

# AIRXPANDERS, INC.

**ABN 28 604 398 423**

**Australian Registered Office:** Level 13, 41 Exhibition Street, Melbourne, Victoria, 3000  
**USA Office and Headquarters:** 1047 Elwell Court, Palo Alto, California, 94303, USA

## NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

**NOTICE IS GIVEN** that a Special Meeting of stockholders of AirXpanders, Inc. (**Company**) (**ASX:AXP**) will be held at Johnson Winter & Slattery's Melbourne office, Level 34, 55 Collins Street, Melbourne, Victoria, Australia on 17 February 2017 at 8.30am Australian Eastern Daylight Time (16 February 2017 at 1.30 pm U.S. Pacific Time).

### Items of Business

#### 1 Ratification and approval of prior CDI issues

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the stockholders ratify and approve the prior allotment and issue:*

- on 15 June 2016 of 26,315,790 CHESS Depository Interests (**CDIs**) (representing 8,771,930 shares of Class A common stock (**Shares**)) in the Company at an issue price of A\$0.76 per CDI (equivalent to A\$2.28 per Share); and*
- on or about 3 February 2017 of 26,536,500 CDIs (representing 8,845,500 Shares) in the Company at an issue price of A\$0.92 per CDI (equivalent to A\$2.76 per Share),*  
*on the terms and as outlined in the Explanatory Notes accompanying the Notice convening this meeting."*

Note: A voting exclusion statement applies to this (see Explanatory Memorandum for details).

#### 2 Approval for issue of CDIs under Tranche 2 of 2017 Placement

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the stockholders approve the allotment and issue of 22,376,544 CDIs (representing 7,458,848 Shares) in the Company at an issue price of A\$0.92 per CDI (equivalent to A\$2.76 per Share), on the terms and as outlined in the Explanatory Notes accompanying the Notice convening this meeting."*

Note: A voting exclusion statement applies to this resolution (see Explanatory Memorandum for details).

### Record Date

You may vote at the meeting if you were a stockholder of record or a beneficial owner of shares held in street name on 30 January 2017 at 7.00pm Australian Eastern Daylight Time (12.00am (midnight) U.S. Pacific Time) (the **Record Date**).

### Voting by Proxy

Whether or not you plan to attend the Special Meeting in person, you are urged to vote or submit your proxy card or CDI Voting Instruction Form as soon as possible so that your shares can be voted at the Special Meeting in accordance with your instructions.

Whether or not you plan to attend the Special Meeting, you are entitled to vote only if you were a stockholder of the Company on the Record Date. This means that owners of Shares as of that date are entitled to vote at the Special Meeting and any adjournments or postponements of the meeting. Record holders of CDIs as of close of business on the Record Date, are entitled to receive notice of and to attend the meeting or any adjournment or postponement of the meeting and may instruct our CDI Depositary, CHESS Depositary Nominees Pty Ltd, (**CDN**), to vote the shares underlying their CDIs by following the instructions on the enclosed CDI Voting Instruction Form or by voting online at [www.investorvote.com.au](http://www.investorvote.com.au). Doing so permits CDI holders to instruct CDN to vote on behalf of the CDI holders at the meeting in accordance with their written instructions.

Dated this 3rd February 2017.

By Order of the Board

**Brendan Case**  
**Australian Secretary**

## PROXY STATEMENT

### SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON 17 FEBRUARY 2017

The board of directors of AirXpanders, Inc. (**Company**) is soliciting proxies for use at the Special Meeting of stockholders to be held at Johnson Winter & Slattery's Melbourne office, Level 34, 55 Collins Street, Melbourne, Victoria, Australia on 17 February 2017 at 8.30am Australian Eastern Daylight Time (16 February 2017 at 1.30pm U.S. Pacific Time) (**Special Meeting**) and at any adjournment or postponement of the meeting. We expect to mail this proxy statement and accompanying Notice of Special Meeting of stockholders (**Notice of Special Meeting**) to our stockholders on or about 3 February 2017.

#### QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND VOTING

##### *What is the purpose of the meeting?*

At the Special Meeting, stockholders are invited to act upon the matter outlined in the Notice of Special Meeting being:

- ratification and approval of prior CHES Depositary Interests (CDI) issues (Item 1); and
- approval for issue of CDIs under Tranche 2 of 2017 Placement (Item 2).

##### *Who is entitled to vote at the meeting?*

Only those stockholders of record or beneficial owners of shares held in street name on 30 January 2017 at 7.00pm Australian Eastern Daylight Time, (12.00am U.S. Pacific Time) (**Record Date**), will be entitled to receive notice of and to vote at the meeting and any adjournment or postponement thereof. CDI holders as of the Record Date are entitled to receive notice of and attend the meeting and may instruct CHES Depositary Nominees Pty Ltd (**CDN**) to vote at the meeting by following the instructions on the CDI Voting Instruction Form or by voting online at [www.investorvote.com.au](http://www.investorvote.com.au).

As of the Record Date, there were 237,725,124 CDIs (assuming all issued Shares are held as CDIs) (representing 79,241,708 shares of Class A common stock (**Shares**)), all of which were entitled to vote with respect to the proposals to be acted upon at the meeting, subject to the voting exclusions noted in the Items of Business. Each CDI represents one third of a Share. As of the Record Date, there were 235,241,850 CDIs quoted on the Australian Securities Exchange (**ASX**) (assuming all issued Shares are held as CDIs, but excluding CDIs and Shares which are subject to ASX restrictions).

Votes for and against and abstentions each will be counted as present and entitled to vote for purposes of determining whether a quorum is present.

##### *Will any investors be excluded from voting on any of the proposals at the meeting?*

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on certain resolutions by certain stockholders and associates of those stockholders. Please refer to the Explanatory Memorandum for further detail in relation to the exclusions that apply.

##### *What are my voting rights?*

Holders of Shares are entitled to one vote for each Share held as at the Record Date. Holders of our CDIs are entitled to direct CDN to vote one vote for every three (3) CDIs held by such holder as at the Record Date. Therefore, as of the Record Date, a total of 79,241,708 votes are entitled to be cast at the meeting.

##### *How many shares must be present to hold the meeting?*

In accordance with section 8 of the Company's amended and restated bylaws, the presence in person, by remote communication or by proxy, of the holders of a majority of the outstanding Shares entitled to vote at the meeting, as of the Record Date, must be present at the Special Meeting in order to hold the meeting and conduct business. This is called a quorum.

##### *What is a proxy?*

It is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote."

***What is the difference between a stockholder of record and a “street name” holder?***

If you own Shares registered directly in your name with our U.S. transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those Shares. As a stockholder of record, you have the right to grant your voting proxy directly to the Company or to vote in person at the Special Meeting.

If your Shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those Shares, while you are considered the beneficial owner of those Shares. In that case, your Shares are said to be held in “street name” and the notice was forwarded to you by that organization. Street name holders generally cannot vote their Shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their Shares using the method described below under “How do I vote my shares of AirXpanders, Inc. common stock?” Since a street name holder is not the stockholder of record, you may not vote your shares in person at the Special Meeting unless you obtain a “legal proxy” from the broker, bank, trustee, or nominee that holds your Shares giving you the right to vote the Shares at the meeting.

CDN is the stockholder of record for all Shares beneficially owned by holders of CDIs. Holders of CDIs are entitled to receive notice of and to attend the Special Meeting and may direct CDN to vote at the Special Meeting by using the method described below under “How do I vote if I hold CDIs?”

***How do I vote my shares of AirXpanders, Inc. common stock?***

If you are a stockholder of record, you can submit a proxy to be voted at the meeting in any of the following ways:

- over the Internet by following instructions below; or
- signing, dating and mailing the enclosed proxy card; or
- in person at the Special Meeting.

Valid proxies must be received by Computershare no later than 8.30am on 15 February 2017, Australian Eastern Daylight Time, (14 February 2017 at 1.30pm U.S. Pacific Time).

To vote by the Internet, you will need to use a control number that was provided to you in the materials with this Notice of Special Meeting and follow the additional steps when prompted. The steps have been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust or other nominee, which is similar to the voting procedures for stockholders of record. You will receive a voting instruction form (not a proxy card) to use in directing the broker, bank, trust or other nominee how to vote your shares.

Please refer to “Will any investors be excluded from voting on any of the proposals at the meeting?” for a summary of voting exclusions applicable to each proposal to be voted on at the Special Meeting.

***How do I vote if I hold CDIs?***

Each CDI holder as at the Record Date is entitled to direct CDN to vote one vote for every three (3) CDIs held by such holder. Such CDI holders are entitled to receive notice of and to attend the Special Meeting and any adjournment or postponement of the Special Meeting and may instruct the Company’s CDI depositary, CDN, to vote the Shares underlying their CDIs in a particular manner by returning the enclosed CDI Voting Instruction Form to Computershare, or by voting online at [www.investorvote.com.au](http://www.investorvote.com.au). Valid voting instructions must be received by Computershare no later than 8.30am on 14 February 2017, Australian Eastern Daylight Time, (13 February 2017 at 1.30pm U.S. Pacific Time). Doing so permits CDI holders to instruct CDN to vote on behalf of the CDI holders at the meeting in accordance with their written instructions.

Alternatively, CDI holders may vote at the Special Meeting by informing the Company that they wish to nominate themselves or another person to be appointed as CDN’s proxy for the purpose of attending and voting at the meeting by completing Step 2 in the enclosed CDI Voting Instruction Form.

***What does it mean if I receive more than one printed set of proxy materials?***

If you receive more than one printed set of proxy materials, it means that you hold Shares or CDIs registered in more than one account. To ensure that all of your shares and CDIs are voted, please submit proxies or voting instructions for all of your shares and CDIs.

### ***How can I attend the meeting?***

All of our stockholders and CDI holders are invited to attend the Special Meeting. You may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name or are a CDI holder, you also may be asked to present proof of ownership to be admitted to the meeting. A brokerage or holding statement or letter from your broker, bank, trust or other nominee are examples of proof of ownership.

### ***Can I vote my shares in person at the meeting?***

If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you submit your proxy as described above so your vote will be counted if you later decide not to attend the meeting. If you submit your vote by proxy and later decide to vote in person at the Special Meeting, the vote you submit at the meeting will override your proxy vote.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the meeting a signed letter or other form of proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

Please refer to "How do I vote if I hold CDIs?" if you are a CDI holder.

### ***What is the voting requirement to approve each of the proposals included in the notice of meeting?***

#### ***Item 1 — Ratification and approval of prior CDI issues***

You may vote "FOR," "AGAINST" or "ABSTAIN" on the proposal to approve the prior allotment and issue on 15 June 2016 of 26,315,790 CDIs (representing 8,771,930 Shares) in the Company at an issue price of A\$0.76 per CDI (equivalent to A\$2.28 per Share) and the prior allotment and issue on or about 3 February 2017 of 26,536,500 CDIs (representing 8,845,500 Shares) in the Company at an issue price of A\$0.92 per CDI (equivalent to A\$2.76 per Share).

Subject to voting exclusion statements for Item 1, the vote required to approve the proposal is the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote on the proposal that are present in person or represented by proxy at the Special Meeting and voting on such proposal. Abstentions are considered shares present and entitled to vote and thus will have the effect of a vote "AGAINST" this proposal.

If you do not submit your proxy or voting instructions to your broker, a "broker non-vote" occurs and your shares will not be counted for the purpose of establishing a quorum and will have no effect on the outcome of this proposal. The same result will occur if you do not instruct CDN how to vote your shares.

#### ***Item 2 — Approval for issue of CDIs under Tranche 2 of 2017 Placement***

You may vote "FOR," "AGAINST" or "ABSTAIN" on the proposal to approve the allotment and issue of 22,376,544 CDIs (representing 7,458,848 Shares) in the Company at an issue price of A\$0.92 per CDI (equivalent to A\$2.76 per Share).

Subject to voting exclusion statements for Item 2, the vote required to approve the proposal is the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote on the proposal that are present in person or represented by proxy at the Special Meeting and voting on such proposal. Abstentions are considered shares present and entitled to vote and thus will have the effect of a vote "AGAINST" this proposal.

If you do not submit your proxy or voting instructions to your broker, a "broker non-vote" occurs and your shares will not be counted for the purpose of establishing a quorum and will have no effect on the outcome of this proposal. The same result will occur if you do not instruct CDN how to vote your shares.

### ***Can I change my vote after submitting my proxy?***

Yes. If you are a stockholder of record, you may change your vote at any time before your proxy is voted at the Special Meeting, in any of the following ways:

- by voting again or submitting a later-dated proxy by telephone or the Internet before 8.30am Australian Eastern Daylight Time on 15 February 2017, (14 February 2017 at 1.30pm U.S. Pacific Time);
- by submitting a later-dated proxy to the Australian Secretary of the Company, which must be received by the Company before the time of the Special Meeting;
- by sending a written notice of revocation of proxy to the Australian Secretary of the Company, which must be received by the Company before the time of the Special Meeting; or
- by voting in person at the Special Meeting.

If you are a holder of CDIs and you direct CDN to vote by completing the CDI Voting Instruction Form, you may revoke those instructions by delivering to Computershare, no later than 8.30am Australian Eastern Daylight Time on 14 February 2017, Australian Eastern Daylight Time, (13 February 2017 at 1.30pm U.S. Pacific Time), a written notice of revocation bearing a later date than the CDI Voting Instruction Form previously sent.

***Who pays for the cost of proxy preparation and solicitation?***

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders and CDI holders. We are soliciting proxies by mail. In addition, our directors, officers and regular employees may solicit proxies personally, telephonically, electronically or by other means of communication. The Company's directors, officers and regular employees will receive no additional compensation for their services other than their regular compensation.

## EXPLANATORY MEMORANDUM

### Business

#### Background to Items 1 and 2

The Company announced to the market on 8 June 2016, that it had received commitments from sophisticated and professional investors to subscribe for 26,315,790 CHESS Depositary Interests (**CDIs**) (representing 8,771,930 shares of Class A Common Stock (**Shares**)) in the Company at an issue price A\$0.76 per CDI, (equivalent to A\$2.28 per Share) raising A\$20 Million (**2016 Placement**). The 2016 Placement was completed on 15 June 2016.

The Company announced to the market on 27 January 2017, that it had received commitments from sophisticated and professional investors to subscribe for 48,913,044 CDIs (**New CDIs**) (representing 16,304,348 Shares) in the Company at an issue price of A\$0.92 per New CDI, (equivalent to A\$2.76 per Share) raising A\$45 million (**2017 Placement**).

The 2017 Placement is to be completed in two tranches.

The first tranche of the 2017 Placement (**Tranche 1**), which is not subject to the prior approval of Stockholders, consists of:

- 5,395,608 CDIs (equivalent to 1,798,536 Shares) which were issued within the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1; and
- 21,140,892 CDIs (equivalent to 7,046,964 Shares) which were issued within the Company's 10% placement capacity approved by stockholders at the Annual Meeting on 17 May 2016 in accordance with ASX Listing Rule 7.1A.

These New CDIs under Tranche 1 were issued on or about 3 February 2017.

The second tranche of the 2017 Placement (**Tranche 2**) consists of the issue of 22,376,544 CDIs (equivalent to 7,458,848 Shares) and is subject to stockholder approval at this Special Meeting (Item 2).

#### ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

#### ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables certain eligible entities to seek stockholder approval to issue equity securities comprising up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution regarding ASX Listing Rule 7.1A is passed by special resolution. At the Company's last Annual Meeting on 17 May 2016, the Company obtained approval from its stockholders to issue equity securities under Listing Rule 7.1A.

#### ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. It provides that where a Company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with stockholder approval for the purpose of ASX Listing Rule 7.1 or 7.1A (as the case may be).

Item 1 seeks stockholder ratification and approval under ASX Listing Rule 7.4 for the prior allotment and issue on 15 June 2016 of 26,315,790 CDIs (representing 8,771,930 Shares) in the Company and for the issue by the Company of 26,536,500 CDIs (representing 8,845,500 Shares) under Tranche 1. If Item 1 is approved, the Company's 15% placement capacity under ASX Listing Rule 7.1 and the 10% placement capacity under ASX Listing Rule 7.1A, will be refreshed from the date of the Special Meeting.

By ratifying this issue, the Company will increase the variable share number upon which the 10% placement capacity is based and retain the flexibility to issue equity securities in the future up to the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Stockholder approval.

Item 2 seeks stockholder approval under ASX Listing Rule 7.1 for the allotment and issue of 22,376,544 New CDIs under Tranche 2.

## **Item 1– Ratification and approval of prior CDI issues**

Ratification by stockholders of the Company for the allotment and issue in June 2016 and January 2017 of 52,852,290 CDIs (representing 17,617,430 Shares), is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to (i) issue up to 15% of its issued capital, if required, in the next 12 months without stockholder approval in accordance with ASX Listing Rule 7.1, and (ii) issue up to 10% of its issued capital, if required, in accordance with ASX Listing Rule 7.1A.

### **Specific Disclosure of Information**

ASX Listing Rule 7.5 requires that the following information be provided to stockholders Item 1:

- (a) The total number of CDIs issued by the Company in June 2016 and January 2017 for which the Company is seeking ratification is 52,852,290 CDIs (representing 17,617,430 Shares).
- (b) On 15 June 2016, 26,315,790 CDIs were issued at A\$0.76 per CDI (equivalent to A\$2.28 per Share) and on 3 February 2017 26,536,500 CDIs were issued at A\$0.92 per CDI (equivalent to A\$2.76 per Share).
- (c) The CDIs issued on 15 June 2016 and on or around 3 February 2017 were issued on the same terms as, and rank equally in all respects with, the Company's existing CDIs on issue.
- (d) The CDIs issued on 15 June 2016 and on or around 3 February 2017 were issued and allotted to new and existing sophisticated and professional investors, none of whom are related parties of the Company. The investors include a large number of institutional and private clients of Canaccord Genuity (Australia) Limited.
- (e) The funds raised from the 2016 Placement have been used primarily by the Company for:
  - Market growth of AeroForm<sup>®</sup> in Australia;
  - Sales and marketing investment in preparation for US launch of AeroForm<sup>®</sup>;
  - Commercial manufacturing transfer to Costa Rica; and
  - General working capital
- (f) The funds raised from the 2017 Placement will be primarily used by the Company for:
  - Building inventory for US market;
  - Acceleration of investment for US sales and marketing, including hiring of US sales force;
  - Completion of commercial manufacturing transfer to Costa Rica and expanding capacity; and
  - General working capital
- (g) A voting exclusion statement is included below.

### **Voting Exclusion Statement for Item 1**

The Company will disregard any votes cast on Item 1 by a person who participated in the issue of CDIs under Tranche 1, and any of their associates, unless the vote is cast:

- by a person as proxy for a person who is entitled to vote on Item 1, in accordance with the directions on the proxy form; or
- by a person chairing the meeting as proxy for a person who is entitled to vote on Item 1, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

### **Chair's Voting Intention**

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

## **Item 2 - Approval for issue of CDIs under Tranche 2 of 2017 Placement**

Item 2 seeks stockholder approval under ASX Listing Rule 7.1 for the issue of Shares under Tranche 2 of the 2017 Placement, being 22,376,544 New CDIs (representing 7,458,848 Shares).

### **Specific Disclosure of Information**

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to the proposed issue of New CDIs under Tranche 2:

- (a) The maximum number of New CDIs to be issued under Tranche 2 is 22,376,544 New CDIs (representing 7,458,848 Shares).
- (b) The New CDIs will be issued as soon as practicable after the date of the Meeting but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and will be issued in full (not progressively).
- (c) The New CDIs will be issued at A\$0.92 per New CDI (equivalent to \$2.76 per Share).
- (d) The New CDIs will be issued on the same terms as, and will rank equally in all respects with the Company's existing CDIs on issue.

- (e) The New CDIs will be issued and allotted to new and existing sophisticated and professional investors, none of whom are related parties of the Company. The investors include a large number of institutional and private clients of Canaccord Genuity (Australia) Limited.
- (f) See section (f) of Item 1 for the intended use of funds.
- (g) A voting exclusion statement is included below.

#### **Voting Exclusion Statement for Item 2**

The Company will disregard any votes cast on Item 2 by a person who may participate in the proposed issue, and any of their associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares or CDIs, if the resolution under Item 2 is passed, unless the vote is cast:

- by a person as proxy for a person who is entitled to vote on Item 2, in accordance with the directions on the proxy form; or
- by a person chairing the meeting as proxy for a person who is entitled to vote on Item 2, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Directors' Recommendation**

The Directors unanimously recommend that stockholders vote in favour of this resolution.

#### **Chair's Voting Intention**

The Chair of the Meeting intends to vote all available undirected proxies in favour of this resolution.

#### **Status of CDIs**

The CDIs are traded on ASX in reliance on the safe harbor provisions of Regulation S under the US Securities Act of 1933, as amended, and in accordance with the procedures established pursuant to the provisions of the no-action letter dated 7 January 2000 given to ASX by the staff of the US Securities and Exchange Commission. The relief was given subject to certain procedures and conditions described in the no-action letter. One of the conditions is that the issuer provides notification of the Regulation S status of its securities in securityholder communications such as this Notice of Special Meeting.

#### **LOCATION OF AIRXPANDERS, INC. SPECIAL MEETING OF STOCKHOLDERS**

Johnson Winter & Slattery  
Level 34, 55 Collins Street, Melbourne, Victoria, Australia  
on 17 February 2017  
at 8.30am Australian Eastern Daylight Time  
(16 February 2017 at 1.30pm U.S. Pacific Time).

Beneficial owners of common stock held in the form of CDIs or in street name by a broker, bank, trust or other nominee may need proof of ownership to be admitted to the meeting. A brokerage or holding statement or letter from the broker, bank, trust or other nominee are examples of proof of ownership.





AirXpanders, Inc.  
ABN 28 604 398 423

### Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

### For all enquiries call:

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

AXP

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

## CDI Voting Instruction Form

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Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by  
8:30am Australian Eastern Daylight time on Tuesday, 14 February 2017**

### Direction to Chess Depositary Nominees Pty Ltd

Each CHESS Depositary Interest (CDI) represents an indirect ownership in the Company's shares of Class A common stock (Shares). Each CDI is equivalent to one third of a Share of the Company so that every three (3) CDIs that you own as at 7:00pm on 30 January 2017 (Australian Eastern Daylight Time), 12:00am (US Pacific Time), entitle you to one (1) vote. The underlying Shares are registered in the name of CHESS Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the meetings of stockholders on the instruction of the registered holders of the CDIs.

### Appointment of Proxy

If you wish to attend the Meeting (defined overleaf) in person or appoint some person or company other than CDN, who need not be a stockholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please insert your name or the name of your chosen appointee in the box in Step 2. Computershare will then send you a legal form of proxy which will grant you or the person specified by you the right to attend and vote at the Meeting. Please remember that a legal proxy is subject to all terms and conditions that apply to proxies as outlined in the Notice of Special Meeting of Stockholders including any cut off time for receipt of valid proxies.

### Signing Instructions

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable. With respect to a U.S. company or other entity, this form may be signed by one officer. Please give full name and title under the signature.

**Comments & Questions:** If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE** →  
**or turn over to complete the form**

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



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## CDI Voting Instruction Form

Please mark ☒ to indicate your directions

### STEP 1 CHESS Depositary Nominees will vote as directed

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#### Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests (CDIs) of AirXpanders, Inc. (Company) hereby direct CHESS Depositary Nominees Pty Ltd (CDN) to vote the shares underlying my/our CDI holding at the Special Meeting of stockholders of the Company to be held at **8:30am (Australian Eastern Daylight time on 17 February 2017 at Johnson Winter & Slattery's Melbourne office, Level 34, 55 Collins Street, Melbourne, Victoria (Meeting))** and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

### STEP 2

If you wish to attend the Meeting in person or appoint some person or company other than CDN, who need not be a stockholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please insert your name, or the name of your appointee, in this box.

Computershare will then send you a legal form of proxy which will grant you or the person specified by you the right to attend and vote at the Meeting. Please remember that the form of proxy is subject to all terms and conditions that apply to proxies as outlined in the Notice of Special Meeting including any cut off time for receipt of valid proxies.

### STEP 3

**Voting Instructions - Voting instructions will only be valid and accepted by CDN if they are signed and received no later than 72 hours before the Meeting. Please read the instructions overleaf before marking any boxes with an X.**

**Voting Exclusions apply to Items 1 and 2. Please refer to the explanatory Memorandum of the Notice of Special Meeting for further information.**

		For	Against	Abstain
Item 1	Ratification and approval of prior CDI issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Approval for issue of CDIs under Tranche 2 of 2017 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not mark the "For", "Against" or "Abstain" box your vote will not be counted

### SIGN

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

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### IMPORTANT SPECIAL MEETING INFORMATION

ENDORSEMENT LINE \_\_\_\_\_ SACKPACK \_\_\_\_\_



MR A SAMPLE  
DESIGNATION (IF ANY)  
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ADD 2  
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**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet must be received by 1:30 p.m. (U.S. Pacific Standard time) on Tuesday, 14 February 2017.**



## Vote by Internet

- Go to **[www.investorvote.com/AIRX](http://www.investorvote.com/AIRX)**
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.



## Special Meeting Proxy Card

1234 5678 9012 345

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

## A Items of Business

### 1. Ratification and approval of prior CDI issues

**For    Against    Abstain**

□ □ □

## 2. Approval for issue of CDIs under Tranche 2 of 2017 Placement

For      Against      Abstain

□ □ □

## B Non-Voting Items

**Change of Address** — Please print new address below.

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**C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below.

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

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MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND  
MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼



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## Proxy — AirXpanders, Inc.

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### **NOTICE OF SPECIAL MEETING OF STOCKHOLDERS To Be Held 1:30 p.m. February 16, 2017 (U.S. Pacific Standard Time) 8:30 a.m. February 17, 2017 (Australian Eastern Daylight Time)**

Mr Barry Cheskin, Ms Zita Peach and Mr Scott Dodson, or either of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Special Meeting of Stockholders of AirXpanders, Inc. to be held on Thursday, February 16, 2017 at 1:30 p.m. U.S. Pacific Standard Time (Friday, February 17, 2017 at 8:30 a.m. Australian Eastern Daylight Time, or at any postponement or adjournment thereof.

Shares represented by this Proxy Card will be voted by the proxies in accordance with the stockholder's instructions in this Proxy Card. If no such instructions are indicated, the proxies will have authority to vote in favor of (i.e., "FOR") Items 1 and 2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Voting exclusions apply to Items 1 and 2. Please refer to the Explanatory Memorandum of the Notice of Special Meeting for further information.

(Items to be voted appear on reverse side.)