
K2FLY LIMITED

ACN 125 345 502

NOTICE OF SPECIAL GENERAL MEETING

Notice is given that the Special General Meeting will be held at:

TIME: 10:30 am (WST)

DATE: Monday, 15 January 2018

PLACE: Steinepreis Paganin Lawyers and Consultants, Level 4, The Read Buildings, 16 Milligan Street, Perth, WA

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Special General Meeting are those who are registered Shareholders at 10:30 am (WST) on 11 January 2018.

BUSINESS OF THE SPECIAL GENERAL MEETING

Notice is given that a Special General Meeting of Shareholders of K2fly Limited will be held at Steinepreis Paganin Lawyers and Consultants, Level 4, The Read Buildings, 16 Milligan Street, Perth, WA at 10:30 am (WST) on 15 January 2018 or as soon as the General Meeting of Shareholders has concluded or been adjourned, whichever is earlier.

The Explanatory Statement to the Notice of Meeting and the Explanatory Statement to this Notice of Special General Meeting provides additional information on matters to be considered at the Special General Meeting. The Explanatory Statement to the Notice of Meeting and the Explanatory Statement to this Notice of Special General Meeting and the Proxy Form are part of this Notice of Special General Meeting.

The sole person eligible to vote at the Special General Meeting is Tonoma Pty Ltd <Tonoma Family A/C> (**Director Shareholder**), being the holder of the Shares subject to the Selective Capital Reduction

The business of the Special General Meeting affects the Director Shareholder's shareholding.

Terms and abbreviations used in this Notice of Special General Meeting and Explanatory Statement of Special General Meeting are defined in the Glossary of the Notice of General Meeting above.

AGENDA

1. RESOLUTION 1 – APPROVAL FOR CANCELLATION OF DIRECTOR SHARES

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

“That, subject to and conditional on the passing of Resolution 1 at the General Meeting, in accordance with Section 256C(2) of the Corporations Act and for all other purposes, approval is given by the Director Shareholder for the Company to cancel a total of 200,000 Shares held by the Director Shareholder on the terms and conditions and for the purpose set out in the Special Meeting Explanatory Statement accompanying this Special Meeting Notice. ”

Dated: 1 December 2017

By order of the Board



Melissa Chapman
Joint Company Secretary



Catherine Grant-Edwards
Joint Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Special General Meeting please do not hesitate to contact the Company Secretary on +61 8 6333 1833.

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 - APPROVAL FOR CANCELLATION OF DIRECTOR SHARES

As outlined above, Section 256C(2) of the Corporations Act requires that in order for a selective reduction of capital to be completed, the selective reduction of capital must also be approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled.

The Special General Meeting is being held for the purpose of approving the Selective Capital Reduction, and the only party entitled to attend and vote at the Special General Meeting is the Director Shareholder.

Details of the proposed Selective Capital Reduction are outlined in Section 1 of the Notice of General Meeting annexed above, and the Company considers that all other information has been made available to Shareholders.

Resolution 1 to be considered at the Special General Meeting is a special resolution, and therefore requires not less than 75% of all votes cast on the Resolution to be in favour of the Resolution for it to be passed.

PROXY FORM

**K2FLY LIMITED
ACN 125 345 502**

SPECIAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Special General Meeting, hereby appoint:

Name:

OR: the Chair of the Special General Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Special General Meeting to be held at Steinepreis Paganin Lawyers and Consultants, Level 4, The Read Buildings, 16 Milligan Street, Perth, WA on 15 January 2018 at 10:30 am (WST), and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Special General Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 Approval for Cancellation of Director Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:** YES NO

Instructions for completing Proxy Form

6. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Special General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Special General Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Special General Meeting. However, where both proxies attend the Special General Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
7. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
8. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Special General Meeting, the documentation evidencing such appointment should be produced prior to admission to the Special General Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
9. **(Attending the Special General Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Special General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Special General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Special General Meeting.
10. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to K2fly Limited, Level 1, 26 Railway Road, SUBIACO, WA, AUSTRALIA, 6008; or
 - (b) email to the Company at mel@bellatrixcorp.com.au or cath@bellatrixcorp.com.au,so that it is received not less than 48 hours prior to commencement of the Special General Meeting.

Proxy Forms received later than this time will be invalid.