

NOTICE OF ANNUAL GENERAL MEETING Thursday 21 November 2013

Notice is hereby given that the Annual General Meeting of the Shareholders of XTEK Limited ('Company' or 'XTEK') will be held at the Canberra Business Event Centre, Regatta Point, Commonwealth Park, Acton ACT, commencing at 12:00 noon on Thursday 21 November 2013. The details of the resolutions contained in the Notes accompanying this Notice General Meeting should be read together with and form part of this Notice of Annual General Meeting.

ORDINARY BUSINESS

1. Chairman's Address

2. Financial Statements and Reports

To receive and consider:

- the Financial Report;
- the Directors' Report; and
- the Auditor's Report for the financial year ended 30 June 2013.

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 – 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 2013, be adopted".

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

• Resolution 2 – Election of Mr. Robert Quodling 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, Shareholders confirm the appointment of Mr. Robert Quodling, being a retiring Director and being eligible, be re-elected as a Director of the Company".

• Resolution 3 – Election of Mr. Ivan Roman Slavich 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, Shareholders confirm the appointment of Mr. Ivan Slavich, being a retiring Director and being eligible, be re-elected as a Director of the Company".

- **Resolution 4 – Removal of Existing Company Auditor**

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

"That, for the purpose of section 329 (1A) of the Corporations Act and for all other purposes, Shareholders pass the resolution to have Ernst & Young removed as Auditor of the Company".

- **Resolution 5 – Appointment of New Company Auditor**

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

"That, for the purpose of section 327D (3) of the Corporations Act and for all other purposes, Shareholders pass the resolution to appoint Hardwickes the new Auditor of the Company

OTHER BUSINESS

4. Other Business

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

DETERMINATION OF VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, for the purposes of the meeting, only persons holding shares at 7.00pm on 19 November 2013 will be treated as Shareholders. This means that only those persons who are the registered holders of shares at that time will be entitled to attend and vote at the Annual General Meeting.



By Order of the Board
Lawrence A Gardiner
Company Secretary

10 October 2013

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 dated 10 October 2013) is to provide members with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the Annual General Meeting (**AGM**) to be held on Thursday 21 November 2013 commencing at 12:00noon at the Canberra Business Event Centre, Regatta Point, Commonwealth Park, Acton ACT 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 Annual General Meeting.

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 2013. 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 also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting 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:

- (a) the question is relevant to:
 - (i) the content of the Auditor's Report to be considered at the AGM; or
 - (ii) the conduct of the audit of the 2013 financial report to be considered at the AGM; and
- (b) the Shareholder gives the question to the Company no later than the 5 business days before the day on which the AGM is to be held.

REMUNERATION REPORT (Resolution 1)

The Directors' Report for the year ended 30 June 2013 contains a Remuneration Report, which sets out the policy for remuneration of the Directors and the Company Secretary.

The Corporations Act requires that a resolution be put to the Shareholders of listed companies at their Annual General Meetings that the Remuneration Report be adopted.

The Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company.

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

ELECTION OF MR. QUODLING AND MR. SLAVICH AS DIRECTORS (Resolutions 2 and 3)

Clause 6.1(c) of the Company's constitution allows the Directors, in any year to appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. A Director appointed under this clause will hold office until the next annual general meeting of the Company, when the Director may be re-elected (but will not be taken into account in determining the number of Directors who must retire by rotation). Mr. Quodling and Mr. Slavich were pointed during the year pursuant to clause 6.1(e), and must now retire at the 2013 AGM. Mr. Quodling and Mr. Slavich are eligible for re-election and are seeking re-appointment as Directors.

Biography of Mr. Robert Quodling

Mr. Robert Quodling, aged 60, was appointed a Director of the Company on 1 March 2013. Mr. Quodling has extensive experience as a leader and motivator of high performance commerce teams in the defence and aerospace sectors at the operational and executive level. His skills have been gained in a diverse range of activities including corporate governance, corporate planning, financial planning, project management, marketing, sales and business development. Mr. Quodling, as a former Army Officer, held a range of command and operational appointments in the Australian Army between 1975 and 1994. He was awarded a Conspicuous Service Medal (CSM) for conspicuous service with the Special Air Service Regiment

Other Directorships

Director of Simmersion Holdings Pty Ltd.

Biography of Mr. Ivan Slavich

Mr. Ivan Slavich, aged 49, was appointed a Director of the Company on 24 September 2013. Mr. Slavich has over 25 years of senior management experience in the energy, government, banking and telecommunications industries. He has a proven track record over numerous years of being an exceptional leader and motivator; developing and implementing strategic innovations; business process re-engineering and integration and substantially improving business sales and profitability. Mr. Slavich is the Chairman of TransACT Communications Pty Limited and associated group companies (all of whom are wholly owned subsidiaries of iiNet – an ASX 200 \$1bn company). Mr. Slavich also recently launched Trident Corporate Services, a B2B company providing full turn-key services to businesses and government.

Other Directorships

Chairman of TransACT Communications Pty Ltd and Director of Trident Corporate Services Pty Ltd

REMOVAL OF AUDITOR AND APPOINTMENT OF NEW AUDITOR (Resolutions 4 and 5)

Pursuant to the section 329 (1A) and section 327D of the *Corporations Act*, the Company gives Notice of Intention to remove Ernst and Young as the Company Auditor and appoint Hardwickes as the new Company Auditor effective from the close of the 2013 Annual General Meeting. The Company recently conducted a market fee test for the provision of audit services in FY 2013/2014 and after an extensive evaluation of service proposals received, resolved to accept the proposal from Hardwickes (Canberra based firm). A formal Notice of Intention to remove Ernst & Young as the Company Auditor was received from UDB Pty Ltd (majority shareholder) on 24 September 2013. The Company has in accordance with sect 329 (2) the *Corporations Act*, provided Ernst & Young and ASIC with a copy of this Notice of Intention.

Voting Statement

The Voting Statement relating to all resolutions is included in the Notice of Meeting.

By Order of the Board



Lawrence A Gardiner
Company Secretary
Dated: 10 October 2013

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 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 or by facsimile to +61 3 9473-2555 as soon as possible and in any event not later than 48 hours prior to the time appointed for the Annual General Meeting.
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 General Meeting, 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 Annual General Meeting) 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 19 November 2013 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 vote on the resolutions, members will need to follow these steps:

Either: Complete the Form of Proxy and return it by facsimile or mail (to be received no later than 12.00noon on 19 November 2013 to the following office or facsimile number:

Computershare Investor Services Pty Limited
GPO Box 242,
Melbourne, Vic, 3001
Facsimile number: 03 9473 2555

Or Attend the AGM.

Queries Please contact the Company Secretary, Mr. Lawrence Gardiner, on (+61 2) 6163 558.



XTEK LTD
ABN 90 103 629 107

Lodge your vote:



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

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



Proxy Form

For your vote to be effective it must be received by 12.00noon (AEDT) on Tuesday 19 November 2013

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 as they choose. 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

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 information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

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

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.



I 9999999999

I ND

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 Canberra Business Event Centre, Regatta Point, Commonwealth Park, Acton ACT, on Thursday 21 November 2013 at 12.00 noon (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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is 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 **Item 1** by marking the appropriate box 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
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Mr. Robert Quodling as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Mr. Ivan Roman Slavich as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Removal of Existing Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Appointment of New Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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 +