

Release to the Australian Securities Exchange

XTEK Limited Share Purchase Plan Opens

Thursday 13 August 2020: XTEK Limited (ASX:XTE) is pleased to advise that the XTEK Share Purchase Plan (**SPP** or **Offer**) as previously announced by the Company has opened today.

The Record Date for participation in the SPP is Friday, 7 August 2020. All eligible Security Holders will have the opportunity to participate in the SPP and purchase new ordinary shares at an issue price of A\$0.69 per share. The SPP, which is not underwritten, will be targeting to raise A\$2.0 million.

All new shares issued under the SPP will be issued on the same terms as, and will rank equally with, existing XTEK shares. Full details in respect to the SPP are detailed within the SPP Offer Document, which is attached and forms part of this announcement. Copies of the SPP Offer Document and individualised Application Forms have been mailed to all Eligible Security Holders.

The amount raised through the SPP remains subject to the Company's absolute discretion to accept oversubscriptions and or to scale back applications. XTEK's Board and Management have confirmed their intention to participate in the SPP.

Signed for and on behalf of XTEK Limited:



Lawrence Gardiner
Company Secretary
13 August 2020

SPP enquiries:

Lawrence Gardiner, Company Secretary
XTEK Limited
T: +61 2 6163 5504
E: Laurie@xtek.net

Media enquiries:

Rod North, Managing Director
Bourse Communications Pty Ltd
T: +613 9510 8309 M: +61 408 670 706
E: rod@boursecommunications.com.au

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



XTEK LTD
PROTECT AND SUSTAIN

OFFER DOCUMENT

Share Purchase Plan

13 AUGUST 2020



Share Purchase Plan

Key Dates

This Share Purchase Plan (**SPP**) Offer Document has been prepared in accordance with the Corporations Act and ASX Listing Rules and is dated 13 August 2020.

The following are the Key Dates relating to the SPP that you need to be aware of:

Event	Date
Record date for entitlement to participate in the SPP (Record Date)	Friday, 7 August 2020
Announcement of SPP	Monday, 10 August 2020
Opening date for SPP	Thursday, 13 August 2020
Offer Document and Application Form dispatched to Security Holders	Thursday, 13 August 2020
Closing date for SPP and receipt of Applications	Friday, 28 August 2020
Announcement of SPP Results	Wednesday, 2 September 2020
Allotment Date for New Securities issued under the SPP	Friday, 4 September 2020
Dispatch of Holding Statements to Security Holders	Monday, 7 September 2020
Commencement of trading of New Securities on ASX	Monday, 7 September 2020

Note:

The above dates are indicative only and are subject to change. XTEK Limited reserves the right to alter Key Dates other than the Record Date.

Letter from the Chairman

Dear Fellow Security Holder,

Invitation to Participate in Share Purchase Plan

On behalf of the Company, I am pleased to invite you to participate in the XTEK Limited (**XTEK**) Share Purchase Plan (**SPP or Offer**) on terms and conditions set out in the attached document and in the enclosed "Share Purchase Plan Application Form".

The SPP provides eligible shareholders with an opportunity to apply for up to A\$30,000 new fully paid ordinary shares in XTEK at A\$0.69 per share,

The SPP provides Eligible Security Holders with an opportunity to apply for New Securities in XTEK without brokerage or other related charges.



Use of SPP proceeds

The SPP is part of XTEK's equity raising initiative announced on Monday, 10 August 2020. XTEK is seeking to raise up to A\$2 million through the SPP, which is in addition to the A\$9 million successfully raised by XTEK under a targeted placement to institutional and other professional and sophisticated investors (also announced on Monday, 10 August 2020 (**Placement**)).

All shares to be issued under the Placement and the SPP will rank equally in all respects with XTEK's existing ordinary shares. The SPP will not be underwritten.

The Offer is made at a time when the Company has exciting opportunities for the commercialisation of the Company's proprietary technologies. The funds raised from the SPP will be applied towards:

- **Execution of international ballistics strategy** – Additional resources to support commercialisation activities to expand revenue, including ballistic product development and defence-focused sales and marketing
- **Commercialisation of XTclave™ technology** – Investment to commercialise XTEK's proprietary technology. This will provide an ability to target lucrative US Government, Defence and Law Enforcement contracts by manufacturing large-scale ballistic orders in the US.
- **Accelerate growth in other operations** – Investment in commercialisation and product development across actionable intelligence initiatives and advanced composite materials (i.e. space collaborations).
- **Working capital** – provide working capital required to grow the Company's business and meet its ongoing financial obligations for factory stock, corporate and transaction costs.

While the Placement has broadened the share register by attracting new institutional and high net worth shareholders, the SPP provides the opportunity for pre-existing shareholders to participate in the capital raise at the same issue price. Board and Management have stated their intention to participate up to the maximum available investment in the SPP.

Overview of the SPP

The SPP will open on Thursday, 13 August 2020 and remain open until 5.00pm (AEST) on Friday, 28 August 2020 (**Closing Date**). The issue price under the SPP will be A\$0.69 per new share, the same as under the Placement. No brokerage or other related charges are payable on shares subscribed for under the SPP.

The SPP is targeted to raise A\$2.0 million. XTEK may, at its discretion, determine to raise a higher amount. If XTEK receives valid applications exceeding A\$2.0 million under the SPP, the XTEK Board may implement a scale-back policy in its absolute discretion. In the event of a scale-back, the difference between the application monies received, and the number of new shares allocated to you multiplied by the issue price, will be refunded to you (without interest).

Participation in the SPP Offer

Participation in the SPP Offer is optional and is open to eligible shareholders. The SPP is non-renounceable. This means that that you cannot transfer your right to purchase new shares under the SPP to another person or entity. If you wish to participate in the SPP, you may do so by selecting one of the following options:

Option 1	A\$1,000 worth of new shares rounded up to the nearest whole number of shares
Option 2	A\$2,500 worth of new shares rounded up to the nearest whole number of shares
Option 3	A\$5,000 worth of new shares rounded up to the nearest whole number of shares
Option 4	A\$10,000 worth of new shares rounded up to the nearest whole number of shares
Option 5	A\$15,000 worth of new shares rounded up to the nearest whole number of shares
Option 6	A\$20,000 worth of new shares rounded up to the nearest whole number of shares
Option 7	A\$30,000 worth of new shares rounded up to the nearest whole number of shares

Full details of the SPP, including terms and conditions of the offer and an explanation of how you can participate are contained in the attached document, which I encourage you to read and consider carefully. By accepting to participate in the SPP, you agree to be bound by those terms and conditions.

Return of SPP Application Forms

To participate in the SPP, you need to ensure that your completed Application Form, together with your Application Amount (cheque, bank draft or money order) is received by XTEK's Share Registrar, Computershare Investor Services Limited in Australian dollars by 5.00pm (AEST) on 28 August 2020, **OR** that you have paid your Application Amount via BPAY® prior to the closing date and time, in line with the instructions that are set out in the Application Form

Important information

You should consider all the information about the SPP accompanying this letter before deciding whether to participate in the SPP. XTEK is not providing investment advice or making any recommendation in relation to the SPP. Any decision to participate in the SPP should be made after fully considering your own financial circumstances and needs. I recommend that you seek advice from a professional financial adviser if you are in any doubt about what action you should take.

Should you have any questions in relation to the SPP or how to complete the Application Form, please call Mr. Laurie Gardiner, Company Secretary, on +61 2 6163 5588 or email Laurie@xtek.net.

We believe that the SPP provides an excellent opportunity for existing shareholders to increase their shareholding in XTEK. On behalf of the Directors, I encourage you to consider this opportunity and sincerely thank you for your ongoing support.

Yours sincerely



Uwe Boettcher
Chairman
11 August 2020

IMPORTANT INFORMATION

This Share Purchase Plan (**SPP**) Offer Document has been prepared by XTEK Limited (**XTEK** or **Company**). This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). Accordingly, the level of disclosure in this Offer Document is less than the level of disclosure required in, and which you would expect to find in, a prospectus.

This Offer Document has been prepared in accordance with ASIC Class Order 09/425, which provides relief from the requirement for XTEK to provide prospectus disclosure in relation to the SPP. ASIC Class Order 09/425 also provides relief to allow clients of second or third level custodians to participate in the SPP.

The information in this Offer Document is not financial product advice. Further, the Offer Document does not purport to contain all the information that you may require in evaluating a possible acquisition of New Shares under the SPP. It does not take into account your investment objectives, financial situation and needs and, as such, you should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision, based on your investment objectives.

No person is authorised to give any information or make any representation in connection with the SPP as described in this Offer Document, which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the SPP.

Except as required by law, and then only to the extent required, none of XTEK, its Directors and Employees or any other person associated or related in any way to XTEK warrants or guarantees the future performance of XTEK or any return on any investment made pursuant to this Offer.

KEY INFORMATION FOR THE SHARE PURCHASE PLAN

What is the SPP?

The Company is offering the SPP to allow Eligible Security Holders the opportunity to increase their holding in XTEK in a cost-effective manner, with a small discount to the market price at the issue price set out below. Each Eligible Security Holder is entitled to subscribe for up to A\$30,000.00 worth of New Securities without paying brokerage and other charges. The minimum subscription under the SPP Offer is A\$1,000.00.

What is the issue price?

The issue price for each security under the SPP will be:

- A\$0.69 per security

Am I an Eligible Security Holder?

Participation in the SPP is optional and is available exclusively to Security Holders who are registered holders of securities in the Company (as at 7.00pm AEST on the Record Date) and who have a registered address in either Australia or New Zealand, provided that such a Security Holder is not resident in the United States of America. The Company has determined that the SPP may only be accepted by residents of Australia and New Zealand.

How do I apply for New Securities under the SPP?

You may apply for Securities by:

- by making a BPAY® payment using the customer reference number shown on your Application Form, in which case you do not need to return your Application Form. If you make a payment by BPAY® and the Company receives an amount that is less than the whole amount for which securities may be applied (see 3 below) the value of securities for which you apply will be rounded down to the next lowest whole amount (see 3 above). Any amount not applied to your application will be refunded without interest.

OR

- completing the enclosed Application Form and returning it together with your cheque, bank draft or money order drawn on an Australian bank and in Australian dollars to the Company's security registry in accordance with the instructions on the Application Form;

Applications and payment must be received by 5.00pm (AEST) on 28 August 2020. Applications received after that time may not be accepted. Please do not forward cash. Receipts for payment will not be issued.

How much can I invest?

If you choose to participate in the SPP as an Eligible Security Holder, you must apply to purchase a parcel of New Securities, ranging in amounts from A\$1,000.00 up to a maximum amount of A\$30,000.00. Parcel options for the purchase of New Securities are further defined at paragraph 3.2.

SHARE PURCHASE PLAN - TERMS AND CONDITIONS

1. Share Purchase Plan Offer

- 1.1 The Company is offering Eligible Security Holders the opportunity to purchase up to A\$30,000.00 worth of ordinary fully paid New Securities in the capital of Company without paying brokerage and other charges. The New Securities are being offered at an issue price per security as determined under Clause 1.2 below under the Share Purchase Plan (**SPP or Offer**), subject to and in accordance with the terms and conditions as set out in this Offer Document.
- 1.2.1 The New Securities will be issued under the SPP at an offer price of A\$0.69 per New Security.
- 1.3 In these terms and conditions, the “**Offer**” and “**SPP**” means the Offer as defined within clause 1.1.
- 1.4 Only persons who are Eligible Security Holders may participate in the SPP. If you are an Eligible Security Holder, your rights under the SPP are personal and cannot be transferred to another person.
- 1.5 Directors and Employees of XTEK who are Eligible Security Holders may participate in the SPP.
- 1.6 All references to A\$ or dollars in the Offer Document are references to Australian Dollars, unless otherwise indicated.

2. Eligible Security Holders

- 2.1 Subject to the remaining paragraphs of this Clause 2, an “**Eligible Security Holder**” means a registered holder of securities in XTEK (as at 7.00pm AEST on the Record Date) who has a registered address in either Australia or New Zealand, provided that such a Security Holder is not resident in the United States of America (**United States**).
- 2.2 The Company has determined that the SPP may only be accepted by residents of Australia and New Zealand, as foreign securities laws make it impractical for Security Holders with registered addresses outside Australia and New Zealand to participate in the SPP.
- 2.3 Security Holders who hold shares on behalf of persons who reside outside of Australia or New Zealand or are in the United States or who act for the account or benefit of a person in the United States are not entitled to participate in the SPP. The New Securities to be issued under the SPP have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. The New Securities may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 (U.S. Securities Act) and the applicable securities laws of any state or other jurisdiction in the United States.
- 2.4 The ordinary securities in XTEK being offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of XTEK with registered addresses in New Zealand to whom the offer of such shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the

information that an investment statement or prospectus under New Zealand law is required to contain.

2.5 Security Holders who are joint holders of securities are taken to be a single registered holder of securities for the purposes of determining whether they are an Eligible Security Holder, and the certification in the application form by one joint holder will be taken to have been given by all joint holders.

2.6 Where a custodian (as defined in ASIC Class Order 09/425) is a registered holder of securities and holds securities on behalf of one or more persons with a registered address in Australia or New Zealand who is not in the United States, or acting for the account or benefit of a person in the United States (Eligible Beneficiaries), the SPP Offer is made to the custodian and the custodian has the discretion whether to extend the SPP Offer to the Eligible Beneficiaries. If a custodian applies for New Securities on behalf of an Eligible Beneficiary, XTEK will not issue New Securities unless the custodian certifies the following in writing to XTEK:

(a) either or both of the following:

- (1) that the custodian holds the securities on behalf of one or more persons that are not custodians and are Eligible Beneficiaries (Participating Beneficiaries); or
- (2) that another custodian (Downstream Custodian) holds beneficial interests in securities on behalf of a Participating Beneficiary, and the custodian holds the securities to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian;

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (3) where sub-paragraph 2.6(a)(1) applies – the custodian; and where sub-paragraph 2.6(a)(2) applies - the Downstream Custodian, to apply for New Securities on their behalf under the SPP;

(b) the number of Participating Beneficiaries;

(c) the name and address of each Participating Beneficiary;

(d) in respect of each Participating Beneficiary:

- (1) where sub-paragraph 2.6(a)(1) applies – the number of securities that the custodian holds on their behalf; and
- (2) where sub-paragraph 2.6(a)(2) applies – the number of securities to which the beneficial interests relate.

(e) in respect of each Participating Beneficiary:

- (1) where sub-paragraph 2.6(a)(1) applies – the number or the dollar amount of New Securities they instructed the custodian to apply for on their behalf; and
- (2) where sub-paragraph 2.6(a)(2) applies – the number or the dollar amount of New Securities they instructed the Downstream Custodian to apply for on their behalf.

(f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$30,000:

- (1) the New Securities applied for by the custodian under the SPP in accordance with the instructions referred to in sub-paragraph 2.6(e); and
- (2) any other securities issued to the custodian in the 12 months before the application as a result of an instruction given by them to the custodian or

the Downstream Custodian to apply for securities on their behalf under an arrangement similar to the SPP.

- (g) that a copy of this SPP booklet was given to each Participating Beneficiary; and
- (h) where sub-paragraph 2.6(a)(2) applies – the name and address of each custodian who holds beneficial interests in the securities held by the custodian in relation to each Participating Beneficiary.

2.7 A Security Holder or custodian will be ineligible to participate in the SPP if their participation would be in breach of ASIC Class Order 09/425.

3 Application to Participate

Applying for New Securities

3.1 Participation in the SPP is optional.

3.2 Eligible Security Holders may participate in the SPP by applying to purchase a parcel of New Securities in the following amounts, up to a maximum amount of A\$15,000 per Eligible Security Holder:

- (a) Option 1 - A\$1,000.00
- (b) Option 2 - A\$2,500.00
- (c) Option 3 - A\$5,000.00
- (d) Option 4 - A\$10,000.00
- (e) Option 5 - A\$15,000.00
- (f) Option 6 - A\$20,000.00
- (g) Option 7 - A\$30,000.00

3.3 The number of New Securities issued will be determined by dividing the application amount by the Issue Price. If this produces a fractional number, the number of New Securities issued will be rounded down to the nearest whole number of New Securities.

3.4 If you are an Eligible Security Holder and wish to participate in the SPP, you must either:

- (a) make payment by BPAY® in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised Application Form, so that payment is received by XTEK's share registry by no later than 5.00 pm (AEST) on Friday, 28 August 2020. If you make a payment by BPAY® you do not need to send your completed Application Form as receipt of your BPAY® payment will be taken by XTEK as your application;
- (b) complete and submit your personalised Application Form in accordance with the instructions on it and make payment for the New Securities by enclosing a cheque, bank draft or money order for the appropriate amount in Australian dollars made payable to "XTEK Limited" and sending the cheque, bank draft or money order with the Application Form:
 - (1) in the enclosed reply paid envelope; or
 - (2) by mail to
Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

Such payments are to be received by XTEK's Share Registry no later than 5.00 pm (AEST) on Friday, 28 August 2020. Receipts for payment will not be issued.

- 3.5 If an Eligible Security Holder has more than one holding, the Eligible Security Holder may not apply for New Securities with an aggregate value of more than A\$30,000 under the SPP. Accordingly, an Eligible Security Holder may only make an application for the maximum amount with respect to one holding.
- 3.6 You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®. Your financial institution may have a set limit on the amount that you can pay via BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® is received by XTEK's Share Registry by 5.00 pm (AEST) on Friday, 28 August 2020.

XTEK's discretion with regard to applications

- 3.7 XTEK may accept or reject any application under the SPP, including where:
- (a) you are not making a BPAY® payment, your Application Form is incorrectly completed, incomplete or the application is otherwise determined by XTEK to be invalid;
 - (b) you make your payment by cheque, bank draft or money order and the cheque, bank draft or money order is dishonoured or has otherwise not been completed correctly;
 - (c) the amount of your BPAY® payment or cheque, bank draft or money order is not equal to A\$1,000, A\$2,500, A\$5,000, A\$10,000, A\$15,000, A\$20,000 or A\$30,000. If this occurs, XTEK may either:
 - (1) refund in full your application monies and not allot any New Securities to you; or
 - (2) allot to you the number of New Securities equal to the application amount divided by the final issue price rounded down to the nearest whole number of New Securities, subject to a maximum application amount of A\$15,000 and refund to you the excess of your application monies;
 - (d) it appears that you are applying to purchase more than A\$15,000 worth of New Securities in aggregate (including as a result of any securities you hold directly, jointly or through a custodian or nominee arrangement);
 - (e) your Application Form, BPAY® payment or cheque, bank draft or money order is received after 5.00 pm (AEST) on Friday, 28 August 2020;
 - (f) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, bank draft or money order, the cheque, bank draft or money order is not drawn on an Australian financial institution; or
 - (g) XTEK reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).
- 3.8 If you are entitled to a refund of your application monies the refund will be paid to you, without interest, as soon as is practicable:
- (a) by direct credit to your nominated bank account (as recorded by XTEK's share registry) or cheque; or
 - (b) by returning your Application Form and cheque, bank draft or money order, if not processed, to your registered address as recorded in XTEK's register of members.

4 Effect of Making an Application

- 4.1 If you submit a BPAY® payment or complete and return an Application Form together with a cheque, bank draft or money order:
- (a) you warrant that you are an Eligible Security Holder and are eligible to participate in the SPP;
 - (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (c) you acknowledge that your application will be irrevocable and unconditional;
 - (d) you agree to pay the Issue Price per New Security up to the maximum of:
 - (1) the value you have selected on the Application Form; or
 - (2) the maximum value of your BPAY® payment or cheque, bank draft or money order amount.
 - (e) you certify and represent to XTEK that you have not directly or indirectly, including through a custodian, applied for more than A\$30,000 worth of New Securities;
 - (f) you certify that the total of the application price for the following does not exceed A\$30,000:
 - (1) the New Securities the subject of your application;
 - (2) any other securities issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP;
 - (3) any other New Securities which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (4) any other securities issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Securities as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial more than one offer or received offers in more than one capacity;
 - (g) you accept the risk associated with any refund that may be sent to your address (as shown on XTEK's register of members) or to your nominated bank account (as recorded by XTEK's Security Registry);
 - (h) you acknowledge that no interest will be paid on any application monies held pending the allotment of New Securities or subsequently refunded to you for any reason;
 - (i) you acknowledge that neither XTEK nor its security registry has provided any investment or financial product advice or recommendation and that neither of them has any obligation to provide any such advice or recommendation in relation to your consideration as to whether or not to participate in the SPP;
 - (j) you acknowledge that XTEK (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
 - (k) you acknowledge that the New Securities to be issued under the SPP have not, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Securities to be issued under the SPP may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the

registration requirements of the U.S. Securities Act and any other applicable securities laws;

- (l) you agree not to send this booklet or any other material relating to the SPP to any person in the United States of America or any other country outside Australia and New Zealand;
- (m) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in a regular way transactions are conducted on the ASX where neither you nor any person acting on your behalf know, or have to reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (n) you agree to be bound by XTEK's Constitution;
- (o) you authorize XTEK (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
- (p) you acknowledge that XTEK may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (q) you are responsible for any dishonour fees or other costs XTEK may incur in presenting a cheque, bank draft or money order for payment that is dishonoured.

5. Scale Back

- 5.1 XTEK may in its discretion undertake a scale-back to the extent and in the manner it sees fit.
- 5.2 If there is a scale-back you may receive less than the parcel of New Securities for which you have applied.
- 5.3 If a scale-back produces a fractional number of New Securities when applied to your parcel, the number of New Securities you will be allotted will be rounded down to the nearest whole number of New Securities.
- 5.4 If there is a scale-back, the difference between the application monies received from you, and the number of New Securities allocated to you multiplied by the Issue Price, will be refunded to you in accordance with clause 3.8.

6. The New Securities

- 6.1 New Securities issued under the SPP will rank equally in all respects with existing XTEK securities quoted on the ASX, with the same voting rights, dividend rights and other entitlements.
- 6.2 XTEK will apply for the New Securities issued under the SPP to be quoted on the ASX.

7. No Transaction Costs

Eligible Security Holders who participate in the SPP will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of New Securities.

8. Indicative Timetable

- 8.1 Subject to clause 8.2, the Indicative Timetable for the key events relating to the SPP is as set out on the inside cover of this booklet (Timetable).
- 8.2 XTEK may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions by lodging a revised timetable with the ASX.

9. Dispute Resolution

- 9.1 XTEK may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application.
- 9.2 Any determinations by XTEK will be conclusive and binding on all Eligible Security Holders and other persons to whom the determination relates. XTEK's rights may be exercised by its Board or any delegate of the Board.

10. Variation, Suspension and Termination of the SPP

- 10.1 XTEK may at its discretion and at any time:
- (a) vary, suspend or terminate the SPP. If XTEK does this, it will make an announcement to the ASX. Failure to notify Security Holders of variations to or the suspension or termination of the SPP will not invalidate the variation, suspension or termination; or
 - (b) waive compliance with any provision of the SPP.
- 10.2 XTEK reserves the right to issue no New Securities under the SPP or fewer New Securities under the SPP than applied for under the SPP at its complete discretion, including if XTEK believes the issue of those New Securities would contravene these terms, ASIC requirements or policy, any law or any ASX Listing Rule.

11. ASIC Class Order 09/425 Compliance

- 11.1 The SPP is offered in compliance with ASIC Class Order 09/425. ASIC Class Order 09/425 provides relief from the requirement for XTEK to provide prospectus disclosure in relation to the SPP. This Offer Document is not a prospectus under the Corporations Act.
- 11.2 ASIC Class Order 09/425 also provides relief to allow clients of second or subsequent level custodians to participate in the SPP. Any additional or varied ASIC requirements in the class order will apply to participation on behalf of such clients.

12. Governing Law

- 12.1 These SPP terms and conditions are governed by the laws in force in the Australian Capital Territory. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of the Australian Capital Territory
- 12.2 By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in the Australian Capital Territory.

- 12.3 Other terms and conditions, rights and obligations of New Securities are contained in the XTEK Constitution. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form

13. Risk Considerations

- 13.1 The Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to the ASX and, if necessary, consult your professional adviser when deciding whether or not to accept the Offer and participate in the SPP.

14. Enquiries

If you have any further queries in relation to the SPP, please contact the Company Secretary, XTEK Limited, on +61 2 6163 5588 between the hours of 8:30am and 5:00pm (AEST), Monday to Friday.

GLOSSARY

Applicant	An Eligible Security Holder who applies for New Securities under this Offer Document
Application	An application for a specified number of New Securities by an Applicant under this Offer Document
Application Amount	Funds accompanying an Application Form
Application Form	The application form which is included in or accompanies this Offer Document
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited (ASX) ABN 98 008 624 691 or the financial market operated by it, as the context requires
ASX Listing Rules	The listing rules of ASX
Board	The Directors of XTEK acting as a board of the Company
Closing Date	The date on which the Offer closes, is intended to be Friday, 28 August 2020
Company or XTEK	XTEK Limited (ABN 90 103 629 107)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Eligible Security Holder	All Security Holders other than Non-Eligible Foreign Security Holders as at the Record Date
Existing Securities	Securities on issue at the Record Date
New Security	A security offered and issued under this Offer Document, the terms and conditions of which are set out in this Offer Document
Non-Eligible Foreign Security Holder	A Security Holder with an address in the Company's Register of Security Holders that is outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Securities to that Security Holder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous
Offer	The offer is to purchase new securities up to the maximum amount A\$30,000
Offer Price	The price payable for each New Security under this Offer Document will be A\$0.69 per New Security
Offer Document	This Offer Document
Offer Information Line	+61 2 6163 5588 at any time from 8.30am to 5.00pm (AEST) Monday to Friday until 28 August 2020
Placement	Placement of A\$9 million to institutional and other sophisticated and professional investors announced on Monday, 10 August 2020
Record Date	Friday, 7 August 2020
Security	A fully paid ordinary security in the capital of the Company
Security Holder	A holder of Securities as recorded on the Company's security register maintained by the Share Registry
Share Purchase Plan (SPP)	XTEK Limited Share Purchase Plan on terms and conditions set out in the attached document and in the enclosed "Share Purchase Plan Application Form"
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
VWAP	The volume weighted average price of the Company's securities calculated by dividing the value securities traded by the number of securities traded over the specified period



XTEK LTD
ABN 90 103 629 107

For all enquiries:

Phone:



(within Australia) 02 6163 5588
(outside Australia) +61 2 6163 5588

Web:



www.investorcentre.com/contact

XTE

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 5:00pm (AEST) Friday, 28 August 2020**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of XTEK Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for XTEK Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$30,000.

XTEK Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by XTEK Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. XTEK Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where XTEK Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "XTEK Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

XTEK Limited Share Purchase Plan Application Form
Payment must be received by 5:00pm (AEST) Friday, 28 August 2020

© Registered to BPAY Pty Limited ABN 69 079 137 518

Turn over for details of the Offer →

Share Purchase Plan Application Form

X 9999999991

IND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: **Friday, 7 August 2020**

Minimum value available to purchase: **\$1,000**

Maximum value available to purchase: **\$30,000**

STEP 2 Make Your Payment by 5:00pm (AEST) Friday, 28 August 2020

To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY



Billers Code: 326678
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Cheque, bank draft or money order



Make your cheque, bank draft or money order payable to "XTEK Limited" and cross "Not Negotiable".

Return your payment with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor XTEK Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

MAIL

Neither CIS nor XTEK Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

Detach here

Purchase Details for XTEK Limited (choose one option)

- \$1,000 worth of securities OR \$2,500 worth of securities OR \$5,000 worth of securities
- \$10,000 worth of securities OR \$15,000 worth of securities OR \$20,000 worth of securities
- \$30,000 worth of securities



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000



BPAY is the most efficient and secure form of payment. Your BPAY payment details are shown above.

Contact & Cheque Details

Contact Name _____ Daytime Telephone _____

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+000000001-3051+14