

Australian Masters Yield Fund No 2 Limited
(ACN 144 883 509)
Notice of General Meeting

Notice is given that the General Meeting of members of Australian Masters Yield Fund No 2 Limited (**Company**) will be held as follows:

Date: **Monday, 18 September 2017**
Time: **11.00am (AEST)**
Venue: Level 15, 100 Pacific Highway, North Sydney NSW 2060

Special Business

1. Voluntary Winding-up

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

"That the Company be wound-up voluntarily and that the Liquidator be authorised to divide among the members in specie, the whole or any part of the property of the Company and for that purpose set such value as he or she considers fair upon any property to be so divided and determine how the division is to be carried out as between the members or different classes of members".

2. Liquidator

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

"That, conditional on Resolution 1 being passed, Martin Walsh - Chartered Accountant be appointed to act as Liquidator of the Company for the purpose of such winding-up."

3. Costs of Liquidator

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

"That, conditional on Resolution 1 and 2 being passed, the Liquidator, his partner and staff (including the costs of convening the meeting of members) are all proper costs, charges and expenses of, and incidental to the winding-up be fixed in the amount of \$10,000 (excluding GST) and that the Liquidator be authorised to make a 50% payment on appointment, a further 40% after obtaining tax clearance and the balance on the earlier of final distribution, or deregistration."

4. Books and Records of the Company

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

"That, conditional on Resolution 1 and 2 being passed, and obtaining the approval of the Australian Securities and Investments Commission pursuant to Section 542(4) of the Corporations Act 2001, the books and records of the Company and of the Liquidator be disposed of by the Liquidator six months after the deregistration of the Company, or earlier at the discretion of Australian Securities and Investment Commission."

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of General Meeting. All members should read the Explanatory Memorandum carefully and in its entirety. Members who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Subject to sufficient funds being available, the Company may pay a final distribution to Shareholders prior to its winding-up.

Proxies

A member entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead.

A proxy need not be a member of the Company.

If the member appoints 2 proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceed that which the member is entitled to, each proxy may exercise half of the member's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below;
- (b) received at the fax number specified below; or
- (c) registered online at www.votingonline.com.au/amyf2gm2017

not later than 48 hours before the Meeting i.e. 11.00am (AEST) on **Thursday, 14 September 2017**.

Address: **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000**

Fax number: **(02) 9290 9655**

A form of proxy is provided with this Notice.

Entitlement to Vote

In accordance with section 1074E(2)(g)(i) of the *Corporations Act* and regulation 7.11.37 of the *Corporations Regulations*, the Company has determined that for the purposes of the meeting all shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7.00 pm (AEST) on Thursday, 14 September 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Hannah Chan
Company Secretary
24 August 2017

Australian Masters Yield Fund No 2 Limited
(ACN 144 883 509)
Explanatory Memorandum

This Explanatory Memorandum relates to the General Meeting of the Company to be held at **Level 15, 100 Pacific Highway, North Sydney NSW 2060** on **Monday, 18 September 2017** at **11.00am AEST**.

Resolution 1. Voluntary Winding-up

Resolution 1 authorises the Company to be wound-up and the liquidator to divide among the members *in specie*, the whole or any part of the property of the Company and for that purpose set such value as the liquidator considers fair upon any property to be so divided and determine how the division is to be carried out as between the members.

The Company disclosed in the Prospectus dated 23 March 2011 and the Information Memorandum dated 25 September 2012 that it would seek Shareholder approval to wind-up the Company following the maturity of the longest dated underlying fixed income security or the sale of the last of the fixed income securities held in the Company's portfolio. The Company was structured with a defined term and an explicit mandate to return all available capital to Shareholders, subject to their approval, as and when the underlying fixed income securities mature.

On 15 February 2017, the Company announced details of the final capital return. The Company distributed the funds from the final capital return on 3 March 2017 and as a result the net issued capital per Share has been repaid to investors in full. In the event that the liquidator identifies any residual assets these will be paid as dividends to Shareholders as part of the wind-up process. The amount of any final distribution payment will be dependent on remaining liabilities at the time of wind-up and winding-up costs but the Directors do not expect any such distribution to be material.

If this resolution is passed, a transfer of Shares or an alteration in the status of members of the Company will be void unless the liquidator gives written consent and that consent is unconditional or if the consent is subject to conditions, those conditions have been satisfied or the transfer of Shares or the alteration in the status of the member of the Company is authorised by the Court.

Pursuant to Section 491(1) of the *Corporations Act*, this resolution must be passed as a special resolution. To be approved as a **special resolution**, not less than 75% of the votes which are cast on that resolution, must be in favour of this Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Resolution 2. Liquidator

On the condition that Resolution 1 is passed, Resolution 2 authorises the Company to appoint Martin Walsh - Chartered Accountant to act as liquidator of the Company.

At a recent meeting of the Directors, the Directors resolved that at this General Meeting of members, the members consider a resolution to place the Company into voluntary liquidation and that Martin Walsh be appointed to act as liquidator for the purpose of such winding-up.

Resolution 2 must be passed as an ordinary resolution. To be approved as an **ordinary resolution**, not less than 50% plus one of the votes which are cast on that resolution, must be in favour of this Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3. Costs of Liquidator

On the condition that Resolutions 1 and 2 are passed, Resolution 3 authorises that the Liquidator, his partner and staff costs (including the costs of convening the meeting of members) are all proper costs, charges and expenses of and incidental to the winding-up fixed in the amount of \$10,000 (excluding GST). Further, the Liquidator is authorised to make a 50% payment on appointment, a further 40% after obtaining tax clearance and the balance on the earlier of final distribution, or deregistration, and that

the Liquidator be entitled to apply any GST refunds against same at any time including after the finalisation of the winding-up.

The Company disclosed in its Information Memorandum that it was anticipated that professional advisors' fees required to effect a solvent voluntary winding-up of the Company will be in the order of \$20,000 plus GST and disbursements.

Any surplus funds that remain in the Company will be distributed to Shareholders after paying costs associated with the voluntary winding-up and absolving all outstanding liabilities of the Company.

Resolution 3 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Resolution 4. Books and Records of the Company

On the condition that Resolutions 1 and 2 are passed, Resolution 4 authorises, subject to obtaining the approval of the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 542(4) of the *Corporations Act 2001*, that the books and records of the Company and of the liquidator be disposed of by the liquidator 6 months after the deregistration of the Company, or earlier at the discretion of Australian Securities and Investment Commission.

Section 542(3)(b) of the *Corporations Act* provides that subject to ASIC's approval the books and records of the Company and of the liquidator may be destroyed within a period approved by the members.

Resolution 4 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Glossary

Board means the board of Directors of the Company.

Company means Australian Masters Yield Fund No 2 Limited (ACN 144 883 509).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum to the Notice.

Information Memorandum means the information memorandum for the Company dated 25 September 2012.

Liquidator means the liquidator of the company, Martin Walsh - Chartered Accountant.

Meeting means this General Meeting.

Notice means this notice of meeting.

Resolution means a resolution to be considered at the Meeting.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.