

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

Monday, 26 October 2020: XTEK Limited (ASX:XTE) advises that the Annual General Meeting of the Shareholders of the Company (XTEK), will be a virtual meeting which will be conducted online from XTEK Head Office, commencing at 1.00 pm on Friday 27th November 2020.

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

Announcement authorised by the XTEK Limited Board of Directors.

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
26 October 2020

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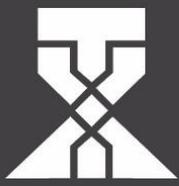
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About XTEK Limited

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



NOTICE OF ANNUAL GENERAL MEETING

Friday 27 November 2020

Notice is hereby given that the Annual General Meeting of the Shareholders of XTEK Limited ('Company' or 'XTEK') will be a virtual meeting, which will be conducted online from XTEK Head Office, on Friday 27 November 2020, commencing at 1.00 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:

- 2020 Financial Report;
- Directors' Report; and
- Auditor's Report for the Financial Year 2020.

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 2020, be adopted."

Resolution 2

Re-election of Mr. Chris Fullerton 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. Chris Fullerton, 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 7,975,081 new ordinary securities in the Company under the Placement, 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 a total of 500,000 new securities (fully paid ordinary shares) between the Directors of the Company including Mr Uwe Boettcher, Mr Philippe Odouard, Mr Robert Quodling, Mr Christopher Fullerton and Mr Ivan Slavich (or their respective nominees) is approved as per the terms and conditions set out in the Explanatory Statement."

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.

Resolutions 2

There are no voting exclusions for Resolutions 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 August 2020 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 given to the proxy or attorney to vote in the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution and the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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 given to the proxy or attorney to vote in the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution and the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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 given to the proxy or attorney to vote in the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution and the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

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, 25 November 2020.

By order of the Board



Lawrence Gardiner
Company Secretary
21 October 2020

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 21 October 2020, 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 conducted online from XTEK Head Office, on Friday 27 November 2020, commencing at 1.00 pm 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 2020. 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 2020 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 2020 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 2019 AGM, the Company's Remuneration Report for the year ended 30 June 2019 did not receive a 'no' vote of 25% or more from Shareholders.

Shareholders participating in the virtual meeting 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.

ELECTION OF MR. CHRISTOPHER FULLERTON 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. Fullerton has agreed to retire at the 2020 AGM. He is eligible for re-election as a Director.

The Directors (other than Mr. Fullerton) 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. Fullerton

Mr. Chris Fullerton was appointed a Director of the Company on 24 April 2018. Mr. Fullerton has extensive experience in investment, management and investment banking and is a qualified chartered accountant. He worked in Hong Kong and Singapore for 15 years before returning to Australia in 1992. He is an investor in listed equities and private equity and has been a non-executive director of a number of ASX listed companies. He is currently a non-executive director of ASX listed Paradigm Biopharmaceuticals Limited and his unlisted company directorships cover companies in the property investment and agriculture sectors.

Special Responsibilities Chairman of Finance, Audit and Risk Management Committee
Other Directorships Director of Kador Group Holdings Ltd and Director of Paradigm Biopharmaceuticals Ltd
Interest in Shares/Options: Mr. Fullerton has a relevant interest in 143,479 ordinary shares.

RATIFICATION OF ISSUE OF NEW SECURITIES (Resolution 3)

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made

Pursuant to ASX Listing Rule 7.4, the Company is seeking shareholder ratification of the issue of 7,975,081 New Securities issued under the Placement under Listing Rule 7.1 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.

If Resolution 3 is passed, the Placement will be excluded in calculating the Company's aggregated 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 3 is not passed, the Placement will be included in calculating the Company's aggregated 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue of the Placement Shares.

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 used under ASX Listing Rule 7.1 in connection with the Placement on 14 August 2020 was 7,975,081 shares
- Issue price of \$0.69 per security
- 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
- Use of funds – to raise working capital; primarily for development and commercialisation of XTEK's proprietary technology.
- Allocation policy – The placement in August 2020 issued shares to existing shareholders, institutional investors and sophisticated investors. The basis of allocation was dependent on the specific circumstances and were the result of discussion and judgement, considering:
 - Total quantum needed to achieve use of funds
 - Fair allocation to existing shareholders
 - Introduction of new institutional investors to the share register
 - Fair allocation to investors who provided early commitments / demand
 - Improving liquidity
- The Company's allocation policy for any future issues made under the approval will be dependent on the prevailing market conditions at the time of any proposed issues made pursuant to Listing Rule 7.1. As at the date of this Notice, the Company has no specific plans to issue new securities pursuant to ASX Listing Rule 7.1 and therefore it is not known who (if any) may participate in a potential (if any) issue of new securities under ASX Listing Rule 7.1. All issues will be limited as per the issue formula defined in ASX Listing Rule 7.1.

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)

Listing Rule 7.1A enables eligible entities to seek approval of holders of its ordinary securities by special resolution to have the additional capacity to issue equity securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting. This is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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).

If Resolution 4 is passed, the Company will be able to issue equity securities under Listing Rule 7.1A during the 10% Placement Period in addition to the Company's 15% placement capacity under Listing Rule 7.1 without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

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 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 1 October 2020 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		
		\$0.29 Issue Price 50% decrease in Issue Price	\$0.58 Issue Price (1 October 2020)	\$1.16 Issue Price 100% increase in Issue Price
Current variable "A" 70,639,331 shares	10% Voting Dilution	7,063,933 shares	7,063,933 shares	7,063,933 shares
	Funds Raised	\$2,048,540	\$4,097,081	\$8,194,162
50% increase in current variable "A" 105,958,995 shares	10% Voting Dilution	10,595,899 shares	10,595,899 shares	10,595,899 shares
	Funds Raised	\$3,072,810	\$6,145,621	\$12,291,242
100% increase in current variable "A" 141,278,662 shares	10% Voting Dilution	14,127,866 shares	14,127,866 shares	14,127,866 shares
	Funds Raised	\$4,097,081	\$8,194,162	\$16,388,324

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 26 November 2021. 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 emerging technologies and for merger and acquisition purposes; and

- 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 2019 AGM held on 29 November 2019.
- Securities issued under rule 7.1A in the last 12 months – The Company has issued a total of 5,316,720 new securities under a placement since the last AGM, representing 10% of the total number of securities (53,167,209) on issue at the commencement of that 12 months period. Further details on this issue are outlined below:
 - 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 – \$0.69 per security, which represented:
 - (a) 15.9% discount to the last close on 5 Aug 2020
 - (b) 12.1% discount on a 5 day VWAP to 5 Aug 2020
 - Cash consideration – \$3,668,536.80
 - Allocation - the placement shares were issued to existing shareholders, institutional investors and sophisticated investors. The basis of allocation was dependent on the specific circumstances and were the result of discussion and judgement, considering:
 - Total quantum needed to achieve use of funds
 - Fair allocation to existing shareholders
 - Introduction of new institutional investors to the share register
 - Fair allocation to investors who provided early commitments / demand
 - Improving liquidity

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)

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive share scheme:

- a director of the company (Listing Rule 10.14.1);
- an associate of a director of the company (Listing Rule 10.14.2); or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by shareholders, unless it obtains approval of its shareholders.

If Resolution 5 is passed, the Company will be able to issue new shares to Directors under that Resolution. Where the Resolution is not passed, the Company will not be able to issue new shares to Directors as part of meeting their incentive plans without special shareholder approval.

Pursuant to ASX Listing Rule 10.14, the Company is seeking approval for the issue of up to a total capped pool of 500,000 new securities (ordinary shares) to be issued to all nominated Directors of the Company named in the Resolution 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 total of 500,000 fully paid ordinary shares to be split among the Directors. 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. Securities are to be issued no later than 3 years from the date of Shareholder approval. Company Directors that can be issued securities include Mr Uwe Boettcher (or his nominee), Mr Philippe Odouard (or his nominee), Mr Robert Quodling (or his nominee), Mr Christopher Fullerton (or his nominee) and Mr Ivan Slavich (or his nominee).
- 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.
- Expiry date – The new securities will be issued no later than 3 years from the date of Shareholder approval.
- Previous issues – Ordinary fully paid shares issued under Exception 14 to ASX Rule 7.2, consisting of:
 - Issue of 281,373 shares @ \$0.71 cents per share to Mr Philippe Odouard in December 2019
 - Issue of 27,887 shares @ \$0.71 cents per share to Mr Robert Quodling in December 2019
 - Issue of 200,000 shares @ \$0.45 cents per share to Mr Uwe Boettcher in September 2019

Information below is provided in accordance with Listing Rule 10.15

- The total remuneration packages for each of the directors in the previous financial year (ending 30 June 2020) is outlined below:

Director / Related Party	Base salary	Superannuation	Other ¹ (short term)	Long term incentives ²
Uwe Boettcher	\$130,000		\$90,000	
Philippe Odouard	\$355,700	\$25,000	\$66,160	\$166,695
Robert Quodling	\$193,077	\$20,223	\$39,600	
Ivan Slavich	\$65,000			
Christopher Fullerton	\$65,000			

1. Note Other includes: Bonus; Non-monetary benefits; Share based payments; and Other as in the FY20 annual report.
 2. Long Term Incentive Plan (LTIP) payments made to Directors directly reflect the Company's share price percentage increase per annum. This annual share price performance measure is based on a 30 day VWAP period using the Preliminary Annual Results disclosure date of 31 August in the LTIP year as the basis for the LTIP calculation.

- Disclosure Statements
 - The Company has not entered into any loans with individual Directors in relation to the potential future acquisition and issue of new securities,
 - 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.

A summary of the material terms of the Company's Eligible Employee incentive plans that are available for Directors and Executives granted short term incentive and long term incentive benefits under the plans are set out below.

- The Purpose of the current XTEK incentive plans is to;
 - provide an incentive for Eligible Executives / Directors to remain in their employment in the long term and maximise their contribution to the performance of the Group;
 - recognise the ongoing ability of Eligible Executives / Directors and their expected efforts and contribution in the long term to the performance and success of the Group; and
 - provide Eligible Executives / Directors with the opportunity to acquire shares in the Company by achieving key Company and individual performance goals as part of meeting their annual performance objectives.
- The following Company Business Objectives are applicable to all incentive plans.

Performance metrics include:

- Achieving turnover of between \$30m - \$45m
 - Achieving a positive NPAT
 - Minimum cash balance in excess of \$1m
 - Achieving an order intake of between \$14m - \$30m
 - Completion of HighCom Armor acquisition contract
 - Completion of armour manufacturing facility with orders in hand for up to \$1m
- Incentive bonus (shares or cash) are payable to all Eligible Executives / Directors successfully meeting the defined performance hurdles linked to the above performance metrics. This is achieved by the Board completing an annual performance assessment of all Eligible Executives and Directors after the completion and release of the Annual Report to the market.

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.



Lawrence Gardiner
 Company Secretary
 21 October 2020

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 25 November 2020 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 25 November 2020 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.

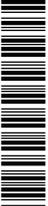
Queries

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



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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1.00pm (AEDT)**
Wednesday, 25 November 2020

XTEK Limited Annual General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of XTEK Limited will be a virtual meeting, which will be conducted online on **Friday 27 November 2020 at 1.00pm (AEDT)**.

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

Webcast and Questions

To view the live webcast and ask questions online you will need to register your interest by emailing agm@xtek.net. Further details will be providing after registering.

Voting

To vote online during the meeting you will need to visit web.lumiagm.com/318386810 on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/onlinevotingguide>

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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



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



XTE

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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 **1.00pm (AEDT) on Wednesday, 25 November 2020.**

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". 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:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
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.

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 as a virtual meeting on Friday, 27 November 2020 at 1:00pm (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 Resolutions 1 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 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 Resolutions 1 and 5 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 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr. Chris Fullerton 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"/>

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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

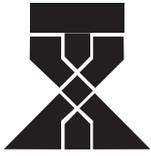
XTE

2 6 9 5 5 5 A



Computershare





XTEK LTD
ABN 90 103 629 107

XTERM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in XTEK Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

XTEK Limited