



XREF LIMITED

ACN 122 404 666

NOTICE OF ANNUAL GENERAL MEETING

TIME: 4:30pm

DATE: 28 November 2018

PLACE: Xref Limited
Suite 17, Level 3, 13 Hickson Road, Dawes Point NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (02) 8244 3099.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Meeting will be held at 4:30pm (AEST) on 28 November 2018 at:

Xref Limited
Suite 17, Level 3, 13 Hickson Road, Dawes Point NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm on 26 November 2018.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

BUSINESS OF THE MEETING

AGENDA

1. TO CONSIDER THE FINANCIAL STATEMENTS AND REPORTS

To consider the Reports of the Directors and the Auditor and the Financial Statements of the Company for the year ended 30 June 2018.

Note: This item of business is for discussion purposes only and is not a Resolution. Shareholders will be given a reasonable opportunity at the Annual General Meeting (AGM) to ask questions about or make comments in relation to each of the reports during the consideration of these items.

2. RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR TIMOTHY MAHONY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Timothy Mahony, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ADOPTION OF EMPLOYEE OPTION PLAN

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 259B(2) and Section 260C(4) of the Corporations Act and ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to issue securities under the Company’s Employee Option Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4 – APPROVE A 10% PLACEMENT FACILITY

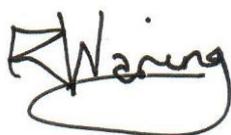
To consider and, if thought fit, to pass, the following resolution as a **special resolution**:

“That, pursuant to, and in accordance with, ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour on Resolution 4 by any person (and any associates of such a person) who may participate in the 10% Placement Facility and any person (and any associates of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 4 is passed. However, the Company need not disregard any vote by any such persons if it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the person who is chairing the AGM as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 23 October 2018

By order of the Board



Robert J Waring
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the AGM.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's annual financial report is available in the Investor Centre section of its website at <https://xref.com/en/au>.

2. RESOLUTION 1 – REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 10.2(b) of the Constitution provides that if the ASX Listing Rules require an election of Directors to be held at an annual general meeting, the Director to retire is:

- (a) the Director who has held office for the as Director the longest period of time since his or her last election or appointment to that office; or
- (b) if two or more Directors have held office for the same period of time, the Director determined by lot, unless those Directors agree otherwise.

The Managing Director is not subject to the requirement to retire pursuant to clause 10.2 of the Constitution.

Messrs Timothy Mahony, Brad Rosser and Nigel Heap, who have each held office for the same amount of time since their last election, have agreed between themselves that Mr Mahony will retire and stand for re-election at the Annual General Meeting.

3.2 Qualifications and other material directorships

Timothy Mahony spent 16 years in investment banking, specialising in capital markets and debt trading. Tim has been involved, as investor or founder, in a number of technology start-ups, either successfully exiting the business or growing the business to a mature growth phase. He is a founder and director of Globalx Information, a digital information company providing information, software and services to the legal, corporate and spatial markets throughout Australia and the UK.

Independence

If elected the Board considers Mr Mahony will be an independent director.

3.3 Board recommendation

The Board (except Mr Mahony) supports the re-election of Mr Mahony and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ADOPTION OF EMPLOYEE OPTION PLAN

Resolution 3 seeks Shareholder approval for the adoption of the amended employee incentive scheme titled Employee Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)), and for the purpose of Section 259B(2) and Section 260C(4) of the Corporations Act.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Section 259B(2) of the Corporations Act permits a company to take security over its own shares under an employee incentive scheme that has been approved by a resolution of shareholders.

Section 260C(4) of the Corporations Act permits a company to provide financial assistance for the acquisition of shares in the company if it is given under an employee incentive scheme that has been approved by a resolution of shareholders.

If Resolution 3 is passed, the Company will be able to:

- (a) issue Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period; and
- (b) provide a non-recourse loan to employees to acquire Shares upon the exercise of Options issued under the Option Plan, and to buy-back those Shares in certain circumstances.

The Option Plan was last approved by a resolution of Shareholders on 27 May 2016. The Company has previously issued a total of 3,626,940 Options under the Option Plan.

Since the adoption of the Option Plan, the Board has decided to amend the terms of the Option Plan to facilitate the offer of a loan to participants of the exercise price of the Options granted under the Plan.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Option Plan (as amended) is set out in Schedule 1. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

5. RESOLUTION 4 – APPROVE A 10% PLACEMENT FACILITY

Resolution 4 seeks Shareholder approval for a 10% placement facility. ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12-month period after its annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity, for the purpose of ASX Listing Rule 7.1A, is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of A\$300 million or less. Xref is an eligible entity. The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section Formula for Calculating 10% Placement Facility below).

Description of ASX Listing Rule 7.1A

Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an annual general meeting.

Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities in Xref. The Company, as at the date of this Notice of AGM, has on issue the following classes of Equity Securities:

- 163,585,697 fully paid ordinary shares quoted on ASX;
- 16,666,666 C Class Performance Rights, not quoted on ASX;
- 1,992,673 Options, not quoted on ASX, with an exercise price of A\$0.23 and an expiry date of 1 February 2019;
- 5,400,000 Options, not quoted on ASX, with an exercise price of A\$0.70 and an expiry date of 25 November 2021;
- 2,500,000 Options, not quoted on ASX, with an exercise price of A\$0.70 and an expiry date of 25 November 2022;
- 906,870 Options issued under the Employee Option Plan (EOP), not quoted on ASX, with an exercise price of A\$0.585 and an expiry date of 3 July 2021;
- 220,070 Options issued under the EOP, with an exercise price of \$0.66 and an expiry date of 5 February 2022; and
- 2,500,000 Options issued under the EOP, with an exercise price of \$0.70 (with 1,000,000 options that vested on 12 February 2018 and expiring if not exercised by 12 February 2021, with 750,000 options vesting on 12 February 2019 and expiring if not exercised by 12 February 2022, and with 750,000 options vesting on the later of 12 February 2020 or when the Company achieves cash flow breakeven and expiring if not exercised by 12 February 2023).

Formula for Calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities that have obtained shareholder approval at an annual general meeting may issue, or agree to issue, during the 10% Placement Period (refer to section 10% Placement Period below), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid ordinary shares in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under ASX Listing Rules 7.1 and 7.4;
- less the number of fully paid ordinary shares cancelled in the 12 months.

(Note that A has the same meaning as in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.)

- D** is 10%
- E** is the number of Equity Securities issued, or agreed to be issued, under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue, or agreement to issue, that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

ASX Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice of AGM, Xref has on issue 163,585,697 fully paid ordinary shares and therefore has a capacity to issue:

- (a) 24,537,854 Equity Securities under ASX Listing Rule 7.1; and
- (b) subject to Shareholder approval being obtained under Resolution 4, 16,358,569 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section Formula for Calculating 10% Placement Facility above).

Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume-weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within five Trading Days of the date referred to in section Minimum Issue Price (a) above, the date on which the Equity Securities are issued.

10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (b) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (10% Placement Period).

ASX Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period in addition to using Xref's 15% placement capacity under ASX Listing Rule 7.1. Resolution 4 is a Special Resolution and therefore requires approval of at least 75% of the votes cast by Shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the Resolution.

Specific Information Required by ASX Listing Rule 7.3A

Pursuant to, and in accordance with, ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in these Explanatory Notes:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in section Specific Information Required by ASX Listing Rule 7.3A (a)(i) above, the date on which the Equity Securities are issued.
- (b) There is a risk that:
- (i) the market price for Xref's Equity Securities in the same class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities in the same class on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the risk of voting dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of AGM. The table also shows:

- two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary shares Xref has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, a pro rata entitlement issue) or future-specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		A\$0.315 50% decrease in Issue Price	A\$0.63 Issue Price	A\$1.26 100% increase Issue Price
Current Variable A: 163,585,697 Shares	10% Voting Dilution	16,358,569 shares	16,358,569 shares	16,358,569 shares
	Funds Raised	A\$5,152,949	A\$10,305,898	A\$20,611,798
50% increase in current Variable A: 245,378,545 Shares	10% Voting Dilution	24,537,854 shares	24,537,854 shares	24,537,854 shares
	Funds Raised	A\$7,729,424	A\$15,458,848	A\$30,917,696
100% increase in current Variable A: 327,171,394 Shares	10% Voting Dilution	32,717,139 shares	32,717,139 shares	32,717,139 shares
	Funds Raised	A\$10,305,898	A\$20,611,797	A\$41,223,595

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - No current Options are exercised into Shares before the date of the issue of the Equity Securities;
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of a placement under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
 - The table shows only the effect of the issue of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1 and no other issues of Equity Securities;
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
 - The issue price is A\$0.63, being the closing price of the Shares on ASX on 4 October 2018.
- (c) Xref will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances Xref will provide a valuation of the non-cash consideration as referred to in the Note to ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), for continued development of the Xref business in Australia, the UK and in Canada, and for ongoing future working capital purposes.
- (e) The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (f) Xref's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities and the number of Equity Securities allotted to each allottee will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (i) the methods of raising funds that are available to the Company, including, but not limited to, a rights issue or other issue in which the existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of Xref;

- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of AGM, but may include existing substantial Shareholders and / or new shareholders who are not related parties or associates of a related party of Xref. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments, or the nominee of such vendors.

- (g) Xref previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 20 November 2017 AGM, and issued 13,334,334 Shares under that approval.
- (h) The total number of Equity Securities issued in the 12 months preceding the date of this Meeting is 19,654,851, made up of 15,849,570 fully paid ordinary shares, and 3,805,281 Options. In addition, 16,666,667 A Class Performance Rights converted into ordinary shares on 4 December 2017, upon achievement of the relevant performance milestones. The issue of Shares, excluding those issued on conversion of Performance Rights, represents approximately 13.3% of the total fully paid ordinary shares and 9.6% of the fully diluted Equity Securities on issue at the commencement of the 12-month period prior to the date of this Notice of AGM. Details of these issues are:

Ordinary Shares

On 4 December 2017 the Company issued 16,666,667 fully paid ordinary shares upon the conversion of 16,666,667 A Class Performance Rights upon achievement of the relevant performance milestones.

On 26 September 2018 the Company issued 550,000 fully paid ordinary shares on exercise of 550,000 options with an exercise price of \$0.23.

On 28 September 2018 the Company issued 13,333,334 fully paid ordinary shares in a placement at a price of \$0.60 per Share. The placement was made to new and existing institutional investors under ASX Listing Rule 7.1A. The placement was managed by Ord Minnett Limited. The issue raised \$8,000,000 before costs to provide working capital for Xref to support Xref's international expansion, which includes its ongoing focus on strategic integrations and partnerships, and help to drive the key business metrics of client acquisition, client adoption and annual revenue per account (ARPA), as detailed in the investor presentation lodged on ASX on 3 September 2018.

On 5 October 2018 the Company issued 1,966,236 fully paid ordinary shares on exercise of 1,966,236 options with an exercise price of \$0.23.

Performance Rights

On 4 December 2017 the Company issued 16,666,667 fully paid ordinary shares upon the conversion of 16,666,667 A Class Performance Rights upon achievement of the relevant performance milestones.

Options

On 25 September 2017 the Company issued 1,055,499 Options under the Company's Employee Option Plan to eligible parties. The options were issued for no cash consideration to 52 of Xref's employees and five of its contractors, and have an exercise price of \$0.585, vest on 3 July 2018 and will expire if not exercised by 3 July 2021. Since that date 148,629 options have expired following the resignation of employees and the balance on issue is 906,870 options.

A Voting Exclusion Statement is included in this Notice of AGM. At the date of this Notice of AGM, the Company has not approached any particular existing Shareholder or security holder, or an identifiable class of existing security holder, to participate in the issue of the Equity Securities.

No existing Shareholders' votes will therefore be excluded under the Voting Exclusion Statement in this Notice of AGM.

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 4. The Chairman intends to vote any undirected proxies in favour of Resolution 4.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales, Australia.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Xref Limited (ACN 122 404 666).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Option Plan means the Company's Employee Option Plan, a summary of which is set out in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SCHEDULE 1 – SUMMARY OF TERMS OF EMPLOYEE OPTION PLAN

The key terms of the Company's Employee Option Plan (**Plan**) are as follows:

1. Invitation and Grant of Options

At the invitation of the committee of the Board responsible for administering the Plan (**Plan Committee**), persons eligible to participate in the Plan (**Participant**) may be granted Options under the Plan (**Plan Options**) which, subject to the relevant conditions of their vesting being satisfied or waived in accordance with the rules of the Plan (**Plan Rules**), will entitle the Participant to subscribe for Shares upon paying the applicable exercise price. No cash consideration is payable by Participants for the grant of Plan Options.

2. Participants and Eligibility

The Plan Committee has sole discretion in determining who should be invited to participate in the Plan. Employees, Directors and contractors of the Company and its related bodies corporate (**Eligible Persons**) are eligible to become Participants. However, the grant of any Plan Options to Directors under the Plan is subject to all legal and regulatory requirements, including the requirement to first obtain shareholder approval under ASX Listing Rule 10.14. Directors Lee-Martin Seymour and Timothy Griffiths are specifically excluded from participating in the Plan.

3. Maximum Issue Capacity

The maximum number of Options that may be issued under the Plan is 5% (by number) of the total number of Shares on issue (on an undiluted basis) at the relevant time.

4. Vesting Conditions

Unless otherwise determined by the Plan Committee, Plan Options will vest on the third anniversary of their date of issue (**Vesting Date**), subject to the conditions to their vesting being satisfied or waived by the Vesting Date.

It is a continuous condition of the vesting of any Plan Option that, except in Special Circumstances (namely, the death or total and permanent disablement of the relevant Participant, the redundancy of a Participant's position in the Group or such other circumstance determined by the Plan Committee), the Participant holding the Plan Option must have been an Eligible Person at all times since the date of grant of the Plan Option to its Vesting Date.

The Plan Committee may also impose additional conditions to the vesting of a Plan Option, including performance conditions and hurdles.

The Plan Committee has discretion to waive or vary at any time, the vesting conditions to any Plan Option. Subject to such discretion and the abovementioned Special Circumstances, if any vesting condition to a Plan Option is not satisfied before 5:00pm (AEST) on its Vesting Date, that Plan Option will automatically lapse.

5. Exercise Period

Unless otherwise determined by the Plan Committee, once vested, a Plan Option will generally be capable of exercise at any time from its Vesting Date to the seventh anniversary of the date on which it was granted or, where a relevant Special Circumstance has arisen, the first anniversary of the date of occurrence of that Special Circumstance (**Exercise Period**).

The Exercise Period for a Plan Option may be shortened if, for example, the Plan Committee forms the opinion that the relevant Participant has engaged in conduct that brings the Group into disrepute or entitles the Group to immediately terminate his / her employment or engagement with the Group.

If a vested Plan Option is not exercised in accordance with the Plan Rules within its Exercise Period, it will automatically lapse and all of the rights of the Participant in respect of that Plan Option will immediately cease.

6. Exercise Price

The price at which vested Plan Options may be exercised into Shares (**Exercise Price**) is determined by the Plan Committee, at its discretion, at the time of grant.

7. Loan of Exercise Price

The Plan Committee may, in its absolute discretion, grant a non-recourse loan to the Participant for the purpose of paying the applicable Exercise Price for the Participant's Plan Options (**Loan**).

The offer of the Loan may be made by the Plan Committee at the time of grant of the Options or at any time during the Exercise Period, and must include:

- (a) the maximum amount of the Loan (which must not exceed the total Exercise Price for the Plan Options granted to the Participant); and
- (b) the Loan repayment date.

The Loan shall include the following material terms:

- (c) (**Loan**): Where a Participant agrees to a Loan after the approval from Shareholders:
 - (i) a loan agreement is deemed to arise between the Company and the Participant on the terms set out in the Plan;
 - (ii) the Company is authorised to loan the amount equal to the total exercise price applicable to the Plan Options held by the Participant and exercised on receipt of a valid exercise notice for the Plan Options from the Participant following the vesting of the Plan Options; and
 - (iii) the Participant is deemed to direct the Company to apply the Loan amount towards paying the amount equal to the Exercise Price for the Options exercised.
- (d) (**Interest**): A Loan will be interest free unless the Company and the Participant agree otherwise. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Participant and which arises from the interest arrangements for the Loan. Any other tax liability payable on exercise of the Plan Options or sale of the Shares issued will be to the account of the Participant.
- (e) (**Cash Dividends**): A Participant is deemed to have irrevocably directed the Company to apply any cash dividends in respect of Shares held by the Participant on exercise of Options pursuant to the Loan to repayment of any outstanding Loan Amount under the

Participant's Loan. Any surplus of the cash dividend after repayment of the Loan will be paid to the Participant.

- (f) **(Repayment):**
- (i) Subject to the limited recourse nature of the Loan summarised in paragraph (f) below, a Loan is repayable in full on the loan repayment date specified in the offer of the Loan (**Loan Repayment Date**) unless earlier repayment is otherwise required under the Plan.
 - (ii) A Participant may repay all or part of its Loan to the Company at any time prior to the Loan Repayment Date.
 - (iii) The Company shall have a lien over the Shares issued upon the exercise of the Plan Options in respect of which a Loan amount is outstanding, and the Company shall be entitled to sell or buy-back those Shares in accordance with the terms of the Plan.
 - (iv) A Loan in respect of a Share shall be immediately repayable in full where:
 - (A) the Company notifies the Participant that the Share is to be bought back under the Plan due to fraud, dishonesty or other improper behaviour of the Participant; or
 - (B) the Participant breaches any condition of the Loan or the Plan.
- (g) **(Limited Recourse Loan):** A loan will be non-recourse except against the Shares held by the Participant to which the Loan relates. In the event the Shares are bought back and cancelled under the terms of the Plan, any Loan will be deemed to be forgiven.
- (h) **(Discretion to forgive Loan):** The Plan Committee may, in its absolute discretion, agree to forgive a Loan granted under the Plan.

8. Shares Issued Upon Exercise and Attaching Rights

A Share allotted upon exercise of a Plan Option (**Resulting Share**) will, upon its issue, rank pari passu in all respects with all other Shares on issue.

A Resulting Share will entitle its holder to participate fully in dividends declared by the Company after the date of allotment of that Resulting Share and all issues of securities offered pro rata to Shareholders where the record date for such offers falls after the date of allotment of that Resulting Share. Until a Plan Option is vested and exercised, however, the Plan Option does not confer any rights to participate in dividends, issues of securities or voting rights upon the Participant.

9. Quotation

If at the time of exercise of any Plan Option, Shares are quoted on ASX, the Company will apply for official quotation of any Share issued upon the exercise of that Plan Option, on ASX. Plan Options will not however be quoted on ASX or any other securities exchange.

10. Dealings in Plan Options and Resulting Shares

Plan Options are personal to Participants and, other than in certain permitted circumstances (such as pursuant to an off-market bid relating to the Plan Options or a transfer approved by the Board), cannot be sold, transferred, encumbered or otherwise dealt with.

Resulting Shares will generally be freely tradeable after their issue, subject to compliance with the Company's Securities Trading Policy. The Plan Committee may, however, in its discretion,

when making an offer of Plan Options, require that any Shares issued upon the exercise of those Plan Options be restricted from sale, transfer, encumbrance or other dealing, for a period of up to three years after the vesting of those Plan Options (**Restriction Period**). In such circumstances, the Resulting Shares will be placed under a holding lock for the duration of the Restriction Period, unless earlier release is permitted under the Plan Rules (for example, where a Control Event has occurred, a Participant is experiencing severe financial hardship or a Participant has ceased to be an Eligible Person).

11. Accelerated Vesting

If an event occurs which:

- (a) causes a change in the control of the Company – that is, a change in the person(s) holding the right to:
 - (i) cast at least 50% of the votes on the election or removal of Directors;
 - (ii) appoint or remove Directors holding at least 50% of the votes exercisable by all Directors; or
 - (iii) at least 50% of the Company's profits, distributions or net liquidation proceeds; or
- (b) the Plan Committee reasonably determines should be regarded a Control Event,

any Plan Options that have not yet vested at that time and are held by a Participant who remains an Eligible Person or who has been subject to a Special Circumstance, will, subject to any conditions imposed by the Planning Committee, immediately vest and become capable of exercise.

Unless the Plan Committee determines otherwise, a Control Event includes where a takeover bid for the Company's Shares is recommended by the Board or a scheme of arrangement, which would have a similar effect to a full takeover bid, is announced by the Company.

12. Adjustment in the Event of New Issues

Under the Plan Rules, subject to the ASX Listing Rules, if the Company makes:

- (a) a bonus issue of Shares to Shareholders prior to the exercise of a Plan Option, the number of Resulting Shares over which that Plan Option is exercisable is to be increased by such number of Shares as the Participant would have received had that Plan Option been exercised before the record date for that bonus issue; and
- (b) a pro rata issue of Shares to Shareholders (other than a bonus issue) prior to the exercise of a Plan Option, the Exercise Price of that Plan Option is to be reduced in accordance with the formula prescribed in ASX Listing Rule 6.22.2.

13. Amendment to Plan Rules

Subject to the ASX Listing Rules, the Board may at any time amend all or any of the provisions of the Plan Rules, including with retrospective effect, provided that the amendment does not reduce any accrued rights attaching to Plan Options except:

- (a) with the prior consent of those Participants holding, between them, at least 75% of the total number of Plan Options on issue at the relevant time that may be affected by the proposed amendment; or
- (b) in certain other limited circumstances (for example, to enable any Group Company to comply with the Corporations Act, ASX Listing Rules or any other legal requirement).

Lodge your vote:

 **Online:**
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 Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

XF1

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

Proxy Form

XX

Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

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 4:30pm (AEDT) on Monday, 26 November 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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 registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments and Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return it 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 your address on this form has been printed incorrectly, please mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commencing with an 'X') should advise their broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Xref Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Xref Limited to be held at the Company's office at Suite 17, Level 3, 13 Hickson Road, Dawes Point, Sydney on Wednesday, 28 November 2018 at 4:30pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration-related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 3 (except where I/we have indicated a different voting intention below) even though Items 1 and 3 are connected directly or indirectly with the remuneration of members of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 3 by marking the appropriate box or boxes in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of a Director - Mr Timothy Mahony	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approve a 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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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Computershare +