
K2FLY LIMITED
ACN 125 345 502
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: Monday, 29 November 2021

PLACE: Level 4, 502 Hay Street, Subiaco WA 6008

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

This Notice of 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 Meeting are those who are registered Shareholders at 4.00pm (Perth time) on 27 November 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021”.

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

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – NEIL CANBY

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

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Neil Canby, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF INCENTIVE OPTION PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Option Plan and for the issue of up to a maximum of 20,000,000 securities under that Option Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

5. RESOLUTION 4 – ISSUE OF OPTIONS TO RELATED PARTY – BRIAN MILLER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the

Company to issue 335,000 Zero Exercise Price Options to Brian Miller (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – EUGENIA CUTRI

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 150,000 Zero Exercise Price Options to Eugenia Cutri (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – NEIL CANBY

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 150,000 Zero Exercise Price Options to Neil Canby (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – JAMES DEACON

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 150,000 Zero Exercise Price Options to James Deacon (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 13,785,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,215,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,265,625 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

12. RESOLUTION 11 – APPROVAL OF 7.1A MANDATE

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Dated: 19 October 2021

By order of the Board



**Catherine Grant-Edwards
Company Secretary**

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
<p>Resolution 3 – Adoption of Incentive Option Plan</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
<p>Resolutions 4 to 7 – Issue of Options to Related Party</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 4 to 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 to 7 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 4 to 7 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 3 – Adoption of Incentive Option Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolutions 4 to 7 – Issue of Options to Related Party	The recipients of the respective Options under each of Resolutions 4 to 7 (or their respective nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8 to 10 – Ratification of prior issue of Shares	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 11 – Approval of 7.1A Mandate	A person who is expected to participate in, or who 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) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution 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 following conditions are met:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

Voting in person

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

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from the Company's share registry will need to verify your identity. You can register from 10:45am on the day of the meeting.

Should you wish to discuss the matters in this Notice of 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. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://k2fly.com/investors/asx-updates/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – NEIL CANBY

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Neil Canby, who has served as a Director since 14 February 2017 and was last re-elected on 28 November 2018, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

3.3 Independence

Neil Canby has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board considers Neil Canby will be an independent Director.

3.4 Other material information

Neil Canby has an extensive history of senior roles across a variety of industries including energy and utilities with responsibilities ranging from business development, project and operational delivery and commercial and financial management.

In the 3 years immediately before the end of the last financial year, Mr Canby did not serve as a director of any other ASX listed company.

Neil Canby has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

3.5 Board recommendation

The Board has reviewed Neil Canby's performance since his last re-election to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Neil Canby and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ADOPTION OF INCENTIVE OPTION PLAN

4.1 General

Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Option Plan" (**Option Plan**) and for the issue of Options under the Option Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Option Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 3 is passed, the Company will be able to issue Options under the Option Plan to eligible participants over a period of 3 years. The issue of any Options to eligible participants under the Option Plan (up to the maximum number of Options stated in Section 4.2 below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Options under the Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 3 is not passed, the Company will be able to proceed with the issue of Options under the Option Plan to eligible participants, but any issues of Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Options.

4.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 3:

- (a) a summary of the key terms and conditions of the Option Plan is set out in Schedule 1;

- (b) the Company has not issued any Options under the Option Plan as this is the first time that Shareholder approval is being sought for the adoption of the Option Plan; and
- (c) the maximum number of Securities proposed to be issued under the Option Plan, following Shareholder approval, is the lower of:
 - (i) the number of Options equal to 5% of the total Shares on issue as at the date an offer is made under the Option Plan; or
 - (ii) 20,000,000 Securities.

It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

5. RESOLUTIONS 4 TO 7 – ISSUE OF OPTIONS TO DIRECTORS

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) 335,000 zero exercise price options with specific performance milestones to Brian Miller (**Executive ZEP Options**) the subject of Resolution 4; and
- (b) 150,000 zero exercise price options (**NED ZEP Options**) to each of Eugenia Cutri, Neil Canby and James Deacon,

(together the **Related Parties**) on the terms and conditions set out below.

Resolutions 4 to 7 seek Shareholder approval for the issue of the Executive ZEP Options and NED ZEP Options to the Related Parties. Together the Executive ZEP Options and the NED ZEP Options are referred to below as the **ZEP Options**.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of ZEP Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the ZEP Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the ZEP Options. Accordingly, Shareholder approval for the issue of ZEP Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of ZEP Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 seeks the required Shareholder approval for the issue of the Executive ZEP Options to Brian Miller.

Resolutions 5 to 7 seek the required Shareholder approval for the issue of the NED ZEP Options to Eugenia Cutri, Neil Canby and James Deacon.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 7 are passed, the Company will be able to proceed with the issue of the Executive ZEP Options to Brian Miller and the NED ZEP Options to the other Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Executive ZEP Options or the NED ZEP Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 7 are not passed, the Company will not be able to proceed with the issue of the ZEP Options and may need to negotiate other incentive arrangements with its directors.

5.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4 to 7:

- (a) the Executive ZEP Options will be issued to Brian Miller (or his nominee) pursuant to Resolution 4;

- (b) the NED ZEP Options will be issued to:
- (i) Eugenia Cutri (or their nominee) pursuant to Resolution 5;
 - (ii) Neil Canby (or their nominee) pursuant to Resolution 6; and
 - (iii) James Deacon (or their nominee) pursuant to Resolution 7,
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (c) the maximum number of securities to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 785,000 comprising:
- (i) 335,000 Executive ZEP Options to Brian Miller (or his nominee) pursuant to Resolution 4 as follows:
 - (ii) 150,000 NED ZEP Options to Eugenia Cutri (or her nominee) pursuant to Resolution 5;
 - (iii) 150,000 NED ZEP Options to Neil Canby (or his nominee) pursuant to Resolution 6; and
 - (iv) 150,000 NED ZEP Options to James Deacon (or his nominee) pursuant to Resolution 7,
- (d) the Executive ZEP Options issuable to Brian Miller under Resolution 4 will have the following vesting conditions:

No. of Options vesting	Vesting Date
67,000	30 June 2022
67,000	30 June 2023
201,000	30 June 2024

and otherwise be issuable on the terms set out in Schedule 2;

- (e) the NED ZEP Options are to be issued on the terms and conditions of the ZEP Options are set out in Schedule 3;
- (f) the ZEP Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the ZEP Options will occur on the same date;
- (g) the issue price of the ZEP Options will be nil. The Company will not receive any other consideration in respect of the issue of the ZEP Options;
- (h) the purpose of the issue of the ZEP Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the

Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (i) the ZEP Options are unquoted Options. The Company has agreed to issue the ZEP Options to the Related Parties subject to Shareholder approval for the following reasons:
- (i) the ZEP Options are unquoted; therefore, the issue of the ZEP Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of ZEP Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the ZEP Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the ZEP Options on the terms proposed.
- (j) the number of ZEP Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service and retain the services of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the ZEP Options upon the terms proposed;

- (k) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Brian Miller	423,317 ¹	\$389,156
Eugenia Cutri	\$99,750 ²	\$86,250
Neil Canby	\$99,750 ³	\$96,250
James Deacon	\$99,750 ⁴	\$86,250

Notes:

1. Comprising Directors' salary of \$220,000 (based on FTE 0.8), a superannuation payment of \$22,000, Audit and Risk Committee member fees of \$5,000 and

share-based payments of \$176,317 (including an increase of \$108,875, being the value of the Executive ZEP Options).

2. Comprising base Directors' fees of \$36,000, Board chair fees of \$10,000, Remuneration Committee member fees of \$5,000 and share-based payments of \$48,750 (including an increase of \$48,750, being the value of the NED ZEP Options).
 3. Comprising base Directors' fees of \$36,000, Audit and Risk Committee chair fees of \$10,000, Remuneration Committee member fees of \$5,000 and share-based payments of \$48,750 (including an increase of \$48,750, being the value of the NED ZEP Options).
 4. Comprising base Directors' fees of \$36,000, Remuneration Committee chair fees of \$10,000, Audit and Risk Committee member fees of \$5,000 and share-based payments of \$48,750 (including an increase of \$48,750, being the value of the NED ZEP Options).
- (l) the value of the Executive ZEP Options and the pricing methodology is set out in Schedule 4;
- (m) the value of the NED ZEP Options and the pricing methodology is set out in Schedule 5;
- (n) the ZEP Options are not being issued under an agreement;
- (o) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options
Brian Miller	3,065,985	1,662,637 ²
Eugenia Cutri	620,660	-
Neil Canby	992,844	-
James Deacon	566,111	-

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: K2F).
 2. Including 639,019 Unquoted Options exercisable at \$0.243 each on or before 26 November 2022, 683,280 Unquoted Options exercisable at \$0.291 each on or before 25 November 2023, 81,385 Unquoted Options exercisable at \$0 each on or before 27 November 2022, and 258,953 Unquoted Options exercisable at \$0.497 each on or before 27 November 2024.
- (p) if the ZEP Options issued to the Related Parties are exercised, a total of 785,000 Shares would be issued. This will increase the number of Shares on issue from 138,033,208 (being the total number of Shares on issue as at the date of this Notice) to 138,818,208 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.57%, comprising 0.24% by Brian Miller, 0.11% by Eugenia Cutri, 0.11% by Neil Canby and 0.11% by James Deacon.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (q) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.43	8 February 2021 and 15 February 2021
Lowest	\$0.22	29 July 2021
Last	\$0.35	19 October 2021

- (r) each Director has a material personal interest in the outcome of Resolutions 4 to 7 on the basis that all of the Directors (or their nominees) are to be issued Options should Resolutions 4 to 7 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 4 to 7 of this Notice; and
- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 4 to 7.

6. RESOLUTION 8 TO 10 – RATIFICATION OF PREVIOUS ISSUES

6.1 General

Resolutions 8 to 10 relate to the ratification of previous issues of securities by the Company.

The issues were undertaken pursuant to the Company's capacity under Listing Rules 7.1 and 7.1A.

6.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can also seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 27 November 2020. The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 11 being passed by the requisite majority at this Meeting.

The issues the subject of Resolutions 8 to 10 do not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, and effectively use up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of those issues.

6.3 Listing Rule 7.4

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. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the equity securities the subject of Resolutions 8 to 10.

Resolutions 8 to 10 each seek Shareholder ratification pursuant to Listing Rule 7.4.

6.4 Technical information required by Listing Rule 14.1A

If each of Resolutions 8 to 10 are passed, the issues of Shares and Options under those Resolutions will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval.

If Resolutions 8 to 10 are not passed, the previous issues of Shares and Options the subject of those Resolutions will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 11 being passed at this Meeting.

6.5 Technical information required for Resolutions 8 and 9

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 8 and 9:

- (a) the Shares were issued to professional and sophisticated investors who are clients of Argonaut. The recipients were identified through a bookbuild process, which involved Argonaut seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

with the exception of the following parties that were issued more than 1% of the issued capital of the Company:

- (iii) BPM Capital Limited, being an entity that acquired 1,375,000 Shares (representing an interest of 1% in the issued capital of the Company following the capital raising);
 - (iv) Tribeca Investment Partners Pty Ltd, being an entity that acquired 6,800,000 Shares (representing an interest of 4.96% in the issued capital of the Company following the capital raising);
 - (v) Regal Funds Management Pty Limited, being an entity that acquired 6,800,000 Shares (representing an interest of 4.96% in the issued capital of the Company following the capital raising); and
 - (vi) First Sentier Investors (Australia) IM Limited, being an entity that acquired 6,800,000 Shares (representing an interest of 4.96% in the issued capital of the Company following the capital raising).
- (c) 13,785,000 Shares were issued under Resolution 8 and 11,215,000 Shares were issued under Resolution 9 and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Shares were issued on 27 April 2021;
 - (e) the issue price was \$0.29 per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
 - (f) the purpose of the issue of the Shares was to raise \$7,250,000, which will be applied towards potential acquisitions, sales and marketing, product development and general working capital; and
 - (g) the Shares were not issued under an agreement.

6.6 Technical information required for Resolution 10

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) the Options were issued to Argonaut and nominees of Argonaut as consideration for assisting in the placement of Shares the subject of Resolutions 8 and 9;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 2,265,625 Options were issued under Resolution 10 and the Options issued were issued on the terms and conditions set out in Schedule 6;
- (d) the Options were issued on 27 April 2021;

- (e) a nominal amount of \$22 was payable for the issue of the Options. However, the Company will receive \$0.435 for each Share issued on exercise of the Options. If all of the Options are exercised in accordance with their terms, the Company will receive \$985,546;
- (f) the purpose of the issue of the Options was as part consideration for the services provided by Argonaut in the placement of Shares the subject of Resolutions 8 and 9; and
- (g) the Options were issued under an agreement pursuant to which Argonaut agreed to assist the Company with a placement of Shares in consideration for a fee of 5.5% of the funds raised under the placement and the issue of the Options at an issue price of \$0.00001 per Option.

7. RESOLUTION 11 – APPROVAL OF 7.1A MANDATE

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$48.3m (based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2021).

Resolution 11 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 11 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 11 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 11:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use any funds raised from issues of Equity Securities under the 7.1A Mandate for acquiring new technologies and/or businesses (including expenses associated with such an acquisition), sales and marketing, promotional expenses, enhancement of its own software products or any new products which may be acquired or developed, research and development, and for general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 11 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 19 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.175	\$0.350	\$0.525
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	138,033,208 Shares	13,803,321 Shares	\$2,415,581	\$4,831,162	\$7,246,743
50% increase	207,049,812 Shares	20,704,981 Shares	\$3,623,372	\$7,246,743	\$10,870,115
100% increase	276,066,416 Shares	27,606,642 Shares	\$4,831,162	\$9,662,325	\$14,493,487

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 138,033,208 Shares on issue at 19 October 2021.
2. The issue price set out above is the closing market price of the Shares on the ASX on 19 October 2021 being \$0.35.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 27 November 2020 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 29 November 2020, the Company issued 11,215,000 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 11.12% of the total diluted number of Equity Securities on issue in the Company on 29 November 2020, which was 100,787,377 Shares.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

Date of issue	27 April 2021
Recipients	Professional and sophisticated investors as part of a placement announced on 27 April 2021. The placement participants were identified through a bookbuild process, which involved Argonaut seeking expressions of interest to participate in the placement from non-related parties of the Company.
Number and Class of Equity Securities Issued	11,215,000 Shares ²
Issue Price and discount to Market Price¹ (if any)	\$0.29 per Share (at a discount of 15.9% to the Market Price.

**Total Cash
Consideration and
Use of Funds**

Amount raised: \$3,252,350

Amount spent: \$711,031

Use of funds: sales and marketing, product development and general working capital.

Amount remaining: \$2,541,319

Proposed use of remaining funds³: potential acquisitions, sales and marketing, product development and general working capital.

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities (Market Price on 26 April 2021 being \$0.345).
2. Fully paid ordinary shares in the capital of the Company, ASX Code: K2F (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

7.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 7.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (d) a spouse or child of the member;
- (e) a child of the member's spouse;
- (f) a dependent of the member or the member's spouse;
- (g) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (h) a company the member controls; or
- (i) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means K2Fly Limited (ACN 125 345 502).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Option Plan means the incentive option plan the subject of Resolution 3 as summarised in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF INCENTIVE OPTION PLAN

The material terms of the Incentive Option Plan (**Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Exercise price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.
- (f) **Vesting conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).
- (g) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant**

Person)), resolve to waive any of the Vesting Conditions applying to Options due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(Special Circumstances), or
 - (ii) a change of control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (h) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Option occurring;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Option (iii) only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Options granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;

- (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
 - (vii) the expiry date of the Option.
- (i) **Not transferrable:** Subject to the Listing Rules, Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
 - (j) **Shares:** Shares resulting from the exercise of the Options shall, subject to any sale restrictions (refer to paragraph (k)), from the date of issue, rank on equal terms with all other Shares on issue.
 - (k) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
 - (l) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the disposal of Shares ends. The Company will not apply for quotation of any Options on the ASX.
 - (m) **No participation rights:** There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
 - (n) **Change in exercise price or number of underlying securities:** An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
 - (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
 - (p) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.

SCHEDULE 2 – TERMS AND CONDITIONS OF EXECUTIVE ZEP OPTIONS

(a) **Entitlement**

Once vested, each Executive ZEP Option entitles the holder to subscribe for one Share, for nil consideration.

(b) **Expiry Date**

Each Executive ZEP Option will expire at 5:00 pm (WST) on the date that is three years from the date of the respective vesting conditions being met (as detailed at (c)) (**Expiry Date**). An Executive ZEP Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period and Vesting Conditions**

Subject to (d), the Executive ZEP Options shall vest and become exercisable to the extent that individual and company performance metrics (as determined by the Board) in reference to the FY22 period (**Performance Metrics**) have been satisfied or waived by the Board:

- (i) 20% of the Executive ZEP Options shall vest on 30 June 2022 (subject to the holder remaining employed at 30 June 2022), expiring three years from vesting date (expiring 30 June 2025) (**Tranche 1**);
- (ii) 20% of the Executive ZEP Options shall vest on 30 June 2023 (subject to the holder remaining employed at 30 June 2023), expiring three years from vesting date (expiring 30 June 2026) (**Tranche 2**); and
- (iii) 60% of the Executive ZEP Options shall vest on 30 June 2024 (subject to the holder remaining employed at 30 June 2024), expiring three years from vesting date (expiring 30 June 2027) (**Tranche 3**).

The relevant exercise period of the Tranche 1, Tranche 2 and Tranche 3 Executive ZEP Options is as follows (**Exercise Period**):

- (i) Tranche 1 – 1 July 2022 to 30 June 2025;
- (ii) Tranche 2 – 1 July 2023 to 30 June 2026; and
- (iii) Tranche 3 – 1 July 2024 to 30 June 2027.

(d) **Cessation of Employment**

Unless otherwise waived by the Board in its discretion, should the holder cease employment or engagement by the Company:

- (i) any unexercised Executive ZEP Options that have vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the Executive ZEP Option within a period of 1 month after the Cessation Date;
- (ii) any unexercised Executive ZEP Options that have not vested as at the Cessation Date shall immediately lapse upon the Cessation Date.

(e) **Notice of Exercise**

The Executive ZEP Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Executive ZEP Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Executive ZEP Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Executive ZEP Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Executive ZEP Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Executive ZEP Option can be exercised.

(l) **Transferability**

The Executive ZEP Options are not transferable.

SCHEDULE 3 – TERMS AND CONDITIONS OF NED ZEP OPTIONS

(a) **Entitlement**

Each NED ZEP Option entitles the holder to subscribe for one Share, for nil consideration.

(b) **Expiry Date**

Each NED ZEP Option will expire at 5:00 pm (WST) on the date that is two years from the date of grant (**Expiry Date**). A NED ZEP Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The NED ZEP Options are exercisable at any time on or prior to the Expiry Date.

(d) **Cessation of Employment**

Should the holder cease employment or engagement by the Company any unexercised NED ZEP Options as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the ZEP Option within a period of 6 months after the Cessation Date.

(e) **Notice of Exercise**

The NED ZEP Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of NED ZEP Options specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the NED ZEP Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the NED ZEP Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the NED ZEP Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the NED ZEP Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the NED ZEP Option can be exercised.

(l) **Transferability**

The NED ZEP Options are not transferable.

SCHEDULE 4 – VALUATION OF EXECUTIVE ZEP OPTIONS

The Executive ZEP Options to be issued to the Related Party pursuant to Resolution 4 have been valued by internal management using a probability-based valuation methodology with reference to the share price at grant date of issue of the Executive ZEP Options.

Based on this valuation methodology and the assumptions set out below, the Executive ZEP Options were ascribed the following value:

Assumptions:	
Valuation date	11 October 2021
Market price of Shares	32.5 cents
Exercise price	Nil
Expiry date (length of time from issue)	Between 4 to 6 years
Indicative value per Executive ZEP Option	32.5 cents
Total Value of Executive ZEP Options	\$108,875
- Brian Miller	\$108,875

Note: The valuation noted above is not necessarily the market price that the Executive ZEP Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 5 – VALUATION OF NED ZEP OPTIONS

The NED ZEP Options to be issued to the Related Parties pursuant to Resolutions 5, 6 and 7 have been valued by internal management using a probability-based valuation methodology with reference to the share price at grant date of issue of the NED ZEP Options.

Based on this valuation methodology and the assumptions set out below, the NED ZEP Options were ascribed the following value:

Assumptions:	
Valuation date	11 October 2021
Market price of Shares	32.5 cents
Exercise price	Nil
Expiry date (length of time from issue)	2 years
Indicative value per NED Option	32.5 cents
Total Value of NED Options	\$146,250
- Jenny Cutri	\$48,750
- Neil Canby	\$48,750
- James Deacon	\$48,750

Note: The valuation noted above is not necessarily the market price that the NED ZEP Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 6 – TERMS AND CONDITIONS OF BROKER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.435 (Exercise Price).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 10 March 2024 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable except with the prior written consent of the Board.



Leading technology
for optimising assets

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of K2Fly Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting **OR**



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including 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 the Company to be held at **Level 4, 502 Hay Street, Subiaco WA 6008 on 29 November 2021 at 11:00am (WST)** and at any adjournment or postponement of that Meeting.

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

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3, 4, 5, 6 & 7 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Neil Canby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options To related party – Brian Miller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Options To related party – Eugenia Cutri	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options To related party – Neil Canby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Options To related party – James Deacon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of prior issue of Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratification of prior issue of Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Ratification of prior issue of Options – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 3, 4, 5, 6 & 7, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 3, 4, 5, 6 & 7.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00am (WST) on 27 November 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033