

ABN 89 122 203 196  
Level 6,  
412 Collins Street  
Melbourne VIC 3000

T 03 9642 0655  
F 03 9642 5177  
E info@xped.com  
www.xped.com

# Xped Limited

26 April 2017

Dear Shareholder

## Opportunity to sell Xped shares for holders of small holdings

### 1. The Program

Xped Limited (**Xped** or the **Company**) (ASX: XPE) is pleased to announce an opportunity for you to sell your shareholding without incurring any brokerage or handling costs. This program is available to eligible shareholders who, at 7:00pm (AEST) on 24 April 2017 (**Record Date**), were holders of fully paid ordinary shares in Xped (**Xped Shares**) valued at less than \$500.00 (**Program**).

Based on a price of \$0.021 per Xped Share, being the closing price of Xped Shares on the Australian Securities Exchange (**ASX**) on the Record Date, a small holding under the Program is any holding of 23,810 or less Xped Shares.

This Program closes at 5:00pm (AEST) on Friday 23 June 2017 (**Election Date**).

The number of Xped Shares which will constitute a small holding at the Election Date will be any holding of Xped Shares worth \$500.00 or less (**Small Holding**).

Our records show that you less than \$500.00 worth of Xped Shares on the Record Date. Consequently, your holding of Xped Shares is eligible for this Program, if you hold a Small Holding as at the Election Date.

Xped makes this Program available pursuant to the provisions of Rule 75 of the Company's constitution which allows for the sale of Xped Shares held by a shareholder of a Small Holding. A copy of Rule 75 is enclosed as Schedule 1 of this notice.

Xped recognises that there are many shareholders who hold Small Holdings who may find it difficult or expensive to dispose of their Xped Shares. This Program provides eligible shareholders with a convenient way to sell Xped Shares and at the same time allows the Company to reduce its significant costs associated with administering many small shareholdings.

Information in this letter and in the **enclosed** documents will assist you to make a choice whether to:

- sell your holding; or
- retain your existing holding

## 2. To sell your holding

If you wish to dispose of your Xped Shares without incurring any brokerage or handling costs, then **you do not need to do anything** and your Xped Shares will be sold, if you hold a Small Holding on the Election Date.

If you choose to do nothing and do not return the **enclosed** Continuation Election Notice by the Election Date, subject to Rule 75 of the Constitution **all** of your Xped Shares will be sold at the Company's discretion. The Company will hold the proceeds from any of your Xped Shares sold (**Sale Consideration**) in trust for you pending instructions from you as to how it is to be dealt with.

If you do nothing, **all** of your Xped Shares will be pooled with other Small Holdings under the Program and sold on the ASX. In addition, if you do nothing, you will be deemed to appoint Xped, its Directors and Secretary (jointly and severally) as your attorney for the sale to take all steps, in your name, or on your behalf as they or any of them consider appropriate to transfer your Xped Shares and Xped, its Directors or Secretary may appoint an agent to undertake such actions.

### 2.1 Sale proceeds

The sale proceeds to which you will be entitled will be calculated by dividing the aggregate of the total proceeds from the sale of all Xped Shares sold under this Program, by the total number of Xped Shares sold under this Program, and multiplied by the number of Xped Shares you held, which were sold, with the total Sale Consideration rounded up to the nearest cent. All participants who have their Xped Shares sold under this Program will receive the same average price per Share.

This price may be more or less than the actual price at which your Xped Shares are sold.

The Company will hold the Sale Consideration in trust for you and will forthwith notify you in writing that the Sale Consideration in respect of your Shares has been received by Xped and is being held by the Company pending instructions from you as to how it is to be dealt with. If you have provided direct credit payment details to the Company's share registrar, Automic Pty Limited (**Automic**), for your holding and authorised such payments to be made by direct credit, the Sale Consideration will be paid to your nominated account by EFT. You will not incur any brokerage or handling costs associated with the disposal of your Xped Shares. If you wish to update your direct credit instructions, please contact Automic.

You will be notified by way of a transaction confirmation statement of the number of your Xped Shares sold, and the price and total sale proceeds. The transaction confirmation statement will be issued in accordance with the communications instructions as advised to the share register.

If your Xped Shares are in a CHESS holding, Xped may, after the Election Date, move your Xped Shares from the CHESS holdings to an issuer sponsored holding or certificated holding for the purposes of divestment by the Company in accordance with the Program.

## 3. To retain your existing holding

If you wish to retain your existing holding of Xped Shares then you must:

- Visit <https://investor.automic.com.au/#/home> before 5:00pm (AEST) on Friday 23 June 2017 (**Election Date**) to submit your intention to retain your existing holding. If you are not already a registered user of the Automic Investor online portal, you will need to follow the simple two step registration process. Once logged in successfully, proceed to the Offers section and follow the instructions to exercise your share retention.

or

- complete and return the **enclosed** Continuation Election Notice so that it is received by Automic by the Election Date at the following address:

**Automic Pty Limited**  
**PO Box 2226**  
**Strawberry Hills NSW 2012**

or

- make your own arrangements outside the Program to purchase additional Xped Shares so that your shareholding is worth at least \$500.00 by the Election Date. If you have more than one holding of Xped Shares, then you can contact Automic to assist with consolidating them into a single holding. In order to ensure that your Xped Shares are not sold by Xped, any additional Xped Shares must be held in the same holding as your current Xped Shares (i.e. you must advise your broker to purchase the Xped Shares under the same Holder Identification Number (HIN) or Securityholder Reference Number (SRN) that is stated on the **enclosed** forms) and must be registered by the Election Date.

#### 4. **Important Information**

It is important that you read and understand this letter and the Continuation Election Notice.

The market price of Xped Shares is subject to change from time to time. Whilst Xped and its nominee broker, Taylor Collison, will endeavour to ensure the best available sale price and purchase price is achieved for your Xped Shares under this Program, no assurance or certainty can be provided by Xped or the Broker about the price at which Xped Shares are sold or acquired. Up to date information on the market price of Xped Shares is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)). The Company reserves the right to vary, delay or cancel the sale of your Xped Shares and not proceed with any sale of shares at any time before your Xped Shares are sold.

This Program does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in this Program.

Xped, its directors and officers, and Taylor Collison make no recommendation as to whether you should participate in the Program and none of them should be taken to be giving any financial advice to you. However, any shareholder support to this cost reduction and efficiency initiative is much appreciated.

#### 5. **Other Information and Enquiries**

The Company has also announced that it proposes to undertake a consolidation of the current share capital of the Company on the basis of every two Xped Shares on issue being consolidated into one Xped Share (**Consolidation**) subject to shareholder approval. If the Consolidation is approved and implemented this would not impact your ability to participate in the Program which is ultimately determined by whether or not you hold at least \$500.00 worth of Xped Shares as at the Election Date (which is approximately two weeks after the Consolidation would take place) and whether or not you have returned a Continuation Election Notice.

If you have any further questions please contact Xped on 03 9642 0655.

Yours faithfully



Chairman  
Athan Lekkas  
Xped Limited

## Schedule 1 – Rule 75 of the constitution

### 75. Sale of less than minimum holding

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75.1 This Rule has effect notwithstanding any other provision of this Constitution to the contrary and shall override the same to the extent of any inconsistency.

75.2 In this Rule:

**Continuation Election Notice** means a notice by a Small Holder in the form contained on or enclosed with a Continuing Member Notice and completed and signed in accordance with the instructions on the Continuing Member Notice, notifying the Company that this Rule is not to apply to that Small Holder so that that Small Holder may remain as the holder of the Securities registered in its name.

**Continuing Member Notice** means a notice issued under Rule 75.3 below.

**Election Deadline** means 5.00pm (Australian Eastern Standard Time) on a date specified in a Continuing Member Notice, being a date not less than six weeks after the date of dispatch of that Continuing Member Notice.

**Sale Consideration** means the consideration received for the sale of any Securities (less any unpaid calls instalments or interest (if any) accrued on those instalments) under this Rule.

**Small Holders** means persons registered, either alone or jointly with any other persons, as the holders of less than a Marketable Parcel of a class of Securities in the Company.

75.3 Subject to the provisions of this Rule, the Board may determine no more than once in any 12 Month period, to require all (and not merely some) of the Small Holders of any class of Securities in the Company to elect whether they wish to remain as the holders of the Securities of that class in the Company registered in their name by forwarding to each such Small Holder (including all persons registered jointly) a Continuing Member Notice containing or enclosing:

- (a) details of the Securities of that class in the company held by the Small Holder;
- (b) statements to the effect that:
  - (1) the Company intends to invoke the provisions of this Rule which allows for the sale of Securities of that particular class held by all Small Holders in that class;
  - (2) if the Company does not receive from any such Small Holder a Continuation Election Notice by the Election Deadline, the Company will be, subject to this Rule, entitled to sell the Securities of that particular class held by those particular Small Holders in its absolute discretion; and
  - (3) in the case of a Member whose Securities are in a CHES holding, that the Company may, without further notice, after the Election Deadline, move the Securities from the CHES holding to an Issuer Sponsored or certificated holding for the purpose of sale;
- (c) a Continuation Election Notice;
- (d) a copy of the text of this Rule; and
- (e) any other information which the Directors may desire to include.

- 75.4 If a Small Holder on whom a Continuing Member Notice has been served wants to keep the Securities referred to in the Continuing Member Notice, the Small Holder must give the Company a Continuing Election Notice which must be received by the Company before the Election Deadline, in which event the Company will not sell the Securities referred to in the Continuing Member Notice.
- 75.5 If a Small Holder on whom a Continuing Member Notice has been served does not give a Continuing Election Notice which is received by the Company before the Election Deadline, the Company shall be entitled to, subject to this Rule:
- (a) if the Small Holder holds those Securities in a CHES Holding, move those Securities from the CHES Holding to an Issuer Sponsored or a certificated holding for the purpose of the sale; and
  - (b) in any case, sell those Securities in accordance with this Rule,
- but only if the Securities held by the Small Holder in the class of Securities the subject of the Continuing Member Notice on the Election Date is less than a Marketable Parcel.
- 75.6 Any Securities to be sold under this Rule may be sold on such terms and conditions, in such manner, at such prices and to such persons (including the Company itself where authorised by law) as the Board may, in its absolute discretion, think fit and, for the purposes of such sale, each such Small Holder shall be deemed to have:
- (a) appointed the Company as its agent for sale;
  - (b) authorised the Company to effect on its behalf a transfer of the Securities sold and to deal with the proceeds of the sale of the Securities in accordance with this Rule;
  - (c) appointed the Company, its Directors and the Secretary at the relevant time jointly and severally as its attorney to execute any instrument or take such steps in its name and on its behalf as they or any of them may consider appropriate to transfer the Securities so sold; and
  - (d) authorised each of the attorneys appointed under Rule 75.6(c) to appoint an agent to do a thing referred to in Rule 75.6(c).
- 75.7 Any transferee of any Securities sold under this Rule shall not be bound to see to the regularity of any procedure or to the application of the purchase consideration in respect of such sale nor shall any transferee be required to produce the certificates in respect of such Securities to enable registration. Once the transferee has been registered as the holder of such Securities the transferee's title shall not be affected by any irregularity or invalidity in any procedure and the only remedy of any Small Holder aggrieved by the sale of its Securities under this Rule shall be in damages only and against the Company exclusively and shall be limited to the amount of the relevant Sale Consideration.
- 75.8 The costs and expenses of any sale of Securities under this Rule (including legal costs and disbursements, brokerage and stamp duty) shall be borne and paid by the Company.
- 75.9 The Sale Consideration shall be held by the Company in trust for the Small Holder whose Securities have been so sold.
- 75.10 On receipt of the Sale Consideration, the Company shall forthwith notify such Small Holder in writing that the relevant class of Securities held by it have been sold and that the relevant Sale Consideration is being held by the Company pending the receipt by the Company of written instructions as to how such money is to be dealt with. If the Small Holder has been issued with a share certificate or certificates, the Small Holder's instructions to be effective, must be accompanied by the share certificate or certificates in respect of such Securities sold or, if the

certificate or certificates have been lost or destroyed, by a statement and undertaking under section 1070D(5) of the Corporations Act.

75.11 Despite any provision of this Rule, either express or implied, to the contrary:

- (a) the Board shall not be bound to exercise the powers conferred by this Rule and shall be entitled, at any time prior to a sale of Securities being effected, to suspend or terminate its use by written notice to the Small Holders affected;
- (b) the accidental omission by the Company to give any notice required under this Rule or the non-receipt of any such notice by any Small Holder shall not invalidate any action undertaken in good faith under this Rule;
- (c) the Board may, in its absolute discretion, settle any ambiguity, difficulty, anomaly or dispute which may arise in relation to the operation of this Rule; and
- (d) no sale of any Securities under this Rule shall be undertaken if prior to such sale a Takeover Bid to acquire Securities of the same class as the Securities which are to be sold under this Rule has either been announced as being intended to be made or has been made and is still open for acceptance.

75.12 If the Company is Listed, this Rule shall be subject to the potential operation of the Listing Rules or the ASTC Settlement Rules (as the case may be) to the Securities intended to be sold under this Rule.

Name/Address 1  
Name/Address 2  
Name/Address 3  
Name/Address 4  
Name/Address 5  
Name/Address 6

No. of Securities Held: [Securities]

Security Code: XPE

Holder Reference (SRN/HIN): [SRN/HIN]

**[SRN/HIN|BC]**

## UNMARKETABLE PARCEL: SHARE SALE ELECTION FORM

**IMPORTANT:** YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEST) ON FRIDAY 23 JUNE 2017.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

### Option A: Elect Online (Recommended)

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

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Once logged in to the Investor Portal you will be able to access your election by clicking on the 'Offers' menu on the left-hand navigation panel.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



### Option B: Paper Election

**Step 1:** Make your election below:

**A** PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

#### **B** REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES

Please provide your EFT details below.

BSB Number

Account Number

Name in which account is held (e.g.: John Smith)



**DO NOT USE YOUR CARD NUMBER**

If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

**Note:** Do not complete section B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A.

**Step 2:** Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

**SUPPORT YOUR COMPANY:** By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

**Step 3:** Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Sole Director or Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

# INSTRUCTIONS FOR COMPLETION OF THIS FORM

## ELECTION OPTIONS

### **A** RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

### **B** SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

## SIGNING REQUIREMENTS

<b>Individual:</b>	Where the holding is in one name, the Shareholder must sign.
<b>Joint holding:</b>	Where the holding is in more than one name, all of the Shareholders must sign.
<b>Power of Attorney:</b>	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
<b>Companies:</b>	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
<b>Estates:</b>	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

### LODGING YOUR SHARE SALE FACILITY FORM

This form must be received at an address given below by 5.00PM (AEST) on Friday 23 June 2017.

#### ONLINE

By following the instructions overleaf

#### BY EMAIL

Scan and email a copy of your form to [hello@automic.com.au](mailto:hello@automic.com.au)

#### BY FACSIMILE

+61 2 8583 3040

#### BY MAIL

Xped Limited  
C/- Automic  
PO Box 2226  
Strawberry Hills NSW 2012

#### BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic  
Level 3  
50 Holt Street  
Surry Hills, NSW 2010

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEST) ON FRIDAY 23 JUNE 2017**