



12 October 2011

Dear shareholder

I invite you to attend the annual general meeting of K2 Asset Management Holdings Ltd, which will take place at 9.00am on 15 November 2011 at level 32, 101 Collins Street, Melbourne.

The notice of meeting which sets out the items of business is enclosed. A proxy form is also enclosed, for shareholders who are unable to attend the meeting.

I look forward to welcoming you at the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Campbell W Neal', written in a cursive style.

Campbell W Neal
Chair



Notice of 2011 annual general meeting

K2 ASSET MANAGEMENT HOLDINGS LTD ("Company") gives notice that the Annual General Meeting of the Company will be held at Level 32, 101 Collins Street, Melbourne, Victoria on Tuesday 15 November 2011 at 9.00am to consider and, if thought fit, pass the following resolutions.

Ordinary business

1. [Receipt of financial reports](#)

To receive and consider the financial report of the Company and the reports of the directors and auditor for the year ended 30 June 2011.

2. [Adoption of remuneration report](#)

That the remuneration report for the year ended 30 June 2011 be adopted.

3. [Re-election of director](#)

That Mr Mark Newman, who retires as a director by rotation in accordance with article 3.6 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company.

Special business

4. [Approval of share issue to entity related to Ms Hollie Wight under historical incentive plan](#)

That in accordance with ASX Listing Rule 10.14, the issue of 155,957 ordinary shares under the Company's historical incentive plan, for the sum of \$41,690.81, to DHC Investments Pty Ltd, a company controlled by Ms Hollie Wight (Executive Director), be approved.

For further information, please refer to the general information and explanatory notes which form part of this notice of meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 2 by the key management personnel of the Company and their closely related parties. The Company will also ignore any votes cast on resolution 4 by Ms Hollie Wight and any associate of Ms Wight, which in this case includes all Company directors.

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 if it is cast by a 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.

By order of the Board

A handwritten signature in dark ink, appearing to read 'Ruth McClelland'.

Ruth McClelland
Company Secretary
12 October 2011



General information for shareholders

Shareholders entitled to vote

The directors have determined that, for the purpose of voting at the meeting, shareholders are those persons who are the registered holders of shares at 9.00am on Sunday 13 November 2011.

Appointment of proxies

If you are entitled to vote at the meeting, you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy you should use the attached form. The proxy need not be a shareholder of the Company. You may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Proxy forms should be delivered to the Company's share registry, Boardroom Pty Limited:

- by hand to level 7, 207 Kent Street, Sydney NSW 2000;
- by post to GPO Box 3993, Sydney NSW 2001; or
- by facsimile to +02 9290 9655.

Proxy forms must be received by the registry no later than 9.00am on 13 November 2011.

Bodies Corporate/Companies

If a body corporate wishes to vote, it may complete a proxy form, or appoint an individual to represent it at the meeting. An "appointment of corporate representative" form can be obtained at www.boardroomlimited.com.au or by calling the share registry on 1300 737 760. Unless the appointment states otherwise, the representative may exercise all of the powers that the body could exercise at a meeting or in voting on a resolution.

Unless a standing appointment has already been given to the Company, corporate representatives should bring evidence of their appointment to the meeting, including any authority under which the appointment is signed. A representative of a company cannot vote at the meeting without a certificate of appointment.

Annual Report

Shareholders who have elected to receive a paper copy of the annual report - which includes the financial report, directors' report, auditor's report and remuneration report – should receive a copy with this notice. The report is also available from the shareholder information page at www.k2am.com.

Explanatory notes on items of business

The purpose of this explanatory statement is to provide shareholders with information concerning the resolutions proposed in the notice of annual general meeting.

1. Receipt of financial reports

This item will not be voted on.

The Company's financial report and the reports of the directors and auditor for the year ended 30 June 2011 are placed before the meeting giving shareholders the opportunity to discuss these documents and to ask questions.

The Company's auditor will also be available to take questions about the preparation and conduct of the audit and the content of the audit report.

Shareholders may also submit written questions in relation to the preparation and conduct of the audit and contents of the Auditor's report to the Company's auditor. These should be sent to K2 Asset Management at Level 32, 101 Collins Street, Melbourne, Victoria, 3000, or sent by fax to (03) 9691 6170, no later than close of business on Tuesday 8 November 2010.

A list of those relevant questions will be available at the annual general meeting and as many questions as possible will be answered at the meeting. Individual replies will not be sent.

2. Adoption of remuneration report

The Company's remuneration report, found in the annual report, is placed before the meeting and the shareholders may vote to adopt or not



adopt the remuneration report. The vote on this resolution is advisory only and does not bind the directors of the Company. Because directors are excluded from voting, they can make no recommendation to shareholders on how to vote on this resolution.

The chair will vote undirected proxies in favour of this resolution, where permitted to do so by the relevant proxy form.

3. **Re-election of director**

In accordance with article 3.6 of the Company's constitution, at every annual general meeting one-third of the directors (other than the managing director who is exempt under article 3.6), or, if their number is not a multiple of three, then the number nearest to, but not less than, one-third must retire from office. In accordance with these provisions, Mr Mark Newman, Executive Director and Chief Financial Officer, retires and offers himself for re-election.

Mr Mark Newman, with Mr Campbell Neal, founded K2 Asset Management Pty Ltd (now K2 Asset Management Ltd) in 1999 and has acted as executive director and chief investment officer of that company since that time. When K2 Asset Management Holdings Ltd was established in 2007 as the parent company of K2 Asset Management Ltd, Mr Newman was appointed as a director of that entity also.

Prior to the establishment of K2, Mr Newman acted as a director of HSBC Asset Management Hong Kong and then a senior fund manager with the Abu Dhabi Investment Authority. He is an experienced company director and executive and the board, with Mr Newman abstaining, unanimously recommends that shareholders vote in favour of his re-election.

The chair intends to vote undirected proxies in favour of this resolution.

4. **Approval of share issue to entity related to Ms Hollie Wight**

Historical Incentive Plan

As set out in the Company's prospectus dated 24 October 2007, since 2000 K2 Asset Management Ltd has had in place a long-term

incentive scheme under which high-performing employees were issued with special rights to buy shares in the company at a pre-determined price. These rights vested over a four year period with one-third converting on the second, third and fourth anniversaries of the grant date. Rights were only available for conversion if the employee remained at the company, and could be revoked at the directors' discretion.

These rights were converted into rights to buy shares in the Company and there now remain 155,957 shares not yet issued under the plan. No new grants will be made under this plan.

Share Issues to a Director Require Approval

It is proposed that Ms Hollie Wight, or in this case a company she controls – DHC Investments Pty Ltd - be issued with the outstanding 155,957 shares under the historical incentive plan. These shares are the subject of this resolution.

Ms Wight joined K2 Asset Management Ltd in 2000 and was appointed a director in April 2005. When K2 Asset Management Holdings Ltd was established in 2007 Ms Wight was appointed Director and Chief Financial Officer of that entity also. She was granted the performance rights in October 2007 by a unanimous agreement of shareholders, on condition that she remained employed by and continued to provide exceptional service to the company.

In addition to being Executive Director and Chief Financial Officer, Ms Wight's role at K2, encompasses supervision of:

- overall office management; and
- the accounting and administration for K2 Asset Management Ltd's investment funds, and accordingly she is a key part of the K2 group's operations.

The board considered in 2007 and still considers that the proposed issue of shares to Ms Wight's company was and is an appropriately designed equity-based incentive, having regard to Ms Wight's responsibilities and commitment to the Company and the



Company's need to ensure retention of key employees.

Because Ms Wight is a director of the Company, this share issue requires shareholder approval under ASX Listing Rule 10.14. For the purposes of ASX Listing Rule 10.15, the following information is provided.

- Ms Hollie Wight is a director and shareholder of DHC Investments Pty Ltd.
- The number of shares to be acquired is 155,957 ordinary shares in the Company.
- The price for the shares will be \$41,690.81, which, when added to a deposit of \$1,559.57 paid in 2007, equates to approximately 27.73 cents per share. This price is not based on the current market price, but on the amount stated in the historical incentive plan.
- Following the approval of share issue granted at the 2010 annual general meeting 155,957 ordinary shares were issued to DHC Investments Pty Ltd for \$41,690.80 or approximately 27.73 cents per share.
- Ms Wight is the only Company director granted performance rights under the historical incentive plan. No director's associate has been granted performance rights under the historical incentive plan.
- The Company has made no loan in relation to the acquisition.
- If approved, these shares will be issued on 16 November 2011.

Because directors are excluded from voting, they can make no recommendation to shareholders on how to vote on this resolution.

The chair will vote undirected proxies in favour of this resolution, where permitted to do so by the relevant proxy form.



Name Address 1
Name Address 2
Name Address 3
Name Address 4
Name Address 5
Name Address 6

Proxy Form Annual General Meeting

FOR ALL ENQUIRIES CALL:
Within Australia 1300 737 760
Outside Australia +61 2 9290 9600
FACSIMILE: +61 2 9290 9655

ALL CORRESPONDENCE TO:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

STEP 1 - Appointment of Proxy

If appointing a proxy to attend the annual general meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We being a shareholder/shareholders of the Company pursuant to my/our right to appoint not more than two proxies, appoint

The Chair of the Meeting
(mark with an "X")

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chair of the meeting.

or failing him/her, (or if no proxy is specified above), the Chair of the meeting, as my/our proxy to attend, act generally and vote as directed below or, if no directions are given, as the proxy sees fit at the general meeting to be held at **level 32, 101 Collins Street, Melbourne, Victoria on Tuesday 15 November 2011 at 9.00am** and at any adjournment of that meeting.

This proxy is to be used in respect of _____% of the ordinary shares I/we hold

NOTE REGARDING RESOLUTIONS 2 and 4

The Chair intends to vote all undirected proxies in favour of each resolution. However, the Chair cannot vote undirected proxies on resolutions 2 and 4 unless you mark this box. If the Chair is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of these resolutions, please mark this box.

By marking this box, you acknowledge that the Chair may vote as your proxy even if he has an interest in the outcome of the resolutions. Votes cast by the Chair for those resolutions will otherwise be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on the resolutions and your votes will not be counted in calculating the required majority if a poll is called.

By marking this box I/we acknowledge that the Chair can exercise my/our proxy even though he has an interest in the outcome of resolutions 2 and 4 and unless a specific voting direction has been specified below, the Chair is directed to vote in accordance with his voting intention as set out below:

Where permitted to by the proxy form, the Chair will vote undirected proxies in favour of resolutions 2 and 4.



STEP 2 - Voting directions to your proxy

Please mark to indicate your directions

RESOLUTION	For	Against	Abstain*
Item 2. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3. Re-election of Mr Mark Newman as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4. Approval of share issue to entity related to Ms Hollie Wight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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 votes will not be counted in computing the required majority on a poll.

STEP 3 - Please Sign Here

This section must be signed in accordance with the instructions below to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act 2001:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director

Director / Company Secretary

Dated this _____

day of _____ 2011

Contact Name

Daytime Business Telephone



INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are issuer sponsored and this information is incorrect, make the correction on this form, sign it and return it to us. Shareholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish to do so. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint up to two proxies. If you wish to appoint a second proxy to exercise a proportion of your votes, please contact Registries Limited for a second proxy form, or complete a photocopy of this form, and return both forms in the same envelope. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes, disregarding fractions. If more than one proxy attends the meeting, neither will be entitled to vote on a show of hands.
4. A proxy need not be a shareholder of the Company, and the proxy may be an individual or a body corporate. If you appoint another shareholder as your proxy, that person will only have one vote on a show of hands; and on a show of hands does not have to vote in accordance with your directions.
5. If you mark the "Abstain" box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a corporate (company) shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the meeting, unless a standing appointment has already been provided. The form of appointment can be obtained at www.boardroomlimited.com.au.
7. If a representative of a shareholder is to attend the meeting as an attorney under a power of attorney, a properly executed original (or original certified copy) of an appropriate power of attorney should be produced for admission to the meeting.

8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one individual's name, that holder must sign.

Joint Holding: Where the holding is in more than one individual's name, all of the shareholders should sign.

Power of Attorney: If you are signing under a power of attorney, you must lodge an original or certified copy of the appropriate power of attorney with your completed proxy form.

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) 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 indicate the office held by signing in the appropriate place.

9. **Lodgement**

This proxy form (and any power of attorney under which it is signed) must be received at the address below not later than 9.00am on Sunday, 13 November 2011 (48 hours before the commencement of the meeting). Any proxy form received after that time will not be valid for the scheduled meeting.

Hand deliveries	Share Registry - Boardroom Pty Limited Level 7, 207 Kent Street Sydney, NSW, 2000
Postal address:	GPO Box 3993 Sydney NSW 2001
Fax number:	(02) 9290 9655