholders who are issued shares pursuant to the SPP, that shareholders approve the issue of the SPP Bonus Options and that related parties do not participate in any Shortfall. If this waiver is not granted, Eligible Shareholders who are related parties will not be able to participate in the SPP.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Resolution 7 - Up to 227,272,727 SPP Shares may be issued. Resolution 8 - Up to 227,272,727 SPP Bonus Options may be issued. The SPP Bonus Options will be issued on the basis of one SPP Bonus Option for every one SPP Share issued pursuant to the SPP (with any fractional entitlement to be rounded down).
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Date by which the Company will issue the securities	The SPP Shares and the SPP Bonus Options will be issued within three months after the date of the Meeting. SPP Shares and the SPP Bonus Options will be issued progressively.
Issue price of the securities	Resolution 7 - The issue price of the SPP Shares is \$0.033 per Share. Resolution 8 - The issue price of the SPP Bonus Options is nil.
Recipients of the securities	Resolution 7 - Eligible Shareholders who participate in the SPP will be issued the SPP Shares. Resolution 8 – Eligible Shareholder who are issued the SPP Shares pursuant to the SPP will be issued the SPP Bonus Options.
Terms of the securities to be issued	Resolution 7 – The SPP Shares will be fully paid ordinary shares and will rank equally with all other existing Shares then on issue. Resolution 8 - Refer to Attachment 2 for the terms of the SPP Bonus Options.
Intended use of funds	Resolution 7 – The funds raised from the SPP Shares (up to approximately \$7,500,000) together with funds raised from the other Offers (up to a further \$9,000,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs; (B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the Offers. Resolution 8 - There will be no funds raised by the issue of the SPP Bonus Options.

9.4 Director Recommendation

The Board recommends that Shareholders vote in favour of these Ordinary Resolutions.

10. Resolution 9: Approval to Issue Shortfall from the SPP and SPP Bonus Options in respect of the Shortfall

10.1 Introduction

The terms of the SPP provide that, in the event that not all SPP Shares offered under the SPP are issued, the SPP Shares not issued will comprise the shortfall (**SPP Shortfall Shares**) and may be placed, at the discretion of the Directors, subject to Shareholder approval. It is proposed that one SPP Shortfall Bonus Option will be issued for every one SPP Shortfall Share issued (with any fractional entitlement to be rounded down).

The SPP offer has not yet closed, with the shortfall being placed after the date of the Meeting. As such, the amount of the Shortfall is not currently known.

Resolution 9 seeks Shareholder approval to issue the following:

- (a) the SPP Shortfall Shares, up to a maximum of 227,272,727 SPP Shortfall Shares; and
- (b) the SPP Shortfall Bonus Options, up to a maximum 227,272,727 SPP Shortfall Bonus Options, on the basis of one SPP Shortfall Bonus Option for every one SPP Shortfall Share issued.

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10.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the SPP Shortfall Shares to unrelated parties.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1.

Any exceptions the Listing Rule requirements do not extend to the placement of any SPP Shortfall Shares arising from the SPP or for any SPP Shortfall Bonus Options that may be issued.

By passing Resolution 9, the Company will be permitted to issue the SPP Shortfall Shares and SPP Shortfall Bonus Options during the 3 months after the Meeting. If Resolution 9 is not passed, the Company will not be permitted to issue the SPP Shortfall Shares or the SPP Shortfall Bonus Options.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Up to 227,272,727 SPP Shortfall Shares may be issued. Up to 227,272,727 SPP Shortfall Bonus Options may be issued. The SPP Shortfall Bonus Options will be issued on the basis of one SPP Shortfall Bonus Option for every one SPP Shortfall Share issued (with any fractional entitlement to be rounded down).
Date by which the Company will issue the securities	The SPP Shortfall Shares and SPP Shortfall Bonus Options will be issued within three months after the date of the Meeting. The SPP Shortfall Shares and SPP Shortfall Bonus Options will be issued progressively.
Issue price of the securities	The SPP Shortfall Shares will be issued at \$0.033 per Share. The issue price for the SPP Shortfall Bonus Options is nil.
Recipients of the securities	Professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act will be issued the SPP Shortfall Shares. Investors who are issued the SPP Shortfall Shares will receive the SPP Shortfall Bonus Options.
Terms of the securities to be issued	The SPP Shortfall Shares are fully paid ordinary shares and will rank equally with existing Shares then on issue. Refer to Attachment 2 for the terms of the SPP Shortfall Bonus Options.
Intended use of funds	The funds raised from the issue of the SPP Shortfall Shares (up to approximately \$7,500,000 depending on the level of the Shortfall under the SPP) together with funds raised from the other Offers (up to a further \$9,000,000), are intended to be used for: (A) acceleration of roll out with new channel partners, and recent acquisitions, additional capital is required for acquisition integration and development costs; (B) further expansion capital required to expand service offering and secure additional channel partners; and (C) costs of the Offers. There will be no funds raised by the issue of the SPP Shortfall Bonus Options.

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10.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

11. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (Adelaide time) on 17 January 2017.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

12. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

Advisor Options has the meaning given to that term in the Notice of Meeting in respect of Resolution 6.

AGM means annual general meeting.

ASIC means the Australian Securities & Investments Commission.

ASX means the ASX Limited.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which all banks are open for business generally in Adelaide.

Chair means the person chairing the Meeting.

Company or **Xped** means Xped Limited ACN 122 203 196.

Constitution means the constitution of the Company from time to time.

Convertible Securities Options has the meaning given to that term in the Notice of Meeting in respect of Resolution 5.

Convertible Securities means the convertible securities to be issued pursuant to the Tranche 1A Convertible Securities, Tranche 1B Convertible Securities, Tranche 2 Convertible Securities and Tranche 3 Convertible Securities, the terms of which are specified in Attachment 1.

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

Directors mean the directors of the Company from time to time.

Eligible Shareholders means those Shareholders who are eligible to participate in the Share Purchase Plan.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory statement accompanying this Notice.

Investor means L1 Capital Global Opportunities Master Fund.

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Listing Rules means the official listing rules of the ASX as amended from time to time.

Market Price has the meaning given to that term in the Listing Rules.

Meeting means the Extraordinary General Meeting to be held on 19 January 2017 as convened by the accompanying Notice of Meeting.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Offers means the offer of SPP Shares and SPP Bonus Options, the offer of SPP Shortfall Shares and SPP Shortfall Bonus Options, the offer of Convertible Securities, the offer of Convertible Securities Options and the offer of Advisor Options.

Options means the Convertible Securities Options, SPP Bonus Options, SPP Shortfall Bonus Options and the Advisor Options.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Resolutions means the resolutions set out in the Notice of Meeting.

Securities has the meaning in section 92(1) of the Corporations Act.

Shares means fully paid ordinary shares in the Company from time to time.

Shareholder means a shareholder of the Company.

Share Purchase Plan or **SPP** means the share purchase plan to be undertaken by the Company in accordance with the Explanatory Memorandum.

Shortfall or **SPP Shortfall** means the SPP Shortfall Shares and SPP Shortfall Bonus Options.

SPP Bonus Options has the meaning given to that term in the Notice of Meeting in respect of Resolution 8.

SPP Shares has the meaning given to that term in the Notice of Meeting in respect of Resolution 7.

SPP Shortfall Bonus Options has the meaning given to that term in the Notice of Meeting in respect of Resolution 9.

SPP Shortfall Shares has the meaning given to that term in the Notice of Meeting in respect of Resolution 9.

Trading Day has the meaning given to that term in the Listing Rules.

Tranche 1A Convertible Securities has the meaning given to that term in the Notice of Meeting in respect of Resolution 1.

Tranche 1B Convertible Securities has the meaning given to that term in the Notice of Meeting in respect of Resolution 2.

Tranche 2 Convertible Securities has the meaning given to that term in the Notice of Meeting in respect of Resolution 3.

Tranche 3 Convertible Securities has the meaning given to that term in the Notice of Meeting in respect of Resolution 4.

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Voting Power has the meaning given to that term in the Corporations Act.

VWAP means the volume weighted average market price of Shares as traded on ASX.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Ms Julie Edwards (Company Secretary):

Level 6, 412 Collins Street
Melbourne, Victoria 3000

Attachment 1 – Summary of Convertible Securities Terms

Issuer	The Company
Face Value	Up to \$10million in the following tranches: <ol style="list-style-type: none">1. Tranche 1A Closing, AU\$2,000,000;2. Tranche 1B Closing, AU\$1,333,333;3. Tranche 2 Closing AU\$1,000,000 or by mutual consent up to AU\$3,333,333;4. Tranche 3 Closing AU\$1,000,000 or by mutual consent up to AU\$3,333,333, provided that any such amount must not exceed the dollar value equal to 4% of the market capitalisation of the Company (based on the prior day's VWAP to the closing).
Purchase Price	90% of the face value (up to \$9million)
Conditions	Usual draw down conditions apply to each tranche with the following additional conditions precedent: <ol style="list-style-type: none">1. Tranche 1A Closing, lodgement of a s713 prospectus offering the convertible securities and options noted below (Prospectus) and the investor having applied for such securities under the Prospectus.2. Tranche 1B Closing, lodgement of a Prospectus and the investor having applied for the convertible securities under the prospectus and shareholder approval to the issue of the convertible securities and other related securities being obtained;3. Tranche 2 Closing, in addition to the conditions to the Tranche 1B Closing, the Company having elected to draw down under the Tranche 2 Closing;4. Tranche 3 Closing, in addition to the conditions to the Tranche 1B Closing, the Company having elected to draw down under the Tranche 3 Closing.
Issue date	<ol style="list-style-type: none">1. Tranche 1A Closing, within 3 business days of satisfaction of all conditions.2. Tranche 1B Closing, within 3 business days of satisfaction of all conditions but no fewer than 15 Business Days after the Tranche 1A Closing;3. Tranche 2 Closing, thirty (30) Business Days after the immediately previous Closing or such earlier or later date as may be agreed;4. Tranche 3 Closing, the earlier of thirty (30) Business Days after the immediately previous Closing or 85 calendar days following the date of the meeting of shareholders.
Termination	<p>In the event that:</p> <ol style="list-style-type: none">1. the Prospectus is not lodged within 30 days; or2. the shareholder approval is not obtained within 90 days, <p>the agreement may be terminated by either party.</p> <p>In the event that the daily VWAP per share is below \$0.016 at any time, the investor may terminate the agreement, however, this does not by itself accelerate payment of any outstanding tranches.</p>
Interest Rate and Payment	8.35% per annum payable quarterly.
Maturity Date	36 months after the date of issue.

Conversion Right	<p>The Convertible Securities may be converted into Shares in accordance with the conversion formula at any time from date of issue of the note until the Maturity Date. The Conversion Shares must be issued within one Business Days of receipt of a Conversion Notice subject to compliance with all applicable laws and the Listing Rules.</p> <p>Each Conversion Share will rank equally with the then existing Shares of the Company.</p>
Conversion Price	<p>At the election of the Investor, in its sole discretion either:</p> <ol style="list-style-type: none"> 120% of the average of the two (2) lowest daily VWAPs per Share during the five (5) consecutive Trading Days immediately prior to the relevant Conversion Notice Date, rounded down to the nearest 1/10th of a cent (Conversion Price A); or for a maximum of up to 50% of the Face Value of Convertible Securities issued on the Tranche 1A Closing and the Tranche 1B Closing, \$0.05; or for a maximum of up to 50% of the Face Value of Convertible Securities issued on each Subsequent Closing, 140% of the average of the two (2) lowest daily VWAPs per Share for the five (5) consecutive Trading Days immediately prior to the Relevant Closing Date, rounded down to the nearest 1/10th of a cent, <p>subject to usual adjustments and that prior to the shareholder approval being obtained, the conversion price for the Tranche 1A Closing will be no less than \$0.008. If shareholder approval hasn't been obtained prior to conversion of the Tranche 1A Closing and the applicable Conversion Price would have been less than \$0.008 but for this restriction, the Company will pay the investor the difference in cash.</p>
Conversion Formula	<p>$N = CA/IP$</p> <p>Where:</p> <p>N is the number of Conversion Shares to be issued.</p> <p>CA is the Conversion Amount subject to adjustment as noted below.</p> <p>IP is the Issue Price.</p> <p>In the event that the investor elects to undertake a conversion and the Conversion Price A has been elected, the Conversion Amount shall be adjusted to include the aggregate amount of the interest that would have been payable on the Conversion Amount of the Convertible Security through to the maturity date, if the Conversion Amount had not been converted, and the Company had made all payments of interest as they fell due. By way of example, if there are 24 months remaining to maturity, the Conversion Amount will increase by 16.7% of outstanding Face Value of the relevant Convertible Securities.</p>
Redemption of Note	<p>The Company must redeem the Convertible Securities and pay all moneys owing under the Convertible Securities on the Maturity Date, unless it elects to convert the outstanding notes which it may only do if the VWAP on the day prior to the Maturity Date is at least \$0.05.</p> <p>The Company may also redeem each note within 90 days of issue by payment of 110% of the Face Value then outstanding.</p>
Collateral Shares	<p>In the event that the VWAP per share is less than \$0.016 at any time, the Company must issue 20 million collateral shares to the investor. The collateral shares may be offset against future conversions at the election of the investor or purchased at the average of the lowest two (2) lowest daily VWAPs per Share during the five (5) consecutive Trading Days immediately prior to the relevant date or the Company will buy back any remaining at the end of the term for nil consideration.</p>

Events of Default and covenants	<p>Usual events of default and covenants apply. These include:</p> <ol style="list-style-type: none"> 1. a representation, warranty, covenant or statement made by the Company being inaccurate, false or misleading in any material respect; 2. failing to pay any amount payable when due and continuing to fail to pay within 5 Business Days of being notified of such failure in writing; 3. a group company suffering various insolvency events; 4. a group company takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act; 5. Shares issued to the Convertible Securities Holder are not quoted on ASX by the third Business Day following the date of their issue; 6. the Company fails to lodge any Appendix 3B in respect of an issue of Shares to the Convertible Securities Holder within 1 Business Day of the issue of the Shares; 7. after the date of entering the Convertible Securities Agreement, the Shares are suspended from trading on the ASX for more than 10 days in any 12 month period; 8. a stop order, cessation of quotation, or removal of the Company or the Shares from the ASX Official List has been requested by the Company or imposed by ASIC, the ASX, or any other Governmental Authority or regulatory body with respect to public trading in the Shares on the ASX); 9. any of the conditions to draw down have not have been fulfilled in a timely manner by the time prescribed therein where those conditions have not previously been waived by the Investor in any respect; 10. a default judgment of an amount of \$500,000 or greater is entered against any Group Company; 11. an event occurs or a circumstance comes to subsist which would in the reasonable opinion of the Investor be likely to have a material adverse effect on the group as a whole; 12. there is a failure or delay in obtaining a Listing Rule approval, such that it is not possible for the Company to issue conversion Shares to the Investor without breaching Listing Rule 7.1; 13. the Company fails to perform, comply with, or observe, any other material term, covenant, undertaking, obligation or agreement under the Convertible Securities Agreement if incapable of remedy and if capable of remedy, fails to rectify such failure within 5 Business Days of being notified of such failure in writing. <p>If any event of default has occurred and is continuing, L1 Capital Global Opportunities Master Fund may declare, by written notice to the Company, the amount outstanding and all other amounts payable by the Company to be immediately due and payable and/or terminate the Convertible Securities Agreement, by notice to the Company.</p>
Rights of holder	<p>The Convertible Securities will not carry a right to vote at meetings of the Company prior to any conversion of the Convertible Securities into Shares, nor will it carry any entitlement to participate in future issues of securities by the Company.</p>
Options	<p>35 million Convertible Securities Options (exercisable at \$0.05 and expiring on 31 December 2018 and otherwise on the same terms as the SPP options) are to be issued on the Tranche 1B Closing, subject to the issue of the Prospectus and shareholder approval being obtained.</p>

Attachment 2 – Options Terms

Terms and conditions summary

1. The Options shall be issued on the following basis:
 - (a) **Convertible Securities Options** - to L1 Capital Global Opportunities Master Fund or its nominee;
 - (b) **Advisor Options** - to selected professional advisors of the Company, or their nominees;
 - (c) **SPP Bonus Options** - to shareholders who were issued SPP Shares pursuant to the SPP, on the basis of one SPP Bonus Option for every one SPP Share issued pursuant to the SPP;
 - (d) **SPP Shortfall Bonus Options** - to investors who were issued SPP Shortfall Shares, on the basis of one SPP Shortfall Bonus Option for every one SPP Shortfall Share issued.
2. The Options shall be issued for no cash consideration;
3. The exercise price of each Option is \$0.05 (**Exercise Price**);
4. The Options will expire on 31 December 2018 (**Expiry Date**) unless earlier exercised;
5. The Options are transferrable;
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
7. The number of Options that may be exercised at one time must be not less than 1,000, unless the Option holder holds less than 1,000 options in which case all options must be exercised at one time;
8. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares of the Company within 10 business days of valid exercise and payment;
9. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules;
10. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
11. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in

any benefits being conferred on the holders of the Options which are not conferred on shareholders; and

- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

12. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
13. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the 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;
14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
15. The Company shall apply for listing of the Options on the ASX; and
16. The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Option.

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Automic Registry Services, Suite 310, Level 3, 50 Holt Street, Surry Hills NSW 2010 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Xped Limited
Level 6, 412 Collins Street
Melbourne VIC 3000
Ph. (03) 9642 0655
Fax. (03) 9642 5177

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's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Adelaide time) on 17 January 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy 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, all of the security holders should sign.
Power of Attorney:	To sign under Power of Attorney, you must have already lodged this document 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.



Xped Limited | ABN 89 122 203 196

AGM Registration Card

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

Vote by Proxy

XPE:

Holder Number:

Option A – Please choose to vote online, because:

- ✓ **Save Your Money:** This company you own a part of has to spend thousands of dollars each year in print and postage costs. Online voting will reduce this unnecessary expense.
- ✓ **It's Quick and Secure:** Voting online provides you with greater privacy over your instructions, eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Receive Vote Confirmation:** Voting online is the only method which provides you with confirmation that your vote has been processed. It also allows you to amend your vote if required.



To Access online voting you can scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser.
Voting online is quick and easy to do.

<https://investor.automic.com.au/#/loginsah>

STEP 1: Please appoint a Proxy

Option B – Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the Extraordinary General Meeting of the Company, to be held at **2.00 pm (Adelaide Time) on Thursday, 19 January 2017 at The Watson, 33 Warwick Street, Walkerville, South Australia, 5081** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Ratification of Issue of Tranche 1A Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval to Issue Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to Issue Tranche 1B Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval to Issue SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue Tranche 2 Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval to Issue SPP Bonus Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Issue Tranche 3 Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to Issue Shortfall from the SPP and SPP Bonus Options in respect of the Shortfall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Issue Convertible Securities Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017

Email Address

HOW TO COMPLETE THIS PROXY VOTING FORM

LODGING YOUR PROXY VOTE

This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by 2.00pm (Adelaide time)/ 2.30pm (AEDT) on Tuesday, 17 January, 2017, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Proxy Voting Forms can be lodged:



ONLINE

<https://investor.automic.com.au/#/loginsah>



Login to the Automic website using the holding details as shown on the Proxy Voting Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their Holder Number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on front of the Proxy Voting form.



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



BY HAND

Automic Registry Services
Level 3, 50 Holt Street, Surry Hills NSW 2010



ALL ENQUIRIES TO

Telephone: 1300 288 664 Overseas: + 61 2 9698 5414

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

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

CORPORATE REPRESENTATIVES

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

ATTENDING THE MEETING

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