

13 October 2014

NOTICE OF 2014 ANNUAL GENERAL MEETING

Notice is given that the 2014 Annual General Meeting of Schaffer Corporation Limited ("**SFC**" or the "**Company**") will be held at **Esplanade River Suites** (formerly Broadwater Pagoda), **112 Melville Parade, Como, Western Australia** at **11:30am (WST)** on **Wednesday 19 November 2014**.

BUSINESS

1. Annual Financial Report

To receive and consider the annual financial statements and reports of the directors and the auditors for the period ended 30 June 2014.

2. Resolution 1: Re-election of Mr Michael Perrott AM

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

"That Mr Perrott AM who retires in accordance with the Company's constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 2: Adopt Remuneration Report

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

"That the Remuneration Report for the period ended 30 June 2014 be adopted."

4. Questions and Comments by Shareholders at the Meeting

By order of the Board



Jason M Cantwell
Group Financial Controller & Company Secretary

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders of the Company in connection with the business to be conducted at the forthcoming Annual General Meeting (“AGM”) of shareholders.

Annual Financial Report

The first item on the Notice of Annual General Meeting deals with the presentation of the Financial Report and Reports of the Directors and Auditor of the Company for the year ended 30 June 2014. No resolution is required to be moved in respect of this item of business.

Resolution 1 – Re-election of Director

Mr Michael Perrott AM – Independent Director

Mr Michael Perrott AM, who was elected to the Board of Schaffer Corporation Limited in 2005, is required to retire from office pursuant to the ‘Director Rotation’ provisions of Article 3.6 of the Company’s constitution. Mr Perrott, being eligible, has offered himself for re-election as a Director.

Mr Perrott joined the Board as an independent director in February 2005 and is a member of the Board’s Audit Committee and the Nomination and Remuneration Committee. Mr Perrott has over 40 years experience with industries associated with construction, contracting, mining and land development, and is currently Chairman of GME Resources Limited. He is currently also a member of the Board of Notre Dame University and SANE Australia.

Mr Perrott was honoured as a Member of the Order of Australia in June 2008 for service to the community through his work in mental illness, suicide prevention and tertiary education sectors.

Mr Perrott has a Bachelor degree in Commerce from the University of Western Australia, and is also a Fellow of the Australian Institute of Management and a Fellow of the Australian Institute of Company Directors.

Recommendation: The Board supports the re-election of Mr Perrott AM.

Resolution 2 – Remuneration Report

The Corporations Act requires that a resolution in relation to the Remuneration Report, included in the Director’s Report, be included in the Notice of Meeting so that shareholders have an opportunity to comment and ask questions on the content of the Remuneration Report and exercise a vote for its adoption. This resolution is advisory only and does not bind the Company or the Directors.

The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) must stand for re-election.

The Company’s Remuneration Report commences on Page 52 of the 2014 Annual Report, a copy of which is available from SFC’s website at www.schaffer.com.au.

Recommendation: Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and that each Director (or any closely related party of a Director) is excluded from voting their shares on this resolution, the Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

Questions and Comments by Shareholders at the Meeting

As has been previous company practice, reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comments on, the management of the company and the business set out in this Notice of Meeting. Similarly, a reasonable opportunity will be given to shareholders at the meeting to ask the auditor, or their representative, questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

Eligibility to Vote

The Directors have determined in accordance with section 1109N of the Corporations Act 2001 (Cth) ("Corporations Act") that, for the purpose of voting at the meeting, shares will be taken to be held by the registered holders at 5pm WST on 17 November 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlement to attend and vote at the Annual General Meeting.

Voting Exclusions

The Corporations Act requires that certain persons must not vote, and the Company must disregard any votes cast by such persons, on Item 3 (Resolution 2) to be considered at the AGM. These voting exclusions are described below:

Except to the extent otherwise permitted by law, the following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution proposed in Item 3 (Resolution 2):

- A member of the key management personnel ("KMP") for the SFC consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such KMP), unless:
 - that person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 2; and
 - the vote is not cast on behalf of a KMP whose remuneration details are included in the Remuneration Report (or a closely related party of any such KMP).
- A KMP whose remuneration details are not included in the Remuneration Report (or a closely related party of any such KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 2, unless:
 - the proxy is the Chair of the AGM; and
 - the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 2 is connected directly or indirectly with the remuneration of a KMP.

For the purposes of these voting exclusions:

The 'key management personnel for the SFC consolidated group' (or KMPs) are those persons having authority and responsibility for planning, directing and controlling the activities of the SFC consolidated group either directly or indirectly. It includes all Directors (Executive and Non-Executive). The KMPs during the year ended 30 June 2014 are listed in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2014.

A 'closely related party' of a KMP means:

- a spouse or child of the KMP; or
- a child of the KMP's spouse; or
- a dependant of the KMP or of the KMP's spouse; or
- anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company; or
- a company the KMP controls.

The Company will also apply these voting exclusions, on an equivalent basis, to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney.

Proxies

A member who is entitled to vote at the meeting has a right to appoint a proxy and should use the proxy form with this notice. The proxy need not be a member of the Company.

A member who is entitled to cast two or more votes may appoint two proxies and may specify the percentage of the member's votes that each proxy is appointed to exercise.

A proxy's authority to speak and vote for a member at the meeting is suspended if the member is present at the meeting.

The proxy form must be signed and dated by the member or the member's attorney. Joint members must each sign. Proxies given by a natural person must be signed by each appointing shareholder or the shareholder's attorney duly authorised in writing.

If signed by an executor/executrix of a deceased member, please forward probate or letters of administration for noting.

Proxies given by companies must be executed in accordance with section 127 of the Corporations Act, signed by either two directors or a director and a secretary or signed by the appointor's attorney duly authorised in writing.

Direction to Chair for Remuneration Report

If the Chair of the AGM is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chair of the AGM to vote for or against, or to abstain from voting on, the resolution on Item 3 (Resolution 2: Adopt Remuneration Report) by marking the appropriate box opposite Resolution 2 in the proxy appointment form. However, if the Chair of the AGM is a proxy and the relevant shareholder does not mark any of the boxes opposite Resolution 2, the relevant shareholder will be directing the Chair of the AGM to vote in favour of the resolution on that item.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received at least 48 hours before the meeting:

- by hand to 1305 Hay Street, West Perth or by mail to PO Box 770, West Perth WA 6872; in the enclosed envelope or
- on fax number +61 8 9481 0439
- Email to nicky@schaffer.com.au

Corporate Representative

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

ABN 73 008 675 689

000001 000 SFC
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:**By Mail:**

PO Box 770
West Perth WA 6872
Australia

By Hand:

1305 Hay Street
West Perth WA 6005

By Email:

Scan and email to
nicky@schaffer.com.au

Alternatively you can fax your form to
(within Australia) 08 9481 0439
(outside Australia) +61 8 9481 0439

For all enquiries call:

(within Australia) 1300 763 645
(outside Australia) +61 3 9415 4864

Proxy Form

 **For your vote to be effective it must be received by 11:30am (WST) Monday 17 November 2014**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach 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 also 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. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.schaffer.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Schaffer Corporation Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and 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 Schaffer Corporation Limited to be held at Esplanade River Suites, 112 Melville Parade, Como, Western Australia on Wednesday, 19 November 2014 at 11:30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



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

		For	Against	Abstain
Resolution 1	Re-election of Mr Michael Perrott AM	☐	☐	☐
Resolution 2	Adopt Remuneration Report	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

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Computershare