

For personal use only



SKYFII LIMITED

ACN 009 264 699

NOTICE OF GENERAL MEETING

TIME: 11.00am (AEDT)

DATE: 6 February 2017

VENUE: Level 40, 2 Park St, SYDNEY NSW 2000

THIS IS AN IMPORTANT DOCUMENT - If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Notice of General Meeting

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum. Notice is given that a General Meeting of the shareholders of Skyfii Limited (**Company**) to which this Notice relates will be held at 11.00am (AEDT) on Monday, 6 February 2017 at Level 40, 2 Park St, SYDNEY NSW 2000.

1.1 Voting Eligibility

The directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those that are registered shareholders at 11.00am (AEDT) on Saturday, 4 February 2017.

1.2 Voting In Person

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

1.3 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, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a member 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.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2012 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

For personal use only

Agenda

1 To Ratify an Issue of Shares

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 approve and ratify the prior allotment and issue of 40,043,922 shares (**Tranche 1 Shares**) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 1 by any person who participated in the issue of the Tranche 1 Shares, and any associate of such a person. However, in accordance with the Listing Rules, the Company need not disregard a vote if it is cast by a person as a proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the Chairman of the Meeting as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form.

2 To Approve a Proposed Issue of Shares

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

*“That, in accordance with Listing Rule 7.1 of the Australian Securities Exchange, shareholders approve the allotment and issue of up to 39,321,157 shares (**Tranche 2 Shares**) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 2 by any person who is entitled to participate in the issue of the Tranche 2 Shares or any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of such a person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3 Approval to Issue ESP Shares to Mr Wayne Arthur

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

“That, subject to the approval by shareholders of Resolution 3 in accordance with Chapter 2E of the Corporations Act 2001 and Listing Rule 10.14 of the Australian Securities Exchange, the Company be authorised to issue 1,450,000 shares under the terms of the Company’s Employee Share Plan (ESP) to director Mr Wayne Arthur, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting and each share ranking pari passu with Skyfii existing fully paid ordinary shares.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associate of such a person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the General Meeting of shareholders to be held at 11.00am (AEDT) on Monday, 6 February 2017 at Level 40, 2 Park St SYDNEY NSW 2000.

Resolutions 1 – To Ratify an Issue of Shares

Background

On 15 December 2016, the Company announced a placement of shares to raise \$4.1 million.

The placement will be undertaken in two tranches. The first tranche of 40,043,922 shares (**Tranche 1 Shares**) was issued on 21 December 2016 and comprised 23,828,517 shares issued under the Company's Listing Rule 7.1 capacity and 17,009,055 shares issued under the Company's Listing Rule 7.1A capacity. The balance of the placement is the subject of Resolution 2.

Listing Rule 7.4 provides that if a share issue is ratified by shareholders, the Company will have the flexibility to issue further securities without shareholder approval within the 15% restriction imposed upon listed companies by ASX Listing Rule 7.1, without the need to consider or 'count' the ratified share issue. In effect, by ratifying the share issue, the Company will 'refresh' its placement capacity under ASX Listing Rules 7.1.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of commercial and fund raising opportunities that may arise.

The following information is provided in relation to Resolution 1 in accordance with Listing Rule 7.5:

	Tranche 1 Shares
Number of shares issued/allotted	40,043,922
Issue price	\$0.063 per share
Allottee details	Various sophisticated investors and other excluded offerees – refer details set out in ASX announcement dated 15 December 2016
Terms of the shares	Rank equally with existing ordinary shares on issue.
Use of funds	Funds raised from the issue will be utilised for general working capital and in particular the Company's overseas expansion.

Recommendation

The Board unanimously recommends that shareholders approve Resolutions 1 as each director intends to do with regard to their own shareholdings in the Company.

THIS IS AN IMPORTANT DOCUMENT - If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Resolution 2 – To Approve a Proposed Issue of Shares

Background

On 15 December 2016, the Company announced a placement of shares to raise \$4.1 million.

The placement will be undertaken in two tranches. The first tranche of 40,043,922 shares, called the Tranche 1 Shares, was issued on 21 December 2016 and comprised 23,828,517 shares issued under the Company's Listing Rule 7.1 capacity and 17,009,055 shares issued under the Company's Listing Rule 7.1A capacity. Ratification of the issue of the Tranche 1 Shares is subject of Resolution 1.

The issue of the balance of the placement, being up to 39,321,157 shares, is subject of Resolution 2 (**Tranche 2 Shares**).

In accordance with ASX Listing Rule 7.3 the following information is provided:

Listing Rule 7.3 provides that if a share issue is ratified by shareholders, the Company will have the flexibility to issue further securities without shareholder approval within the 15% restriction imposed upon listed companies by ASX Listing Rule 7.1, without the need to consider or 'count' the ratified share issue. In effect, by ratifying the share issue, the Company will 'refresh' its placement capacity under ASX Listing Rules 7.1.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of commercial and fund raising opportunities that may arise.

The following information is provided in relation to Resolution 2 in accordance with Listing Rule 7.3:

	Tranche 2 Shares
Number of shares issued/allotted	Up to 39,321,157
Issue Date	No later than three months after the date of the shareholders meeting. Expected to be during the week following the shareholders meeting.
Issue price	\$0.063 per share
Allottee details	Various sophisticated investors and other excluded offerees – refer details set out in ASX announcement dated 15 December 2016.
Terms of the shares	Rank equally with existing ordinary shares on issue.
Use of funds	Funds raised from the issue will be utilised for general working capital and in particular the Company's overseas expansion.

Recommendation

The Board unanimously recommends shareholders approve Resolution 2, as each director intends to do with regard to their own shareholdings in the Company.

THIS IS AN IMPORTANT DOCUMENT - If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Resolution 3 – Approval to Issue ESP Shares to Mr Wayne Arthur

Mr Wayne Arthur is Managing Director and CEO of the Company.

It is proposed that, subject to shareholder approval, Mr Arthur be issued 1,450,000 shares under the terms of the Company's Employee Share Plan (**ESP**), which was approved at the Company's 2015 Annual General Meeting. The 1,450,000 shares (**ESP Shares**) proposed to be issued to Mr Arthur form part of a total of approximately 13 million ESP shares proposed to be issued to eligible employees under the terms of the ESP in January 2017.

Separate shareholder approval is required for any proposed issue of equity securities (in this case, ESP Shares) to a Director.

For the purposes of Listing Rule 10.15 the following additional information is provided:

- Mr Arthur is a Director of the Company.
- Mr Arthur will be issued a maximum of 1,450,000 shares under the terms of the Company's ESP. Directors may issue up to but not exceeding 10% of the Company's shares at any given time as shares under the ESP. The shares will be issued at \$0.065 per share.
- Each share acquired under the ESP shall be priced at the 'market price' per ESP share, that term defined as the volume weighted average price at which the Company's shares have traded during the 30 days immediately preceding the date of the invitation to participate in the ESP offer.
- The only person referred to in Listing Rule 10.14 to have previously received ESP shares is Mr Arthur, who received 600,000 ESP shares as part of the Company's 2015 ESP share grant. The shares were issued at \$0.148 per share.
- The names of all persons referred to in Listing Rule 10.14 entitled to participate in the ESP are Messrs Wayne Arthur, James Scott and Andrew Johnson.
- The details of the ESP Loan which may be offered by the Company to ESP Participants is detailed in the Notice of 2015 Annual General Meeting.
- The shares to be issued to Mr Arthur under the ESP will be issued on or around 6 February 2017 and in any case, no later than 12 months after the meeting. A summary of the terms of the ESP are set out in Schedule 1, below.

Recommendation

The Board (Mr Wayne Arthur abstaining) unanimously recommends that shareholders approve Resolution 3 as each director intends to do with regard to their own shareholdings in the Company. Other than Mr Wayne Arthur, no director has an interest in the outcome of Resolution 3.

SCHEDULE 1 – SUMMARY OF THE TERMS OF THE ESP

The key terms of the ESP are;

- the Board may invite a person who is employed or engaged by or holds an office with the Group (whether on a full or part-time basis) and who is declared by the Board to be eligible to participate in the ESP from time to time (**Eligible Employee**) to apply for fully paid ordinary shares under the plan from time to time (**ESP Shares**);
- invitations to apply for ESP Shares are to be made on the basis of the market price per share defined as the volume weighted average price at which the Company's shares have traded during the 30 days immediately preceding the date of the invitation;
- invitations to apply for ESP Shares under the ESP will be made on a basis determined by the Board (including as to the conditionality on the achievement of any key performance indicators) and notified to Eligible Employees in the invitation, or if no such determination is made by the Board, on the basis that ESP Shares will be subject to a 3 year vesting period, with:
 - 33% of ESP Shares applied for vesting on the date that is the first anniversary of the issue date of the ESP Shares;
 - 33% of ESP Shares applied for vesting on the date that is the second anniversary of the issue date of the ESP Shares; and
 - 34% of ESP Shares applied for vesting on the date that is the third anniversary of the issue date of the ESP Shares.
- Eligible Employees who accept an invitation (**ESP Participants**) may be offered an interest free loan from the Company to finance the whole of the purchase of the ESP Shares they are invited to apply for (**ESP Loan**). ESP Loans will have a term of 5 years and become repayable in full on the earlier of:
 - the fifth anniversary of the issue date of the ESP Shares; and
 - if the ESP Participant ceases to be an Eligible Employee, either:
 - the fifth anniversary of the issue date of the ESP Shares, if the Eligible Employee is a good leaver (as defined in the ESP); or
 - that date of cessation, if the Eligible Employee is a bad leaver (as defined in the ESP).
- if the ESP Participant does not repay the outstanding ESP Loan, or it notifies the Company that it cannot, then such number of ESP Shares that equal by value (using the price at which the ESP Shares were issued) the outstanding amount of the ESP Loan will become the subject of a buy-back notice from the Company which the ESP Participant must accept. The buy-back of such number of ESP Shares will be considered full and final satisfaction of the ESP Loan and the Company will not have any further recourse against the ESP Participant;
- any dividends received by the ESP Participant whilst the whole or part of the ESP Loan remains outstanding must be applied to the repayment of the ESP Loan;
- the maximum number of ESP Shares for which invitations may be issued under the ESP together with the number of ESP Shares still to be issued in respect of already accepted invitations and that have already been issued in response to

THIS IS AN IMPORTANT DOCUMENT - If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

invitations in the previous 5 years (but disregarding ESP Shares that are or were issued following invitations to non-residents, that did not require a disclosure document under the Corporations Act, or that were issued under a disclosure document under the Corporations Act) must not exceed 10% of the total number of ordinary shares on issue in the Company at the time the invitations are made;

- in the event of a corporate reconstruction, the Board will adjust, subject to the Listing Rules (if applicable), any one or more of the maximum number of shares that may be issued under the ESP (if applicable), the subscription price, the buy-back price and the number of ESP Shares to be vested at any future vesting date (if applicable), as it deems appropriate so that the benefits conferred on ESP Participants after a corporate reconstruction are the same as the benefits enjoyed by the ESP Participants before the corporate reconstruction. On conferring the benefit of any corporate reconstruction, any fractional entitlements to shares will be rounded down to the nearest whole share;
- ESP Participants will continue to have the right to participate in dividends paid by the Company despite some or all of their ESP Shares not having vested yet or being subject to an ESP Loan. If an ESP Loan has been made to the ESP Participant, then any dividend due must first be applied to reducing any outstanding ESP Loan amount applicable to the ESP Shares on which the dividend is paid;
- ESP Shares which have not vested and/or are subject to repayment of the ESP Loan will be restricted (escrowed) from trading;
- the Company may buy-back at the issue price any ESP Shares which:
 - have not vested, or are incapable of vesting at any time (including as a result of the ESP Participant failing to meet any key performance indicators on which vesting of ESP Shares is conditional); or
 - remain in escrow and/or are the subject of an ESP Loan, on the occurrence of:
 - the ESP Participant ceasing to be an Eligible Employee (unless the Board, in its sole and absolute discretion determines otherwise, subject to any conditions that it may apply, including the repayment of any outstanding ESP Loan); or
 - the expiration of the term of the ESP Loan.
- any bonus securities issued in relation to ESP Shares which remain unvested or are subject to an ESP Loan which becomes repayable in full will be the subject of a buy-back by the Company at the issue price for no consideration;
- on the death or permanent disability of an ESP Participant, all ESP Shares held by the ESP Participant or their estate will immediately vest subject to the repayment of any outstanding ESP Loan by the curator, executor or nominated beneficiary(ies) (as the case may be) within 30 days of their appointment (or such longer period as the Company in its discretion may allow). Failing such repayment, the Company will buy-back all ESP Shares in respect of which there is an outstanding ESP Loan;
- the rules of the ESP and any amendment to the rules of the ESP must be in accordance with the Listing Rules and the Corporations Act;
- if, while the Company's shares are traded on the ASX or any other stock exchange, there is any inconsistency between the terms of the ESP and the Listing Rules, the Listing Rules will prevail; and
- the ESP is governed by the laws of the State of New South Wales, Australia.

THIS IS AN IMPORTANT DOCUMENT - If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.



All Correspondence to:

- ✉ **By Mail:** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Saturday 04 February 2017.**

TO VOTE ONLINE	BY SMARTPHONE
-----------------------	----------------------

- STEP 1: VISIT** www.votingonline.com.au/skfgm2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEDT on Saturday 04 February 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** www.votingonline.com.au/skfgm2017
- By Fax** +61 2 9290 9655
- By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of SkyFii Limited and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of **SkyFii Limited** to be held at **Level 40, 2 Park Street, Sydney NSW 2000 on Monday 06 February 2017 at 11:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	To Ratify an Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To Approve a Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue ESP Shares to Mr Wayne Arthur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / /2017