

Release to the Australian Securities Exchange Notice of Annual General Meeting for XTEK Limited

Thursday 24 October 2019: XTEK Limited (ASX:XTE) advises that the Annual General Meeting of the Company, is scheduled to commence at 12.30 pm on 29 November 2019 at XTEK Head Office, 3 Faulding Street, Symonston, ACT 2609.

A copy of the Notice of Meeting, Explanatory Statement and Proxy Form are attached and form part of this announcement.

About XTEK Limited

XTEK Limited provides high-quality products to deliver tailored solutions to the government, law enforcement, military, space and commercial sectors. XTEK is focused on developing and commercialising its proprietary technologies by leveraging its established distribution network.

These technologies include XTclave™ produced ballistic products and advanced composite solutions, and XTatlas™ real time contextual video, which provide unique solutions for western military forces and other government agencies. In addition, the supply and maintenance of Small Unmanned Aerial Systems (SUAS) remains a focus for XTEK.

For more information visit the XTEK website at www.xtek.net

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
24 October 2019



NOTICE OF ANNUAL GENERAL MEETING

Friday 29 November 2019

Notice is hereby given that the Annual General Meeting of the Shareholders of XTEK Limited ('Company' or 'XTEK') will be held at XTEK Head Office, 3 Faulding Street, Symonston, ACT 2609, on Friday 29 November 2019, commencing at 12:30 pm. The Explanatory Notes that accompany and form part of this Notice of Annual General Meeting describe the various matters to be considered.

MEETING AGENDA

ORDINARY BUSINESS

1. Chairman's Address

2. Financial Statements and Reports

To receive and consider:

- 2019 Financial Report;
- Directors' Report; and
- Auditor's Report for the Financial Year 2019.

Note: The Auditor of XTEK or their representative, will be available to receive questions relevant to the Financial Report and the Auditor's Report.

3. Resolutions

Resolution 1

Adopt Remuneration Report

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

"That the Remuneration Report, as set out in the Annual Report for the Financial Year ended 30 June 2018, be adopted."

Resolution 2

Re-election of Mr. Uwe Boettcher as a Director

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

"That, for the purpose of section 201H(3) of the Corporations Act and for all other purposes, that Mr. Uwe Boettcher, being a retiring Director and being eligible, be re-elected as a Director of the Company."

Resolution 3

Ratification of Issue of New Securities

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

"That, in compliance with ASX Listing Rule 7.4, Shareholders ratify the issue of 12,387,064 new ordinary securities in the capital of the Company, as per the terms set out in the Explanatory Statement"

Resolution 4 (Special)

Additional placement capacity

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

"That, in compliance with ASX Listing Rule 7.1A, an additional placement capacity of up to 10% of the Company's capital, to issue equity securities, is approved as per the terms and conditions as set out in the Explanatory Statement."

Resolution 5

Approval to Issue New Securities to Directors

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

"That, in compliance with ASX Listing Rule 10.14, and for all other purposes, the issue of up to 500,000 new securities (fully paid ordinary shares) to Directors of the Company is approved as per the terms and conditions set out in the Explanatory Statement."

Resolution 6

Non-Executive Directors' Maximum Aggregate Remuneration

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

"That, in accordance with clause 6.3(b) of the Company's constitution and Australian Securities Exchange Listing Rule 10.17, an increase of \$180,000 in the non-executive Directors' maximum aggregate remuneration level from \$320,000 per annum to \$500,000 per annum be approved"

OTHER BUSINESS

4. Other Business

To transact any other business that may be legally brought forward at the AGM

VOTING EXCLUSIONS

Resolution 1

In accordance with the Corporations Act, a vote must not be cast (in any capacity), and the Company will disregard any such votes cast on Resolution 1 by any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the appointment of the Chair does not specify the way in which the Chair is to vote and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Alternatively, Shareholders can nominate as their proxy for the purpose of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies.

Resolution 2

There are no voting exclusions for Resolution 2

Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by a person and any associates of those persons who participated in the issue of new securities for Placements made in July 2019 by the Company in accordance with ASX Listing Rules 7.1 and 7.1A.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by a 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.

Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons, if Resolution 4 is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by a 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.

As at the date of this Notice of Meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in an issue of new securities under ASX Listing Rule 7.1A

Resolution 5

The Company will disregard any votes cast in favour of Resolution 5 by on behalf of any Director of the entity and associates of any of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by a 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.

Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 by any Director of the entity and associates of any of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by a 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.

DETERMINATION OF VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Annual General Meeting, will be as it appears in the share register at 7.00pm (Canberra Time) on Wednesday, 27 November 2019.

By order of the Board



Lawrence Gardiner
Company Secretary
22 October 2019

EXPLANATORY STATEMENT PURPOSE OF INFORMATION

The purpose of this Explanatory Statement, which is included in and forms part of the Notice of Annual General Meeting (AGM) dated 22 October 2019, is to provide members with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the AGM to be held on Friday 29 November 2019 commencing at 12:30pm at XTEK Head Office, 3 Faulding Street, Symonston, ACT 2609 and to assist members to determine how they wish to vote on each resolution.

FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the Directors of a public company are required to hold an Annual General Meeting and must table the financial statements and reports of the Company (including the Directors' Report and Auditor's Report) for the previous financial year before the members at that AGM.

Shareholders have been provided with all relevant information concerning the Company's financial statements, the Directors' Report and Auditor's Report in the Annual Report of the Company for the year ended 30 June 2019. A copy of the Annual Report has been forwarded to each Shareholder (other than those Shareholders who have previously notified the Company that they elect not to receive the Annual Report, whether in paper form or electronically). Any Shareholder who has made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company to arrange receipt. The Annual Report can also be viewed, printed and downloaded from the Company's website www.xtek.net. A copy of the financial statements, the Directors' Report and the Auditor's Report will be tabled at the AGM.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the AGM is to provide the Shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements and/or the reports at the meeting. It is not the purpose of the meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements or the reports (other than the Remuneration Report) will be put to the Shareholders at the meeting.

Members will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's Auditor will also be available to receive questions and comments from Shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

Further, any Shareholder entitled to cast a vote at the AGM may submit written questions to the Auditor if:

The question is relevant to:

- the content of the Auditor's Report to be considered at the AGM; or
- the conduct of the audit of the 2019 financial report to be considered at the AGM.

The Shareholder gives the question to the Company no later than 5 business days before the day on which the AGM is to be held, and the Company will then pass the question on to the auditor. At the AGM, the Company will allow a reasonable opportunity for the auditor to answer written questions submitted to the auditor.

REMUNERATION REPORT (Resolution 1)

The Directors' Report for the year ended 30 June 2019 contains a Remuneration Report section of the Annual Report, which may accompany this Notice but, in any event, is available on the Company's website www.xtek.net. This report sets out the policy for remuneration of the Directors and Key Management Personnel for the Company.

Section 250R (2) of the Corporations Act requires that a resolution be put to the Shareholders of listed companies at their AGM, that the Remuneration Report be adopted. Pursuant to Section 250R (3) of the Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company. At the 2018 AGM, the Company's Remuneration Report for the year ended 30 June 2018 did not receive a 'no' vote of 25% or more from Shareholders.

Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1
The Chairman intends to vote all undirected proxies in favour of Resolution 1.

RE-ELECTION OF MR. UWE BOETTCHER AS A DIRECTOR (Resolution 2)

Clause 6.1 (f) and (g) of the Company's Constitution requires at least one Director retire from office and be subject to re-election (if sought) at the next AGM of the Company, when the Director may be re-elected. In accordance with Clause 6.1 (g) Mr. Boettcher has agreed to retire at the 2019 AGM. He is eligible for re-election and is seeking re-appointment as a Director.

The Directors (other than Mr. Boettcher) recommend that Shareholders vote in favour of Resolution 2.
The Chairman intends to vote all undirected proxies in favour of Resolution 2.

Biography of Mr. Uwe Boettcher

Mr. Uwe Boettcher, aged 67, was appointed a Director of the Company on 28 April 2009 and subsequently appointed Chairman of the Company on 25 June 2009. Mr. Boettcher is the Principal of the law firm, Boettcher Law, starting his career at the firm now known as King & Wood Mallesons. He is a Fellow of the Australian and New Zealand College of Notaries. In 2011 he was appointed as a Foundation Fellow of the Australian Association of Angel Investors. In 2005 he was appointed a Fellow of the Australian Institute of Banking and Finance. In 1996/97 he was the Treasurer of the ACT Law Society. Mr. Boettcher has a special interest in commercialising new and innovative technologies, investing in them and bringing them to market.

Other Directorships

- Chairman of the Kord Defence Group of Companies, and Health-Innovate Pty Limited,
- Director of Lava Blue Limited, Greenmag Group Pty Ltd, Capital Angels Pty Limited, Manuka Corporate Pty Limited and Mineral Carbonation International Pty Limited.

Interest in Shares/Options: Mr Boettcher has a relevant interest in 5,626,929 ordinary shares.

RATIFICATION OF ISSUE OF NEW SECURITIES (Resolution 3)

Pursuant to ASX Listing Rule 7.4, the Company is seeking shareholder ratification of the issue of 12,387,064 New Securities in order to give it maximum flexibility to issue new securities in the forthcoming 12 months. By doing so, the Company is able to refresh its ability (under ASX Listing Rule 7.1) to issue up to the maximum limit of 15% of its issued capital in any 12 month period without shareholder approval. In order to obtain approval of Resolution 3, the Company is required to provide certain information in accordance with ASX Listing Rule 7.5, this information is set out below:

- Number of New Securities issued in the past 12 months – 12,387,064 new securities, comprising:
 - 232,228 New Securities issued on 20 December 2018 to staff, at an issue price of \$0.39 per security
 - 6,053,984 New Securities issued on 24 July 2019 by placements to sophisticated investors, at an issue price of \$0.45 per security
 - 1,900,852 New Securities issued on 9 August 2019 to Security Holders under the XTEK Share Purchase Plan, at an issue price of \$0.45
 - 200,000 New Securities issued on 29 August 2019 to a related party (approved at 2018 AGM), at an issue price of \$0.45 per security
 - 4,000,000 New Securities issued on 30 September 2019, being consideration for the acquisition of HighCom Armor Solutions at an issue price of \$0.72 per security
- Issue price – As detailed above.
- Terms of the New Securities – Each New Security will rank equally, from the date of issue, with all XTEK's other issued fully paid ordinary shares.
- Name of Recipients – Existing Security Holders, Sophisticated Investors and HighCom Global Inc.
- Use of funds – to raise working capital; primarily for development and commercialisation of XTclave™ and XTatlas™ technologies and the acquisition of HighCom Armor Solutions.

Voting Exclusion Statement – A voting exclusion statement is set out in the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.
The Chairman intends to vote all undirected proxies in favour of Resolution 3.

ADDITIONAL PLACEMENT CAPACITY (Resolution 4)

Pursuant to ASX Listing Rule 7.1A, the Company is seeking approval by a special resolution for an additional placement capacity of up to 10% of the Company's capital, in order to give it maximum flexibility for the issue of new securities in the forthcoming 12 months (should that need arise).

In order to obtain approval of Resolution 4, the Company is required to provide certain information in accordance with ASX Listing Rule 7.3A. This information is set out below in the Disclosure Statement.

Disclosure Statement

- Minimum issue price – The new securities, if issued, will be issued at a price that is not less than 75% of the volume weighted average price of Company securities calculated over the 15 trading days recorded immediately prior to the date of issue. Each new security issued will rank equally, from the date of issue, with all XTEK's other issued fully paid ordinary shares.
- Risk of economic and voting dilution – If Resolution 4 is approved by Shareholders and the Company issues new securities under the 10% additional placement facility, existing shareholders may be subject to both economic and voting power dilution. There is a risk that:
 - the market price of the Company's securities may be significantly lower on the date of the issue of the new securities than at the date of the AGM;
 - the new securities may be issued at a price that is at a discount to that of the market price for the Company's securities on the issue date for the new securities; and
 - the new securities may be issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the new securities.

The Potential Dilution Table below shows the potential dilution of existing shareholders for issues made under ASX Listing Rule 7.1A only, on the basis of the market price of the Company's securities on 17 October 2019 and based on the number of ordinary securities on issue as of the date of this Notice.

Potential Dilution Table

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.45 Issue Price 50% decrease in Issue Price	\$0.90 Issue Price (17 October 2019)	\$1.80 Issue Price 100% increase in Issue Price
Current variable "A" 52,734,742 shares	10% Voting Dilution	5,273,474 shares	5,273,474 shares	5,273,474 shares
	Funds Raised	\$2,373,063	\$4,746,126	\$9,492,252
50% increase in current variable "A" 105,469,484 shares	10% Voting Dilution	10,546,948 shares	10,546,948 shares	10,546,948 shares
	Funds Raised	\$4,746,126	\$9,492,253	\$18,984,506
100% increase in current variable "A" 210,938,968 shares	10% Voting Dilution	21,093,896 shares	21,093,896 shares	21,093,896 shares
	Funds Raised	\$9,492,253	\$18,984,506	\$37,969,012

Note: The Table gives theoretical examples of the Variable "A" as per ASX Listing Rule 7.1A.2 based on the assumption that the Company issues the maximum allowable new securities available under the 10% Placement Facility. Additionally, the Table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements made under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

- Date by which securities may be issued – The Company will only allot and issue the new securities during the 10% Placement Period which will expire on 28 November 2020. Any approval for Resolution 4 as granted by Shareholders for the issues of new securities, will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change in nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- Purposes for which the new securities may be issued – The Company may issue the new securities under the following circumstances:
 - Cash consideration – to raise working capital; primarily for innovation and commercialisation of XTclave™ and XTAtlas™ technologies and for merger and acquisition purposes; and
 - Non-cash consideration – for the non-cash acquisition of new assets and investments. The Company will provide a valuation of any non-cash consideration pursuant to ASX Listing Rule 7.1A.3.
- Allocation policy – The Company's allocation policy for any issues made under the approval will be dependent on the prevailing market conditions at the time of any proposed issues made pursuant to the 10% Placement Facility. As at the date of this Notice, the Company has no specific plans to issue new securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential (if any) issue of new securities under ASX Listing Rule 7.1A. Any such issue would be to existing security holders and or sophisticated investors as determined by the Board of Directors. All issues will be limited as per the issue formula defined in ASX Listing Rule 7.1A.2 (A x D) – E.
- Previous approval – The Company obtained previous approval under ASX Listing Rule 7.1A from Shareholders at the 2018 AGM held on 23 November 2018.
- Securities issued since last AGM – The Company has issued a total of 12,387,064 new securities since the last AGM, representing 30.7% of the total number of securities (40,347,678) on issue at the commencement of that 12 months period.

The following issues of new securities have been made since the last AGM:

- **20 December 2018** – issue of 232,228 ordinary fully paid shares, comprising 138,135 under Exception 9 to ASX Listing Rule 7.2 and a further 94,093 issued under Exception 14 to ASX Rule 7.2:
 - Summary of terms – Each new security issued ranks equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
 - Name of Recipients – Employees/Related Parties as approved by shareholders at 2018 AGM
 - Issue price of securities – \$0.39 per security.
 - Cash consideration – \$90,568.92.
- **24 July 2019** – issue of 6,053,984 ordinary fully paid shares issued to sophisticated investors (placement)
 - Summary of terms - Each new security issued ranks equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
 - Name of Recipient – Sophisticated Investors
 - Issue price of securities – \$0.45 per security
 - Cash consideration – \$2,724,292.80
- **9 August 2019** - issue of 1,900,852 ordinary fully paid shares issued to Security Holders under Exception 15 to ASX Listing Rule 7.2 (Share Purchase Plan).
 - Summary of terms - Each new security issued ranks equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
 - Name of Recipient – Existing Security Holders
 - Issue price of securities – \$0.45 per security
 - Cash consideration – \$855,383.40
- **29 August 2019** - issue of 200,000 ordinary fully paid shares issued to a Related Party vide approval at 2018 AGM.
 - Summary of terms - Each new security issued ranks equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
 - Name of Recipient – Related Party and existing Security Holder
 - Issue price of securities – \$0.45 per security
 - Cash consideration – \$90,000.00
- **30 September 2019** - issue of 4,000,000 ordinary fully paid shares, being consideration for the acquisition of HighCom Armor Solutions
 - Summary of terms - Each new security issued ranks equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
 - Name of Recipient – HighCom Global Inc
 - Issue price of securities – \$0.72 per security
 - Cash consideration – \$2,880,000.00
- Total cash raised since the last AGM – \$3,579,676.20 - These funds has been committed for working capital and to continue innovation and commercialisation of XTclave™ and XTatlas™ technologies and the acquisition of HighCom Armor Solutions

Voting Exclusion Statement – A voting exclusion statement is set out in the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote all undirected proxies in favour of Resolution 4.

APPROVAL TO ISSUE NEW SECURITIES TO DIRECTORS (Resolution 5)

Pursuant to ASX Listing Rule 10.14, the Company is seeking approval for the issue of up to 500,000 new securities (ordinary shares) to Directors of the Company under approved incentive schemes. In order to obtain approval of Resolution 5, the Company is required to provide certain information in accordance with ASX Listing Rule 10.15A. This information is set out below.

- Number of new securities to be approved for issue – Up to a maximum of 500,000 fully paid ordinary shares to be issued no later than 3 years from the date of Shareholder approval. The allocation and issue of any new securities to the nominated recipients (Directors), will be determined by the Board of Directors in accordance with Company remuneration policies.
- Future issue price – This will be based on the volume weighted average price (VWAP) for Company securities calculated over the 30 day VWAP trading period recorded prior to any future issue date, which may be based on the Preliminary Annual Report disclosure date, in each year of issue.
- Terms of the securities – Each New Security will rank equally, from the date of issue, with all XTEK’s other issued fully paid ordinary shares.
- Names of recipients – Uwe Boettcher, Christopher Fullerton, Philippe Odouard, and Robert Quodling

- Disclosure Statement – ASX Listing Rules 10.15A.7 and 10.15A.8:
 - The Company has not entered into any loans with individual Directors in relation to the potential future acquisition and issue of new securities, ASX Listing Rule 10.15A.7 refers.
 - Details of all new securities issued to Directors will be published in the respective Annual Report of the Company, relating to the period in which the new securities have been issued and that approval for the issue was obtained under ASX Listing Rule 10.14.
 - Additional Directors who become entitled to participate after approval of this resolution and who were not named in the Notice of Meeting, will not be eligible to participate until subsequent shareholder approval is obtained in accordance with ASX Listing Rule 10.14.
- Expiry date – The new securities will be issued no later than 3 years from the date of Shareholder approval.
- Previous issues – 294,093 ordinary fully paid shares issued under Exception 14 to ASX Rule 7.2

Voting Exclusion Statement – As all Directors have an interest in the outcome of this resolution, a voting recommendation to shareholders will not be made.

A voting exclusion statement is set out in the Notice of Meeting.
The Chairman intends to vote all undirected proxies in favour of Resolution 5.

NON - EXECUTIVE DIRECTORS' MAXIMUM AGGREGATE REMUNERATION (Resolution 6)

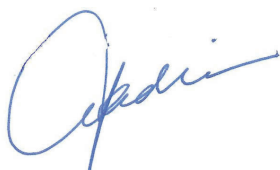
Resolution 6, if approved, would result in an increase by \$180,000 of the maximum aggregate amount of remuneration which may be paid to the Non-Executive Directors of the Company in any financial year up from \$320,000 to \$500,000. It is considered appropriate that the maximum aggregate amount of remuneration for Non-Executive Directors be increased to allow for the appointment of additional Directors to the Board and for flexibility in remuneration in the future. This is a maximum sum that will allow both the number of Directors and Directors' fees to be adjusted over a period of time in order to meet the future growth requirements of the Company.

No changes to the maximum aggregate amount of remuneration payable to the Non-Executive Directors of the Company has occurred since 28 November 2006. For the year ended 30 June 2019, the total amount of fees paid to the Non-Executive Directors amounted to \$260,000

- Disclosure Statement – ASX Listing Rule 10.17
 - All issues of new securities made to Non-Executive Directors within the proceeding three year period has been in accordance with ASX Listing Rule 10.14.
 - Shareholder approval was granted on 23 November 2018 for up to a maximum of 500,000 new securities (pool) to be issued to Directors of the Company, within a three year period.
 - On 29 August 2019, 200,000 new securities (full paid ordinary shares) were issued to Mr Uwe Boettcher, a Non-Executive Director of the Company, in recognition of his significant service to the Company.
 - No other Non-Executive Directors have been issued new securities within the proceeding three year period.

Voting Exclusion Statement – As all Non-Executive Directors have an interest in the outcome of this resolution, a voting recommendation to shareholders will not be made.

A voting exclusion statement is set out in the Notice of Meeting.
The Chairman intends to vote all undirected proxies in favour of Resolution 6.



Lawrence Gardiner
Company Secretary
22 October 2019

VOTING INFORMATION FOR SHAREHOLDERS

Voting and Proxy Votes

1. A member entitled to attend and vote at the meeting has a right to appoint a proxy.
2. The proxy need not be a member of the Company.
3. A member who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
4. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes which each proxy may exercise, each proxy may exercise half of the votes.
5. The proxy form included in this Notice of Annual General Meeting (AGM) must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorised officer or attorney.
6. To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with the Share Registry – Computershare Investor Services Pty Limited at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, using the reply paid envelope supplied, by facsimile to +61 3 9473-2555 or by voting online at www.investorvote.com.au as soon as possible and in any event not later than 48 hours prior to the time appointed for the AGM.
7. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
8. If a Shareholder appoints the Chairperson of the meeting as the Shareholder's proxy and does not specify how the Chairperson is to vote on an item of business, the Chairperson will vote, as proxy for that Shareholder, in favour of the item on a poll.
9. Members should refer to the Explanatory Statement, which accompanies and forms part of this Notice of AGM, for information regarding voting restrictions.
10. Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairperson of the AGM) a natural person to act as its representative at any general meeting.
11. The Chairman intends voting undirected proxies in favour of all resolutions.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations Shareholders entered on the Company's Register of Members as at 7:00 pm on 27 November 2019 are entitled to attend and vote at the meeting. On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

How to Vote

To record a valid vote on the resolutions, other than voting in person at the AGM, members will need to complete and lodge the Proxy Form and return it by mail, facsimile or online means (to be received no later than 28 November 2019 to the following:

Mail or Facsimile:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, VIC 3001

Facsimile number: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)


Online Voting: www.investorvote.com.au (and follow the instructions on the proxy form)


To use online voting, you will need your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. To use your smartphone voting service, scan the QR code which appears on the top of your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. A proxy cannot be appointed electronically if they are appointed under a Power of Attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

Queries

For further information in respect to the AGM, please contact the Company Secretary, Mr. Lawrence Gardiner, on (+61 2) 6163 5588 in the first instance.

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 12.30pm (AEDT) on Wednesday, 27 November 2019.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

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 XTEK 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 XTEK Limited to be held at the XTEK Head Office, 3 Faulding Street, Symonston, ACT 2609 on Friday, 29 November 2019 at 12:30pm (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, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 5 and 6 are connected directly or indirectly with the remuneration of a member 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, 5 and 6 by marking the appropriate box in step 2.

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
Resolution 1 Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr. Uwe Boettcher as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Issue of New Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to Issue New Securities to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Non-Executive Directors' Maximum Aggregate Remuneration	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

