

Terms and Conditions of Options issued to brokers

The following information is provided to ASX Limited for release to the market in connection with the official quotation of the fully paid ordinary shares (Shares) in XPD Soccer Gear Group Limited (XPD or Company).

The Broker Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) Entitlement

Each Broker Option entitles the holder to subscribe for one Share upon exercise of the Broker Option.

(b) Expiry Date

Each Broker Option will expire at 5.00pm (WST) on the date that is 3 years after the date that the Broker Option is issued (**Expiry Date**).

(c) Exercise Price

Each Broker Option will have an exercise price equal to \$0.25(**Exercise Price**).

(d) Exercise period and lapsing

Subject to clause (i), Broker Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Broker Options will automatically lapse.

(e) Exercise Notice and payment

Broker Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Broker Option being exercised. Any Exercise Notice for a Broker Option received by the Company will be deemed to be a notice of the exercise of that Broker Option as at the date of receipt. Cheques paid in connection with the exercise of Broker Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Shares issued on exercise

Shares issued on exercise of Broker Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.



XPD Soccer Gear Group Limited

Level 1, Exchange Tower
530 Little Collins Street
Melbourne, VIC, 3000

(g) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Broker Options.

(h) Timing of issue of Shares

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Broker Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Broker Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Broker Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Broker Options.

(i) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Broker Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Broker Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Broker Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Broker Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Broker Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However,



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the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Broker Options the opportunity to exercise their Broker Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Broker Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Broker Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation

The Company will not apply for quotation of the Broker Options on ASX.

(o) Transferability

(p) Broker Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).