

Xped Limited



Xped secures former Intel IoT Smart Homes boss as Managing Director

Xped Limited (**ASX: XPE**) (“Xped” or “the Company”) is pleased to announce that it has secured Mr Martin Despain as Managing Director of the company, effective from 19 September 2016, post vacating his tenure at Intel.

Martin was recently General Manager, Smart Homes Division, Internet of Things Group at Intel Corporation head office developing and implementing Intel’s IoT strategy and product offering for the home. Intel’s charter was to transition the industry from the connected home, into the smart home era, by delivering a foundation infrastructure focused on Security, Compute, Connectivity, and Contextual awareness.

Based in Santa Clara, Martin oversaw the Smart Home business with responsibility for Engineering, Product Marketing, Operations, Business Development, and Go-to-Market.

Martin’s area of expertise includes product management, semiconductors and SoC’s, embedded systems, start-ups, international sales and marketing, strategic partnerships and planning and visionary for the organisation.

Prior to his most recent position with Intel, Marty has held various Director Roles within Intel Corporation over the last 11 years, including establishing the product management team and leading the Content and Strategy organization within Intel Media; Martin has also lead several different teams within Intel’s Digital Home Group that developed product offerings for telco/cable and consumer electronics companies such as Sony, Visio and Samsung as well as partnerships with Yahoo, Google, and Microsoft.

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Martin holds a BA from University of Nevada and a MBA from the Georgia Institute of Technology.

Martin Despain brings to the board high level experience in leading and growing start-ups in the technology sector and with his experience and connections in the industry will be able to provide an opportunity for Xped to grow and realise potential and value for shareholders.

The Company has entered into consultancy agreement with Martin Despain under which he has agreed to provide certain consultancy services to the Company and Martin Despain has agreed to be appointed as an executive director of the Company

The initial term of the Consultancy Agreement is a period of 2 years which commences effective 19 September 2016. Either party may extend the term for a further 2 years on notice at least 30 days prior to the end of the initial term.

A fee of USD\$360,000 per annum is payable on account of the provision of the Services including Board fees, plus a USD\$80,000 signing bonus (repayable if the consultant terminates for any reason prior to the end of the initial 2 year term) and payment of medical insurance of up to USD\$27,000 per annum. The Company has agreed to issue performance shares which will convert into fully paid ordinary shares upon reaching a number of milestones and also to pay cash bonuses upon reaching a number of milestones. Full details are provided in the Schedule 1 attached.

Commenting on his appointment Martin Despain said:

"Xped has many value added aspects to its technology that can be adopted across multiple industries. There is significant opportunity for Xped in Smart Homes, Smart Building, Healthcare and Aged Care sectors. I am delighted to be joining Xped, and see an enormous potential for Xped to experience significant market success"

Athan Lekkas
Executive Chairman & CEO

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Schedule 1- Agreement Details

Commencement Date	19 September 2016
Term	2 years
Extended term	2 years
Consultancy Fee (exclusive of GST)	USD \$360,000 per annum payable in 12 equal monthly instalments
Signing Bonus	\$80,000, payable as follows: <ul style="list-style-type: none">(a) \$40,000 payable on the Commencement Date; and(b) \$40,000 payable on the date being 6 months after the Commencement Date

The Company may terminate the consultancy agreement by giving 9 months' written notice and Mr Despain may terminate by giving 3 months' written notice.

The Company may pay the consultant in lieu of such notice being served (to the extent that any such payment would not exceed the maximum amounts permitted by the Corporations Act).

The Company may immediately terminate the consultancy agreement by giving written notice if the consultant breaches any material term of the agreement (which is not remedied on 5 business days notice), an insolvency event occurs in respect of the consultant, any officer of the consultant is charged with a criminal offence which in the reasonable opinion of the Company brings the Company into disrepute or Martin Despain resigns as a director of the Company).

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Cash Bonuses

1. Subject to:
 - a. the Company (on a consolidated basis) having generated and received at least AUD\$2.5million in revenue, during the period commencing on the Commencement Date and ending 24 months after the Commencement Date (**Milestone A**); and
 - b. Mr Despain remaining engaged by the Company under the terms of this agreement at the time of satisfaction of Milestone A,

Mr Despain will be paid a cash bonus equal to 15% of the annual Consultancy Fee (being 15% of \$360,000) within 20 Business Days of certification by the Board of the satisfaction of Milestone A.

2. Subject to:
 - a. the Company (on a consolidated basis) having generated and received at least AUD\$5.0million in revenue during the period commencing on the Commencement Date and ending 24 months after the Commencement Date (**Milestone B**); and
 - b. Mr Despain remaining engaged by the Company under the terms of this agreement at the time of satisfaction of Milestone B,

Mr Despain will be paid a cash bonus equal to 15% of the annual Consultancy Fee (being 15% of \$360,000) within 20 Business Days of certification by the Board of the satisfaction of Milestone B.

Performance Shares

Subject to obtaining all required ASX and shareholder approvals, the Company will issue and allot to Mr Despain (or its nominee) 50,000,000 Performance Shares on the terms set out below:

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1. Performance Shares A

12,500,000 Tranche A Performance Shares in the capital of Xped on the following terms. Each Tranche A Performance Share will automatically convert into one fully paid ordinary Share in the Company if both of the following are satisfied:

- a. the Company (on a consolidated basis) having generated and received at least AUD\$3.0million in revenue during the period commencing on the Commencement Date and ending 18 months after the Commencement Date (**Tranche A Milestone**); and
- b. Mr Despain remaining engaged by the Company under the terms of this Agreement at the time of satisfaction of Tranche A Milestone,

2. Performance Shares B

12,500,000 Tranche B Performance Shares in the capital of Xped on the following terms. Each Tranche B Performance Share will automatically convert into one fully paid ordinary Share in the Company if both of the following are satisfied:

- a. the Company (on a consolidated basis) having generated and received at least AUD\$6.0million in revenue during the period commencing on the Commencement Date and ending 24 months after the Commencement Date (**Tranche B Milestone**); and
- b. Mr Despain remaining engaged by the Company under the terms of this Agreement at the time of satisfaction of Tranche B Milestone,

3. Performance Shares C

12,500,000 Tranche C Performance Shares in the capital of Xped on the following terms. Each Tranche C Performance Share will automatically convert into one fully paid ordinary Share in the Company if both of the following are satisfied:

- a. the Company (on a consolidated basis) having generated and received at least AUD\$12.0million in revenue during the period commencing on the Commencement Date and ending 24 months after the Commencement Date (**Tranche C Milestone**); and

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- b. Mr Despain remaining engaged by the Company under the terms of this Agreement at the time of satisfaction of Tranche C Milestone,

4. **Performance Shares D**

12,500,000 Tranche D Performance Shares in the capital of Xped on the following terms. Each Tranche D Performance Share will automatically convert into one fully paid ordinary Share in the Company if both of the following are satisfied:

- a. the Company (on a consolidated basis) having generated and received at least AUD\$20.0million in revenue during the period commencing on the Commencement Date and ending 24 months after the Commencement Date (Tranche D Milestone); and
- b. Mr Despain remaining engaged by the Company under the terms of this Agreement at the time of satisfaction of Tranche D Milestone.

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Xped Limited



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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