

# Xped Limited



## Grant of Waiver from ASX and variation of incentive arrangements

Xped Limited ([ASX: XPE](#)) (“Xped” or “the Company”) recently applied for a listing rule waiver from Australian Securities Exchange (“ASX”) to permit the cancellation of the Entity’s existing 150,000,000 performance shares issued to the Xped vendors to be effected, subject to shareholder approval (refer to ASX announcement of 7 September 2016).

Xped announces that ASX has granted the following waiver from ASX Listing rule 9.7.

The ASX’s formal decision reads as follows:

### “Decision

1. Based solely on the information provided, ASX Limited (“ASX”) grants Xped Limited (the “Company”) a waiver from listing rule 9.7 to the extent necessary to permit the Company to amend the restriction agreements between JK Group Australia Pty Ltd and the Company and Alanticx Technologies Pty Ltd and the Company such that 25,000,000 class A performance shares, 25,000,000 class B performance shares and 25,000,000 class C performance shares held by each holder may be cancelled for nil consideration on the following conditions.

1.1. Shareholders of the Company approve the selective capital reduction and buy-back in accordance with sections 256C and 257D of the Corporations Act 2001 (Cth).

1.2. The Company makes an appropriate announcement to the market advising of the waiver and the terms upon which it was granted.”

Shareholder approval of the cancellation of the existing performance shares will now be sought at the upcoming Annual General meeting.

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As announced on the 7 September 2016, the Company had proposed to issue 50m performance shares to each of Athan Lekkas, Martin Despain and Seneca Financial Solutions Pty Ltd or their respective nominees for services to the Company subject to shareholder and ASX approvals.

Following recent discussions, the Company and each of Athan Lekkas, Martin Despain and Seneca Financial Solutions Pty Ltd have agreed to revoke the proposed performance shares.

Instead it is now proposed that the Company will adopt a Loan Funded Share Plan (subject to shareholder approval at the upcoming Annual General meeting) and will issue shares to each of Athan Lekkas and Martin Despain subject to shareholder approval. Seneca Financial Solutions Pty Ltd will not be issued any shares under the Loan Funded Share Plan at this time.

It is proposed that 50,000,000 shares will be issued to each of Athan Lekkas and Martin Despain or their respective nominees (100,000,000 shares in total) under the Loan Funded Share Plan. Each share will be issued at \$0.044, which is the average of the 5 day VWAP prior to this announcement.

Approval for the issue of the proposed shares will be sought at the upcoming Annual General meeting. Full details of the Loan Funded Share Plan and the terms of the loans applying to the proposed shares will be set out in the materials despatched for the upcoming Annual General meeting.

In conjunction with the revocation of the proposed issue of performance shares to Martin Despain (Managing Director), the Company has also agreed to vary the consulting agreement under which he is engaged to provide for a higher level of cash bonus upon reaching the existing performance milestones announced on 7 September 2016. Further details are set out in Annexure 1.

In addition, in conjunction with the revocation of the proposed issue of performance shares to Athan Lekkas (CEO and Chairman), the Company has also agreed to vary the consulting agreement under which he is engaged to provide for cash bonuses upon reaching certain performance milestones. Further details are set out in Annexure 1.

**Julie Edwards**  
Company Secretary

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## Annexure 1 – Cash Bonuses

### Consultancy Agreement with MMEYE LLC (an entity associated with Martin Despain) – Cash Bonus

MMEYE LLC will be paid the following cash bonuses, subject to remaining engaged by the Company at the time of satisfying the relevant milestone:

- a. a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$360,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$2.5million in revenue, during the period commencing on the 19 September 2016 and ending 24 months thereafter (**Milestone A**); and
- b. a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$360,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$5.0million in revenue during the period commencing on 19 September 2016 and ending 24 months thereafter (Milestone B).

For the avoidance of doubt revenue generated and received which is included in respect of the Milestone A calculation will also be included in the Milestone B calculation.

### Consultancy Agreement with Dalext Pty Ltd (an entity associated with Athan Lekkas) – Cash Bonus

Dalext Pty Ltd will be paid the following cash bonuses, subject to remaining engaged by the Company at the time of satisfying the relevant milestone:

- a. a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$362,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$2.5million in revenue, during the period commencing on 19 September 2016 and ending 24 months thereafter (**Milestone A**);
- b. a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$362,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$5.0million in revenue during the period commencing on 19 September 2016 and ending 24 months thereafter (Milestone B); and
- c. a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$362,000) within 20 Business Days of certification by the Board that the Company has raised at least AUD\$5.0million from the placement of shares in the Company during the period commencing 19 September 2016 and ending 24 months thereafter (Milestone C).

For the avoidance of doubt revenue generated and received which is included in respect of the Milestone A calculation will also be included in the Milestone B calculation.

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## 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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