

# **STIRLING PRODUCTS LIMITED**

ABN 32 077 105 429

## **Notice of General Meeting and Explanatory Notes**

**Date:** 31 December 2015

**Time:** 10.00am (Sydney time)

**Place:** Level 10, 52 Phillip Street, Sydney NSW 2000

**Your Directors recommend that you vote in favour of the Proposed Transaction and the proposed offer and issue of Consideration Shares to the MX360 Shareholders.**

This Notice of Meeting is dated 30 November 2015.

**This document is important and requires your immediate attention. Carefully read this document in its entirety and consult your stockbroker, solicitor, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.**

## Table of Contents

**NOTE:** Capitalised terms used in this document are defined in the Glossary (Section 12).

### Key Dates (Sydney time)

Due date for lodgement of proxy forms	10.00am 29 December 2015
Record Date	7.00pm 29 December 2015
General Meeting	10.00am 31 December 2015

**NOTE:** The above timetable is indicative only. The Company reserves the right to vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and any other applicable laws.

## Corporate Directory

### Current Directors

Peter Dykes (Chairman)  
Timothy Shaw (Director)  
Peter Alan Torney (Director)

### Current Company Secretary

Elizabeth Hunt

### Registered Office

Level 11, 216 St Georges Terrace  
PERTH WA 6000  
Tel: +61 8 9463 6103  
Fax: +61 8 9481 0389

### Share Registry

*Currently:*

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001  
1300 737 760

*From 7 December 2015:*

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6953  
Tel: +61 8 9315 2333  
Fax: +61 8 9315 2233

### Auditors

K & S Black & Co  
6/350 Kent Street  
Sydney NSW 2000

### Australian Legal Advisors

Thomson Geer  
Level 25, 1 O'Connell Street  
SYDNEY NSW 2000

## Chairman's Letter to Shareholders

30 November 2015

Dear STI Shareholder,

I am pleased to be able to present an exciting opportunity to re-establish Stirling Products Limited (**STI or Company**) into the holding Company of MX360 Group Pty Limited (**MX360**).

On 24 November 2015, the Company entered into a stock purchase agreement (**Acquisition Agreement**) to acquire 100% of the issued capital of MX360 in consideration for the issue of Shares (the **MX360 Acquisition**).

MX360 is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally. MX360 currently operates in Australia as a development company and owns all of the rights, title and interest in the prototype trading platform. It is anticipated that the platform will be an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (**Platform**).

Shareholders are now presented with the opportunity to approve the MX360 Acquisition. Shares in the Company are presently suspended from trading as the Company does not have a level of operations suitable for a listed company. The path to re-quotation of your Shares requires the acquisition or establishment of business operations acceptable to ASX, receipt of Shareholder approval and the issue of a prospectus to raise capital for the Company.

The MX360 Acquisition, if approved, will result in a significant change in the nature and scale of the Company's activities. On and from Completion, the main business activity of the Company will involve the further development and launch of the Platform. Accordingly, the Company is required to obtain Shareholder approval under ASX Listing Rules 11.1.2 and 11.1.3 to undertake the MX360 Acquisition and it must re-comply with Chapters 1 and 2 of the ASX Listing Rules.

This Notice of Meeting is directed at securing approval from Shareholders to acquire MX360 and the issue of Shares under the Prospectus. In this regard the Company proposes to:

- 1 complete the MX360 Acquisition by acquiring all of the issued capital of MX360 and, as consideration, issue Shares to shareholders of MX360 (**MX360 Shareholders**);
- 2 appoint each of Grant Davidson, Wesley Culley and James McCarron as Directors of the Company effective upon completion of the MX360 Acquisition;
- 3 issue a prospectus to raise up to \$4,000,000 under a public offer (**Public Offer**); and
- 4 change the name of the Company to OrContra Limited and the ASX code to 'OCO'.

Full details of the approvals being sought from Shareholders are contained in the Explanatory Notes.

The Completion of the MX360 Acquisition is subject to various conditions precedent, including the Public Offer. These are set out in detail in section 2.6.

If the MX360 Acquisition is successfully completed:

- the Company will acquire 100% of the shares in the capital of MX360;
- Peter Torney and Timothy Shaw will resign as Directors of the Company;
- the name of the Company will change from Stirling Products Limited to OrContra Limited (there will also be a corresponding change to the Company's ASX code to "OCO"); and
- the proceeds from the Public Offer will be used to fund:
  - product / platform development;

- marketing;
- costs of the public offer; and
- working capital.

Upon Completion of the MX360 Acquisition it is intended that the Company's Shares be requoted on the ASX. If Completion does not occur, there is a real risk that the Company will be automatically removed from the Official List of the ASX. The ASX introduced a policy effective from 1 January 2014, whereby entities whose securities have been suspended from trading for a continuous period of 3 years will be automatically removed from the Official List of the ASX. The Company's securities have been continuously suspended from trading since 5 July 2011. Although the Company must have its securities re-instated to trading prior to 1 January 2016 to avoid being automatically removed from the Official List of the ASX, the Company intends to seek confirmation from the ASX that in the event that it:

- has held the General Meeting to approve the Proposed Transaction; and
- issued the Prospectus prior to 1 January 2016,

it would extend the period by which the Company must have its shares reinstated to a date later than 1 January 2016.

The acquisition of MX360 is not without risk. By approving the acquisition of MX360 and the associated transactions, you will become exposed to risks associated with the new operations of the Company. I encourage you to consider the risks identified in Section 7.

If you have any questions about the MX360 Acquisition or this Notice of Meeting, please contact the Company, or consult your licensed financial adviser, stockbroker or other professional adviser. If you have any questions about your holding of STI Shares or other Share Registry matters, please contact the Share Registry.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'PD' followed by a horizontal line.

Peter Dykes  
Chairman

## 1 Notice of Meeting

Notice is hereby given that a General Meeting of Stirling Products Limited (**STI or Company**) will be held at Level 10, 52 Phillip Street, Sydney NSW 2000 on 31 December 2015 at 10:00am (Sydney time).

### 1.1 Agenda:

#### **Resolution 1– Acquisition of MX360**

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

*“That, subject to the passing of all other Resolutions, for the purposes of ASX Listing Rule 11.1.2, and all other purposes, approval is given for the Company to acquire all of the issued capital of MX360 and for a change in the nature and scale of the Company’s activities as set out in the Explanatory Memorandum.”*

**Note: The acquisition of all the issued capital in MX360 is conditional on ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules. As ASX requires the Company to re-comply with the admission requirements under ASX Listing Rule 11.1.3, the acquisition of MX360 cannot take place until ASX’s requirements have been met.**

#### **Resolution 2 – Issue of Consideration Shares to MX360 Shareholders**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of ASX Listing Rules 7.1 and all other purposes, Shareholders approve the issue of up to 80,000,000 Shares to the MX360 Shareholders at a deemed issue price of \$0.10 per Share (**Consideration Shares**), in consideration for the acquisition by the Company of all of the issued capital in the capital of MX360 on the terms and conditions described in the Explanatory Notes.”*

**Note: the issue of Consideration Shares pursuant to Resolution 2 is conditional on ASX confirming that the Company has re-compiled with Chapters 1 and 2 of the ASX Listing Rules. As ASX required the Company to re-comply with the admission requirements under ASX Listing Rule 11.1.3, issue of Consideration Shares cannot take place until ASX’s requirements have been met.**

#### **Resolution 3 – Issue of Public Offer Shares**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Directors to issue up to 40,000,000 shares at a minimum issue price of \$0.10 to raise up to \$4,000,000 under the Public Offer (**Public Offer Shares**) on the terms and conditions set out in the Explanatory Notes.”*

**Note: the issue of Public Offer Shares pursuant to Resolution 3 is conditional on ASX confirming that the Company has re-compiled with Chapters 1 and 2 of the ASX Listing Rules. As ASX required the Company to re-comply with the admission requirements under ASX Listing Rule 11.1.3, issue of Public Offer Shares cannot take place until ASX’s requirements have been met.**

#### **Resolution 4 – Appointment of Grant Davidson as a Director**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of the Constitution and for all other purposes, Grant Davidson, being eligible to act as a non-executive Director, is appointed as a director of the Company with effect from Completion.”*

**Resolution 5 – Appointment of Wesley Culley as a Director**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of the Constitution and for all other purposes, Wesley Culley, being eligible to act as an executive Director, is appointed as a director of the Company with effect from Completion.”*

**Resolution 6 – Appointment of James McCarron as a Director**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of the Constitution and for all other purposes, James McCarron, being eligible to act as an executive Director, is appointed as a director of the Company with effect from Completion.”*

**Resolution 7– Change of Name**

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

*“That, subject to the passing of all other Resolutions and Completion, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to OrContra Limited, and for all references to the Company’s name in the Constitution of the Company to be replaced with OrContra Limited.”*

Further information specific to Resolutions 1 to 7 (inclusive) is set out in the Explanatory Notes which accompanies and forms part of this Notice of Meeting.

By Order of the Board

Peter Dykes

Chairman

Date: 30 November 2015

## 1.2 Voting Exclusions

### (a) Resolution 1

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 1. The Company will also disregard any votes cast in relation to Resolution 1 by:

- (i) the MX360 Shareholders and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary STI Shares; and
- (ii) an associate of any of those persons.

However, the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

### (b) Resolution 2

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 2. The Company will also disregard any votes cast in relation to Resolution 2 by:

- (i) the MX360 Shareholders and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary STI Shares; and
- (ii) an associate of any of those persons.

However, the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

### (c) Resolution 3

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 3. The Company will also disregard any votes cast in relation to Resolution 3 by:

- (i) a person who will be acquiring STI Shares, or who might obtain a benefit, pursuant to the Public Offer (except a benefit solely in the capacity of a holder of STI Shares, if Resolution 3 is passed); and
- (ii) an associate of any of those persons.

However, the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

(d) Resolution 4

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 4.

(e) Resolution 5

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 5.

(f) Resolution 6

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 6.

(g) Resolution 7

As all Resolutions are inter-conditional, votes which are disregarded on each of the other Resolutions will also be disregarded on Resolution 7.

**1.3 Chairman as Proxy**

If the chair of the General Meeting is your proxy, then please note the following:

- (a) You may direct the chair to vote for or against or abstain from voting on any particular Resolution by marking the appropriate box on the enclosed proxy form.
- (b) The chair of the General Meeting intends to vote undirected proxies in favour of each Resolution.

**1.4 Entitlement to Vote**

Under Corporations Regulation 7.11.37 the Directors have determined that the members eligible to attend and vote at the General Meeting are those persons who are registered STI Shareholders of the Company at 7:00pm on 29 December 2015. Accordingly, transfers of any STI Share registered after that time will be disregarded for determining entitlements to attend and vote at the General Meeting.

**1.5 How to Vote**

You may vote in person by attending the General Meeting, or by proxy.

To vote in person, you must attend the General Meeting on 31 December 2015 at 10:00am.

To vote by proxy, a completed Proxy Form must be delivered to and received by the Share Registry by 10:00am on 29 December 2015.

The Proxy Form sets out the instructions for the return of that Proxy Form.

Please return Proxy Forms to the Company Secretary by either:

- (a) posting them to the Company at Mining Corporate Pty Ltd, GPO Box 2517, Perth WA 6831;
- (b) faxing them to the Company on +61 8 9463 6103; or
- (c) electronically to the Company at liz@miningcorporate.com.au.

**1.6 Proxies**

In accordance with section 249L of the Corporations Act, STI Shareholders are advised that:

- (a) each STI Shareholder entitled to vote at the General Meeting has a right to appoint a proxy;



- (b) the proxy need not be a STI Shareholder;
- (c) an STI Shareholder 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 no proportional number is specified, each proxy may exercise half of the member's votes; and
- (d) an STI Shareholder may specify the way in which the proxy is to vote on the Resolutions or may allow the proxy to vote at his discretion. If the way in which a proxy is to vote on a Resolution is specified by a STI Shareholder, the proxy may not vote on that Resolution except as specified by the STI Shareholder.

## 1.7 Corporate Representatives

A body corporate, which is a STI Shareholder, may appoint an individual (by certificate executed in accordance with section 127 of the Corporations Act or in any other manner satisfactory to the Chairman of the General Meeting) as a representative of that body corporate to exercise all or any of the powers the body corporate may exercise at the General Meeting. The appointment may be standing.

## 2 Explanatory Notes

The Explanatory Notes have been prepared for the information of STI Shareholders in connection with the business to be conducted at the General Meeting to be held at Level 10, 52 Phillip Street, Sydney NSW 2000 on 31 December 2015 at 10:00 am.

### 2.1 Proposed Transaction

The Company entered into the Acquisition Agreement on 24 November 2015 pursuant to which the Company agreed to acquire all of the shares in MX360 in consideration for the issue of Shares to the MX360 Shareholders.

Completion of the Acquisition Agreement (**Completion**) is subject to a number of conditions including the passing of the Resolutions set out in this Notice of Meeting by STI Shareholders at the General Meeting, and each of the following being completed:

- (a) STI completing the Public Offer
- (b) ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules; and
- (c) the transfer to STI of all of the issued capital in the capital of MX360 in consideration for the issue of the Consideration Shares,

as more fully explained in this Notice of Meeting (collectively, the **Proposed Transaction**).

The implementation of each element of the Proposed Transaction is subject to the implementation of all elements of the Proposed Transaction.

Subject to approval of Resolutions 1 to 7 and Completion occurring, MX360 will nominate Grant Davidson, Wesley Culley and James McCarron to the Board of the Company with effect from Completion. In conjunction with these appointments, Peter Torney and Timothy Shaw will resign as Directors of the Company with effect from Completion.

The MX360 Acquisition represents a significant change in the nature and scale of the Company's activities, and, therefore, requires the approval of STI Shareholders.

Consequently, the ASX has advised that the Company is required to satisfy the provisions of Chapters 1 and 2 of the ASX Listing Rules as if applying for admission to the Official List of the ASX. This includes the preparation and issue of a prospectus by the Company which complies with the relevant provisions of the Corporations Act (**Prospectus**).

The Public Offer Shares will be offered by way of the Prospectus. The funds raised by the Public Offer will assist with the expenses of the Proposed Transaction and provide working capital to fund ongoing operations and future growth of the Combined Group.

## 2.2 Indicative Timetable

Event	Date
Dispatch of Notice of Meeting	30 November 2015
Lodgement of Prospectus with ASIC	23 December 2015
General Meeting	31 December 2015
Closing date of Prospectus Offer	29 January 2016
Settlement of MX360 Acquisition – issue of Consideration Shares and Public Offer Shares	1 February 2016
Expected date for re-instatement of the Company's Shares to trading on ASX	15 February 2016
Holding Statements sent out - Capital Raising	15 February 2016

\*These dates are indicative only and may be changed by the Directors in their discretion.

## 2.3 Overview of the Company

Stirling Products Limited is an Australian public company listed on the official list of the ASX (ASX:STI). It was a healthcare and pharmaceutical company engaging the manufacturing of pharmaceuticals. The Company's Shares are currently suspended from quotation from the ASX and have been suspended since 5 July 2011.

The Company was placed into voluntary administration on 25 July 2011 and a Deed of Company Arrangement was executed. The Deed of Company Arrangement concluded on 17 September 2015 and control was returned to the Directors of the Company on that date. A Notice of Effectuation was lodged with ASIC by the Deed Administrators on 17 September 2015. The Directors have been reviewing potential investment opportunities as a pre-cursor to attaining re-quotation of the Shares on the ASX.-

Currently, the Company has 17,571,781 Shares and 210,507 options on issue. There are no other securities on issue in STI.

## 2.4 Overview of MX360

MX360 is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally. MX360 currently operates in Australia as a development company and owns all of the rights, title and interest in the prototype trading platform. It is anticipated that the platform will be an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (**Platform**).

Unlike traditional e-commerce which is typically based on buying goods or services for cash or credit, the Platform will provide a way to create transactions, swaps and exchanges based upon mutual exchange of value. The Platform will create a digital market-place to allow users to trade directly for things that they want.

**(a) Industry Background**

Around the world, a new wave of peer-to-peer, access-driven businesses are shaking up established categories. According to a report compiled by PwC<sup>1</sup>, global consumers are showing a robust appetite for the sharing-based economy.

The internet offers virtually unlimited opportunities to rent, hire, buy and transact. Digital applications are instantly connecting users with everything at a moment's notice. Facebook™ makes it easier to stay in contact with friends, Amazon™ makes it easier to buy things, eBay™ made it easier to sell things, Uber™ makes it easier to hail a cab, 99Designs™ makes it easier to source designs, Airbnb™ makes it easier to find and book a room and MX360 makes it easier to do cashless transactions.

The majority of people in markets around the world have limited cash and financial resources but most have unmet needs that they could otherwise be willing to trade their time, expertise or goods for something they want or need right now.

Companies like Uber™, Groupon™, Tinder™ and AirBnB™ are examples that are driving the ease of accessing services and products from a mobile device like never before.

With approximately 2.6 billion smartphone users in the world currently and with growth of developing countries fuelling uptake, it is forecasted that there will be in excess of approximately 6.1 billion users by 2020. Sharing economies allow individuals and groups to make money from underused assets. In this way, physical assets are shared as services. For example, a car owner may allow someone to rent out her vehicle while she is not using it, or a condo owner may rent out his condo while he's on vacation.

With lacklustre economic factors around the globe and many Western economies dealing with higher debt levels, lower disposal incomes, sustained unemployment, stagnant wage growth and many people underemployed the Company believes that there is strong potential market for the Platform.

The world has shifted. The move to the sharing economy, everyday outsourcing and freelancing is an indication of individuals' willingness to outsource and exchange services with others who are more adept at providing those services typically at a discount. The principles that drive these markets are essentially the same drivers MX360 see in the proposed Platform's marketplace.

It is anticipated that the Platform will tap into the sharing economy model that connects spare capacity and demand. Digital platforms that connect spare capacity and demand sharing economy business models are hosted through digital platforms that enable a more precise, realtime measurement of spare capacity and the ability to dynamically connect that capacity with those who need it.

**(b) Product Overview**

It is anticipated that the Platform will be an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with other users directly and provide a means for users to exchange and trade directly with others on their own terms. For example, a user proposes a mutual beneficial exchange based on the value of their goods or services and requests a suitable exchange with a like minded party for that party's goods or services. Based on the match, the parties could then agree on the requirements, milestones, commitment and the delivery.

The Platform is a technology based smartphone specific application which will provide users with a central global, yet local platform for the purpose of exchanging goods and services without the need for cash or credit. It is proposed to be a simple to use digital market-place that will allow users to trade and exchange products or services with others

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<sup>1</sup> PwC Consumer Intelligence Series – The Sharing Economy, April 2015  
(<https://www.PwC.com/us/en/technology/publications/assets/PwC-consumer-intelligence-series-the-sharing-economy.pdf>)

People have always bartered and traded goods and services and, according to the PwC report<sup>2</sup>, the usability of this process is unprecedented thanks to the growing number of digital devices that make matching demand and supply easier than ever.

Transactions that offer access over ownership or provision of those services can come in a number of forms, but all are rooted in the ability to realize more choice while mitigating the costs associated with ownership or provision of services. Examples of this include, renting, lending, subscribing, reselling, swapping and donating.

Consumers who use sharing economy business models are often more comfortable with transactions that involve deeper social interactions than traditional methods of exchange. For example: Airbnb™ and CouchSurfing™ provide travellers with the ability to connect with local hosts and receive travel tips in a personalised fashion. Ride sharing services such as Uber™ depend on users being comfortable trusting strangers to complete their journey safely.

(c) **MX360 objectives**

MX360's short term objective is to create an open marketplace using a centralised hub and launch the Platform by 1 July 2016. The Platform will initially service English speaking countries including, the United States of America, Australia, New Zealand and Canada. MX360's other objectives include:

- (i) providing a global central online market-place for exchange;
- (ii) creating a platform that conveys quality, surety and trust to users;
- (iii) providing users with an alternative way of transacting with or without a cash and credit for the goods and services they want;
- (iv) providing consumers with an overwhelmingly easy to use smartphone platform that encourages loyalty, credibility and repetitive transaction amongst users; and
- (v) disrupting ecommerce as the dominant model for interpersonal trade.

MX360 has a prototype of its Platform. Upon Completion, MX360 proposes to conduct detailed testing to validate the Platform, test key assumptions until the Company has validated solution to demonstrate user growth and revenue and key performance indicators. Following this, the Platform would be scaled to market.

Following launch of the Platform, MX360 intends to invest capital into greater domestic and international sales capacity and building on the Platform.

(d) **The MX360 story and immediate future**

MX360 is an early stage start-up company with limited trading history. Since its incorporation, MX360 activities have principally involved development, market research and testing transactions. Like many start-up companies MX360 has been funded by seed investors since inception.

MX360 provides a solution to the dilemma of how to conduct a third form of trading that human beings have traditionally engaged in, known now as contra or barter. The problem is that in the digital space which uses e-commerce, access to banking, credit and online payment gateways is required.

Contra based transactions are typically cashless and do not generally require someone to have access to substantial funds to proceed with the transaction. With the advent of smartphone technology, the opportunity to transparently trade with each other directly can be facilitated on the device using the native smartphone software. Combined with the

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<sup>2</sup> PwC Consumer Intelligence Series – The Sharing Economy, April 2015  
(<https://www.PwC.com/us/en/technology/publications/assets/PwC-consumer-intelligence-series-the-sharing-economy.pdf>)

Platform, this would enable a user to find other willing parties, record transactions, search geographically, verify reputation and so on. All of these are essential elements in a cashless contra based transactions. Up until now, the technologies and software services to access the barter marketplace have been somewhat primitive. With the arrival of new technologies like blockchain, search and matching algorithms, geolocation services and identity verification tools MX360 is in a position to use these tools and to digitise and centralise what is a very significant and largely dispersed marketplace and to make this space accessible, visible and tradable in real time to anyone with a smartphone - all without the need to have access to cash or credit. The attraction to pursuing these type of transactions is obvious - the exchange or swap of time service, goods or skills directly for those of others without consuming cash resources.

In reality, the heavy focus on e-commerce, and using cash and credit as a medium of exchange, limits e-commerce users ability to trade with each other. MX360 believes that many people given the opportunity would willingly exchange their skills, time and unused goods with others if they had a simple and easy way of doing so. It is on these principles that MX360 was founded.

Cashless transactions rely in part trust, but also transparency. This is why the rapid development of smartphone technology and its rapid proliferation globally is a key to unlocking this marketplace. Cashless markets, like the Platform, is developing what is already occurring in almost every social network and MX360 sees trade, exchanges and swaps occurring between members in the myriad of online forums, niche groups and websites that exist on the internet. The same principles that drive trade in these groups are the same principles that will drive exchange on the Platform. The problems with many of the niche sites are that you have to be a member of the niche group, many are locked or private communities that are moderated, mostly they are small, limited in scope and the trade that happens between members tends to be more of a vertical nature and less organised and less sophisticated and the absence of sophisticated tools to find deal means trades are haphazard.

(e) **Revenue generation and pricing model**

It is anticipated that MX360 be primarily generated from users posting needs and wants on the Platform. MX360 will match users who are then able to connect either for free (freemium model) or by paying a small fee. Like most services in the start up phase MX360 will adopt a freemium model to grow a core user base and once subscribers pass a threshold of value the toll is triggered and users will pay a small transaction fee. A paid premium upgrade in the form of monthly or yearly subscription provides additional features which gives users access to the full suite of added value services.

It is anticipated that MX360 would make a significant proportion of its fees charged when users agree on the exchange of services at a specific price. Other than Freemium transactions, the Company will attempt to ensure that users pay fees on all services exchanged, and actively put in place policies to support this.

(f) **Key strengths**

It is anticipated that the key strengths of the Platform would be:

- (i) Ease of access - marketplace for individuals and companies to exchange value directly 'face-to-face'.
- (ii) Easily deployed - a simple and easy to use interface which does not require any modification to the existing device and can be used seamlessly with native web browser.
- (iii) Engaging product - engaging user experience that gives users a rapid way of identifying trading opportunities in their market place.
- (iv) Global exposure and opportunity – MX360 has been conceived, designed and developed with a view to be able to access global markets.

- (v) Significant revenue growth potential – initially service English speaking countries including, the United States of America, Australia, New Zealand and Canada. MX360 plans to roll out future versions for international markets.
- (vi) Strong business development team and industry experience - MX360 is recruiting a highly professional, market aware dedicated management and development team.
- (vii) Flexible web based platform – is able to be updated and any new upgrades or improvements will be seamlessly rolled out and made available to the entire user base simultaneously.
- (viii) Flexible and scalable platform – the platform will be developed to be scalable and additional customers can be on-board to the platform at minimal additional marginal cost.

(g) **Growth strategy**

MX360's marketing strategy will be focussed on growth hacking. Growth hacking is a marketing technique which uses creativity, analytical thinking, and social metrics to sell products and gain exposure. MX360 will look to partner and use platforms and affiliates that provide one to many relationships and implement smart ways to harness them quickly. Traditional brand marketing techniques do not scale in the digital space because traditional marketing methods involves absolute, linear growth and not relative, exponential growth. Growth hacking provides MX360 with the ability to grow exponentially without a corresponding exponential increase in cost base and reduced reliance on traditional advertising spend.

One growth hacking strategy MX360 proposes to use a distribution firehose. A distribution firehose exploits the distribution and syndication of an existing channel to grow MX360's user base. Google and Facebook are the biggest most obvious distribution firehoses and their need to update their platforms and release new apps regularly provides and means to use their firehose to grow our business exponentially - however with the profusion of platforms and marketplace appetite there are plenty of distribution firehoses that are available for us to tap into Twitter™ (followers & search), Reddit™ (readers), Amazon™ (buyers), Kickstarter™ (financiers), YouTube™ (watchers) and affiliates freelancers (workers).

(h) **MX360's financial position and tangible assets**

Unaudited pro-forma balance sheet of MX360 as at 18 November 2015 is as follows:

<b>ASSETS</b>	
<b>Current Assets</b>	<b>Value (A\$)</b>
Cash	\$25,698
Other Receivables	\$555,000
GST Receivable	\$2,574
<b>Total Current Assets</b>	<b>\$583,272</b>
<b>Non-Current Assets</b>	
Fixed assets	-
Intangibles	\$3,019
<b>Total Non-current assets</b>	<b>\$3,019</b>

<b>Total Assets</b>	<b>\$586,291</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Trade Creditors & Accruals	\$28,319
Other	-
<b>Total Current Liabilities</b>	<b>\$28,319</b>
<b>Non-Current Liabilities</b>	
Party Related Loans	-
Provisions	-
Other	-
<b>Total Non-Current Liabilities</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$28,319</b>
<b>NET ASSETS</b>	<b>\$557,972</b>
<b>Equity</b>	
Issued Capital & Share Premium Reserve	\$580,698
Retained Earnings	\$(22,726)
<b>TOTAL EQUITY</b>	<b>\$557,972</b>

## 2.5 MX360 business investment highlights

MX360 is developing the Platform and a proprietary algorithm that facilitates and simplifies transactions with or without a payment gateway.

The investment highlights of the MX360 Acquisition are as follows:

- (a) the Platform is proposed to allow users to trade goods and services with or without a payment gateway;
- (b) as far as the directors are aware, there is no direct comparable competition to MX360's proposed business model;
- (c) the Platform proposes to digitalise the missing third way of transacting i.e. contra or barter;
- (d) the Platform would provide another channel to move products and services; and
- (e) the Platform would solve a major dilemma of businesses, individuals and householders.

## 2.6 Conditions of the Proposed Transaction

Completion is subject to a number of conditions precedent set out in the Acquisition Agreement, of which the following remain outstanding as at the date of this Notice of Meeting:

- (a) the MX360 Shareholders providing written confirmation from any relevant counterparties that none of the material contracts of MX360's business will be terminated as a result of the Proposed Transaction and procuring the written consents of material contract counterparties or third parties to the Proposed Transaction (if required);

- (b) the completion of the Public Offer;
- (c) the Company entering into employment agreements with each of Wesley Culley and James McCarron;
- (d) the release of all encumbrances over MX360 Shares and the assets and undertaking of MX360;
- (e) the Company obtaining any regulatory approvals and satisfying all requirements under the Corporations Act and the ASX Listing Rules (including all appropriate or necessary waivers) for the transactions contemplated by:
  - (i) the Acquisition Agreement;
  - (ii) the Prospectus;
  - (iii) the Public Offer; and
  - (iv) this Notice of Meeting.
- (f) STI Shareholders approving all of the Resolutions;
- (g) STI conducting due diligence on MX360 and satisfying itself as to the assets, liabilities, financial position and prospects of MX360 and its business;
- (h) the MX360 Shareholders entering into any restriction agreements required by the ASX or the Company;
- (i) there being no material adverse change in relation to the business of MX360, or MX360 in the period up to Completion (in each case, other than the transactions contemplated in the Acquisition Agreement, this Notice of Meeting and the Prospectus);
- (j) all of the warranties given by MX360 shareholders remain true and correct at all times until completion;
- (k) ASX confirmation that it is satisfied that the Company has re-complied with chapters 1 and 2 of the ASX Listing Rules and that suspension of trading in shares in the Company will cease with effect from or before Completion.

As of the date of this Notice of Meeting, the Directors are not aware of any reason why any of the outstanding conditions to the MX360 Acquisition will not be satisfied on or before the time required under the Acquisition Agreement. The Directors will keep STI Shareholders and the ASX advised in this regard at all relevant times, including as to the outcome of the vote by STI Shareholders at the General Meeting.

If all of the Resolutions are passed, and the other conditions to the MX360 Acquisition are satisfied, Completion is expected to occur on or about 29 January 2016. If any of the Conditions are not satisfied, in the absence of any agreement between the parties otherwise, the Acquisition Agreement will be terminated and the MX360 Acquisition will not proceed, in which case the advantages of the MX360 Acquisition will not be realised.

## 2.7 Restricted Securities

Shares to be issued to the MX360 Shareholders pursuant to this Notice of Meeting may be classified as restricted securities. Escrow restrictions may apply to those shares for a maximum period of 24 months from the date on which re-quotation of the shares commences.

## 2.8 If Completion does not occur

The ASX introduced a policy effective from 1 January 2014, whereby entities whose securities have been suspended from trading for a continuous period of 3 years would be automatically removed from the Official List of the ASX. The Company's securities have been continuously suspended from trading since 5 July 2011. Accordingly, the Company must have its securities re-



instated to trading prior to 1 January 2016 to avoid being automatically removed from the Official List of the ASX. ASX Guidance note 33 provides that:

ASX may agree to a short extension of the above deadline of 1 January 2016 for the automatic removal of a long-term suspended entity if the entity can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities within a reasonable period. For these purposes, "final stages" means:

- (a) having announced the transaction to the market;
- (b) having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
- (c) if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC; and
- (d) if the transaction requires security holder approval, having obtained that approval.

The Company has announced the Proposed Transaction to the market having entered into the Acquisition Agreement on 24 November 2015. The Company would have held the Meeting. The Company is also proposing to issue the Prospectus before 1 January 2016. Accordingly, the Company proposes to apply to ASX for confirmation of the extension of the deadline upon issuing the Prospectus. .

If Completion of the MX360 Acquisition does not occur, it is likely that the Company will be automatically removed from the Official List of the ASX.

### 3 Pro forma statement of financial position

#### 3.1 Pro forma balance sheet

The unaudited pro-forma balance sheet of the Company, following Completion and assuming that the maximum amount is raised under the Public Offer, is set out below:

Stirling Products Ltd		MX360 Group Pty Ltd	ELIMINATIONS	Pro-forma Consolidated Balance Sheet Post Transaction
<b>Assets</b>				
<b>Current Assets</b>				
Cash On Hand	\$3,655,355.00	\$20,800.00		\$3,676,155.00
Other Receivables		\$555,000.00		\$555,000.00
GST Receivable	\$42,455.00	\$2,574.00		\$45,029.00
<b>Total Current Assets</b>	<b>\$3,697,810.00</b>	<b>\$578,374.00</b>	<b>\$0.00</b>	<b>\$4,276,184.00</b>
<b>Fixed Assets</b>				
Intangible Assets	\$0.00	\$3,019.00		\$3,019.00
Total Fixed Assets	\$0.00	\$3,019.00		\$3,019.00
<b>Total Assets</b>	<b>\$3,697,810.00</b>	<b>\$581,393.00</b>	<b>\$0.00</b>	<b>\$4,279,203.00</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade Creditors	\$28,369.00	\$28,319.00		\$56,688.00

Loans - Related Parties				
Loans - Other		\$0.00		\$0.00
Total Loans	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Current Liabilities</b>	<b>\$28,369.00</b>	<b>\$28,319.00</b>	<b>\$0.00</b>	<b>\$56,688.00</b>
<b>Long Term Liabilities</b>				
Loans	\$0.00	\$0.00		\$0.00
Total Long Term Liabilities	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Liabilities</b>	<b>\$28,369.00</b>	<b>\$28,319.00</b>	<b>\$0.00</b>	<b>\$56,688.00</b>
<b>Net Assets</b>	<b>\$3,669,441.00</b>	<b>\$553,074.00</b>	<b>\$0.00</b>	<b>\$4,222,515.00</b>
<b>Equity</b>				
Issued Capital	\$4,000,000.00			\$4,000,000.00
Owner's/Shareholder Capital	\$39,764,450.00	\$575,800.00	\$0.00	\$40,340,250.00
Total Issued Capital	\$43,764,450.00	\$575,800.00	\$0.00	\$44,340,250.00
Reserves				
Fair Value	\$0.00	\$0.00		\$0.00
Total Reserves	\$0.00	\$0.00		\$0.00
Retained Earnings	(\$40,095,009.00)	\$0.00		(\$40,095,009.00)
Current Year Earnings	\$0.00	(\$22,726.00)	\$0.00	(\$22,726.00)
<b>Total Equity</b>	<b>\$3,669,441.00</b>	<b>\$553,074.00</b>	<b>\$0.00</b>	<b>\$4,222,515.00</b>

#### 4 Share Capital - Effect of the Proposed Transaction on STI Shareholders

The following table shows the anticipated capital structure of the Company on Completion and on a fully diluted basis.

Type of STI securityholder	Before Completion		After Completion on \$4m raising		On a fully diluted basis*	
	No. of Shares	% of total no. of Shares	No. of Shares	% of total no. of Shares	No. of Shares	% of total number of Shares
Existing STI Shareholders	17,571,781	70.29%	17,571,781	12.12%	17,571,781	12.10%
STI Placement	7,428,219	29.71%	7,428,219	5.12%	7,428,219	5.12%
Option holders	-	-	-	0.00%	210,488	0.14%
MX360 Shareholders (or their nominees)	-	-	80,000,000	55.17%	80,000,000	55.09%
Subscribers to Public Offer	-	-	40,000,000	27.59%	40,000,000	27.55%

<b>TOTAL</b>	25,000,000	100%	145,000,000	100%	145,210,488	100.00%
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**\*If in the unlikely event the options on issue in the Company are exercised on or before 31 December 2015. The company has 210,488 options on issue which are exercisable at \$16.00 and expire on 31 December 2015.**

## 5 Advantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholders' decision on how to vote on the Resolutions:

- (a) The acquisition provides a path back to ASX re-quotation for the Company. If Completion does not occur, the Company will be struck off the Official List.
- (b) The continuing viability of the Company as a going concern depends on identifying suitable opportunities that will sustain a viable business. The Proposed Transaction presents one such opportunity and, as such, the Proposed Transaction will allow the Company to continue as a going concern.
- (c) Through the MX360 Acquisition, a larger market capitalisation and enhanced shareholder base should increase the liquidity of the Company's Shares.
- (d) If Completion occurs, the Company will resume trading and avoid being automatically removed from the Official List of the ASX (as foreshadowed in the Chairman's Letter and section 2.8 of these Explanatory Notes above).

## 6 Disadvantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholders' decision on how to vote on the Resolutions:

- (a) The Company will be changing the nature of its activities to become a technology development company, which may not be consistent with the objectives of Shareholders and will reduce the possibility of an alternative direction for the Company.
- (b) There are a number of other risk factors associated with the change in nature and scale of the Company's activities, and with MX360's business and operations. Some of these risks are set out in Section 7 of these Explanatory Notes

## 7 Business Overview

### 7.1 Board and Senior Management

- (a) Directors

Immediately following Completion, the Board of Directors of the Company will comprise the following additional Directors:

#### (i) **Grant Davidson – Non-executive Director**

Grant Davidson is the founder and managing director of Davidson, a leading, award winning design and branding company.

Grant Davidson is a graduate from Swinburne International School of Design and was an Art Director at Ogilvy & Mather.

Over the past 20 years Grant has built a multi-award winning branding business, attracting some of the best talent from around the country and across the globe with an impressive client list including many market leaders and 20 of the world's top 100 brands.

He has attended Harvard Business School on two occasions studying Sustainable Business through its lifecycle.

Grant has also lectured at RMIT, Swinburne University, Victoria University and the Australian Federation of Advertising as well as numerous guest speaker engagements.

Grant is the Vice President of the Melbourne Advertising and Design Club in 2003 and Co-Vice President of the Australian Graphic Design Association (Victorian Chapter).

In 2006 Grant was awarded an Honorary Life Membership for his industry involvement.

In 2009, Grant was invited to join the Advisory Board for the Department of Innovation's, Design Victoria Programme.

Grant is also the Chair of the Course Advisory Board for Swinburne International School of Design.

(ii) **James McCarron – Executive Director**

James McCarron graduated from Chisolm (now known as Monash University) with a degree in marketing. He is a founder and a substantial shareholder of MX360. He has been involved with digital marketing and strategy for over 2 decades. James has significant experience in the digital solution space having worked on multiple leading web projects, apps and SAAS platforms. James has a background in strategic marketing and marketing management, he is passionate advocate of new ideas and technology as he is an early adopter.

Recognising that disruption and transformation of the digital space is still in its infancy he has joined leading thought leaders like Peter Diamandis's exclusive A360 community.

(i) **Wesley Culley – Executive Director**

Wes Culley has 20 years' experience in international trade, business development and investment. Wes has a passion for digital and has been working with a leading software company in delivering SaaS solutions for SME's, Big brands and Government Departments.

Wes has significant international experience in setting up distribution channels and launching products in the United States, Canada and Japan.

As an avid investor Wes has participated in many capital raisings and been instrumental in the reconstruction of a number of small cap ASX listed stocks including Capital Mining and Tempo Australia Limited.

## 7.2 Risks relating to the change in nature and scale of activities

MX360's operations are subject to a number of risks, some of which are listed below, which could materially adversely affect the Company's business, results of operation and/or financial condition.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in the Company. You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Notice of Meeting. You should also seek your own professional advice in relation to the risks associated with an investment in the Company and should make your own assessment as to investing in the Company.

(a) **Re-quotation of STI Shares on the ASX**

As the Company has no recent involvement in providing technology development, the Proposed Transaction constitutes a significant change in the nature and scale of the Company's activities and, in accordance with Listing Rule 11.1.3, the Company needs to comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the ASX. There is a risk that the Company may not be able to meet the requirements of

ASX for re-quotation of its Shares on ASX. Should this occur, the STI Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all.

(b) Conditions Precedent

The MX360 Acquisition is subject to a number of conditions precedents as summarised above in section 2.6 of this Notice of Meeting. If these conditions are not satisfied or waived by the relevant due date, the MX360 Acquisition may not proceed, in which case the Company It is likely that the Company will be struck off the Official List of the ASX.

### 7.3 General risk factors

(a) Market conditions

The Shares are to be quoted on ASX, where the price may rise or fall relative to the Offer Price. The Shares issued or sold under the Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.

(b) Economic conditions

The performance of the Company is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below. The Directors make no forecast in regard to:

- (i) the future demand for MX360's products and services;
- (ii) general financial issues which may affect policies, exchange rates, inflation and interest rates;
- (iii) deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Combined Group's operating and financial performance;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) financial failure or default by any entity with which a member of the Combined Group is or may become involved in a contractual relationship; and
- (vi) industrial disputes in Australia and overseas.

(c) Government policies & legislation

The Company may be affected by changes to government policies and legislation, including those relating to telecommunications, privacy, data security and taxation.

### 7.4 MX360 specific risk factors

(a) Growth prospects in company expansion plans

MX360 is an early stage startup and as such its future success and profitability is modelled on accelerated growth and expansion plan to achieve the objective of transitioning about online (both domestically and globally). MX360's growth expansion prospects are dependent on a number of factors, including user uptake of the Platform, the success of marketing and sales campaigns and execution and rollout of the Platform. If it fails to execute any expansion plan and cannot attract users to its product offerings its financial performance is likely be negatively affected.

(b) Limited trading history

MX360 is an early stage start-up company with limited trading history. Since its incorporation, MX360 activities have principally involved development of the Platform, market research testing transactions. Like many companies MX360 has been self-funded by the seed investors since inception. No assurance can be given regarding the future commercial viability of MX360 through the implementation of its business plan.

(c) Sales and marketing success

Following completion of the Public Offer, MX360 intends to invest capital into greater domestic and international sales capacity and building a powerful technology platform. Selling and marketing of the Platform will be vital to sustained presence and success in English speaking countries including, the United States of America, Australia, New Zealand and Canada. Accordingly, the commercial success of the Platform will be heavily contingent on the success of the sales and marketing campaigns by the Company and subsequent development of the goodwill in the MX360 brand. By its nature, there is no guarantee that MX360 sales and marketing campaign will be successful. In the event that it is not, in MX360 may encounter difficulty commercializing its products, which would have an impact on MX360's future sales and profitability.

(d) Attracting Traffic to Websites

MX360's revenues will depend upon attracting sufficient web traffic to its proposed websites. The level of web traffic to these websites directly influences the number of new users, the number of new services offered and other factors that affect the amount of fees able to be levied. Various factors can affect the web traffic arriving at the Company's websites including:

- (i) Marketing and Promotions - if MX360's marketing and promotion efforts are not effective this will manifest itself as a lack of web traffic.
- (ii) Brand Damage - should the Company suffer from reputational damage, web traffic could be affected.

(e) Search Engine Traffic

Search engines, such as Google, are expected to direct significant traffic to the MX360 websites. Should these search engines make future changes to their algorithms and procedures that direct this traffic, MX360 could experience reduced number in new users and interaction with existing users. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. MX360 will attempt to follow Google's guidelines and online best practice to maintain the flow of traffic to its websites, but such changes could adversely affect its traffic. A decline in traffic to MX360's websites could lead to a decline in MX360's ability to attract and retain users, which could in turn lead to a decline in services being provided. This could adversely affect MX360's revenues and its ability to continue to grow.

(f) Reliance of access to Internet

The Platform is dependent on the ability of its users to access the internet. Access is provided by various classes of entities in broadband internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the Platform, usage of Platform may be negatively impacted, which could adversely affect users experience with the Platform and any future products developed by MX360.

(g) Faults with the Platform

As the Platform is complex, it may contain errors or defects that users identified after they begin using it, which could harm the Company's reputation and business. Internet-based services frequently can find undetected errors when they are first introduced or when new versions are enhancements or released. Any errors found in the Platform and products may impact the Company and could impact, users, future sales and customers.

(h) Risks Associated with User Generated Content

Users of the services may generate content and accordingly MX360's marketplace would have significant quantities of such content displayed throughout its websites. MX360 would not be able to monitor all the user generated content, and would not attempt to do so. MX360 would have reporting mechanisms in place for reporting objectionable material from external parties and from users, which it attempts to promptly deal with as appropriate. MX360, by virtue of its association with user generated content, may be implicated in an objectionable or illegal activity that subsequently exposes it to a law enforcement activity, or a civil dispute, with consequent liabilities and possible disruption to the Company's operations. This could adversely affect MX360's revenues and assets.

Additionally, reputational risk associated with offensive, objectionable or illegal activity arising from user generated content may lead to a decline in the Company's ability to attract and retain users. Such a decline could also negatively impact upon MX360's revenues.

(i) Credit Card Fraud Risk

It is anticipated that MX360 may be at risk of credit card fraud from its users. For example, users may deposit funds using a stolen credit card and then try to withdraw those funds. Although the Company would use third party anti-fraud strategies, it is not possible to eliminate all such fraud, particularly as perpetrators actively change methodologies to counter such strategies. Where a stolen credit card has been used, the Company may be liable for chargebacks and chargeback fees imposed by payment gateways. Further, if the number of chargebacks in a given period is considered excessively high, credit card companies may levy fines or even exclude MX360 from participation in their networks.

(j) User Fraud Risk

It is anticipated that a party would pay MX360 upon match of a product or service. Either party may be at risk of fraud if the other party then fails to deliver the agreed product or service. This could lead to users becoming dissatisfied with the Company's services and potentially to reputational damage, which could affect retention and acquisition of users. If MX360 is unable to retain and acquire sufficient levels of new users, this could impact negatively on its ability to execute its growth strategies.

(k) Marketplace Liquidity Risk

MX360 must have a significant number of users who help facilitate the marketplace by actively posting and transacting offers. Events such as security breaches, failures in computer networks, natural disasters, military or political interventions and changes in the regulatory environment in countries where MX360 may have a significant user base could lead to a decline in the number of active users. A decline in the Company's ability to maintain, or grow, a sufficient active user base could lead to a reduction in the volume and timeliness of responses to requested services, which could adversely impact upon MX360's level of service and revenue.

(l) Disintermediation and Fee Avoidance

It is anticipated that MX360 would make a significant proportion of its fees charged when users agree on the exchange of services at a specific price. Other than Freemium transactions, the Company will attempt to ensure that users pay fees on all services exchanged, and actively put in place policies to support this. However, should the parties involved attempt to artificially lower the amount paid for an exchange, or pursue follow on work and payments off the site MX360 may not be paid fees on these exchanges. An artificial decline in the value of the goods and services exchanged, or a decline in the amount of follow on exchanges done through the Company's website would negatively impact MX360's revenues.

(m) Marketplace Fee Risks

It is anticipated that MX360 would charge fees upon the provision of its services to users. For example, the Company charges fees when it makes introductions between users posting need and wants and users bidding to perform services. The Company may need

to reduce the level of its fees, for example as a result of competitive pressure or as a strategy to grow market share. A reduction in fees could lead to lower revenues overall or to slowing in the rate at which MX360's revenues grow. Also some fees are based on the value of the project. If the average value of projects declines, the Company could earn less revenue per project. If this occurred without a concurrent increase in the number of projects sufficient to offset the loss in per project revenue, this could lead to a decline in total revenue.

(n) Customer Service Risk

Users may need to engage with MX360's customer service personnel in certain circumstances, such as if they have a question about the services, or if there is a dispute between users or between a user and the Company. The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer service requests. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied upon by customer service personnel are disrupted by technological failures or natural disasters. For example, the majority of the Company's tech development team are located in Romania, which is subject to significant winter conditions. This could lead to adverse publicity, litigation, regulatory enquiries and declines in users continuing to use the Company's services, all of which may negatively impact upon the Company's revenues.

(o) Special Reputational Risks

MX360 operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about the MX360 in public forums may have a disproportionate effect on MX360's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon the Company's profitability.

(p) Seasonality

The online services market is somewhat seasonal in nature, which may result in say fewer projects being posted around important or widely followed holiday seasons, such as the Northern Hemisphere summer holidays. This seasonality may result in lower use of the services in a particular quarter, which could lead to lower revenues.

(q) Rate of Migration to Online Services

In recent years there has been strong growth in both the demand for outsourced services and in the supply of service providers to meet that demand. It is anticipated that this growth could drive the growth in online services marketplaces. It is anticipated that this growth could drive the growth of MX360. If there was a decline in the demand for outsourced services or in the supply of service providers, this could adversely affect MX360's business including revenue, profitability and ability to execute its growth strategies. MX360 endeavours to keep abreast with changes in types of traffic and patterns of online adoption.

For example, if there is an increase in mobile usage of the Internet or significant uptake of a new Internet browser, the company would need to ensure that its websites continue to be accessible and easy to use on mobile devices or on that browser. If the Company fails to meet these changing demands, this could lead to a decline in user numbers and a consequent decline in revenue. This could adversely affect the growth of MX360.

(r) Data Loss, Theft or Corruption

MX360 provides its services exclusively online through a range of websites. Hacking or exploitation of some unidentified vulnerability in its websites could lead to loss, theft or corruption of data. This could render the websites unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with



associated reputational damage, claims by users and regulatory scrutiny and fines. Although MX360 would have strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the websites and unauthorised disclosure of user data could negatively impact upon MX360's revenues and profitability.

(s) Hacker Attacks

MX360 would rely upon the availability of its websites to provide services to users and to attract new users. Hackers could render the websites unavailable through a distributed denial of service attack or other disruptive attacks. Although MX360 has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the websites could lead to a loss of revenue whilst MX360 is unable to provide its services. Further, it could hinder MX360's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon MX360's growth.

(t) Domain Name Risk

It is anticipated that MX360 would provide its services through several websites, many of which are country and / or language-specific. Each of those websites would have different domain names which would be registered with a domain name registrar appropriate to that region. Each domain name registrar maintains separate regulatory regimes and enforce different requirements. For example, the Canadian Internet Registration Authority requires registrants to be Canadian-based, which would require the establishment of a Canadian subsidiary. Domain name registrants may change the requirements for continued registration or renewal at any time. Further, there may be regulatory or legislative changes in the countries where the domain name registrants are based which could affect MX360's ability to maintain control of these domains. Should MX360 lose control of any domain, it would lose all website traffic directed to that domain. This could lead to significant negative reduction in MX360's revenue, even if it were ultimately able to re-direct users to other domains still in its control.

## 7.5 Risks Associated with Providers

(a) Payment Gateway Provider Disruption Risks

Two of the major ways in which users deposit funds are via credit card or through online payment processors such as PayPal. It is anticipated that MX360 would not process credit card payments itself, but would use Payment Gateway Providers which facilitate the acceptance of credit cards on its behalf. Should its Payment Gateway Providers suffer outages, or if they ceased to offer their services to MX360, MX360's ability to accept credit card payments (and therefore to provide some services) could be significantly affected.

Further, MX360's Payment Gateway Providers could be the subject of security breaches that result in the loss, theft or corruption of data, including credit card and other personal information of MX360 users. This could lead to reputational damage for MX360. Inability to accept payment by credit card, even if for a short period of time, could negatively impact upon MX360's revenues and its ability to grow the business.

(b) Disruption to Banking Arrangements

It is anticipated that MX360 would maintain accounts with banks and Payment Gateways in the jurisdictions in which it operates. Legislative or policy changes or increased regulatory scrutiny affecting those banks could cause the banks to impose requirements upon MX360 that it cannot meet, or to cause the banks to withdraw their services from MX360. Disruption to MX360's banking arrangements, and delays in making alternative arrangements, could have a material adverse impact upon its ability to maintain continuity of service. This could lead to loss of revenue and, if the disruption was prolonged, reputational damage, which could in turn hinder MX360's growth.

(c) Hosting Provider Disruption Risks

It is anticipated that MX360 would rely upon its primary hosting provider, to maintain continuous operation of its websites and databases. Should its hosting provider suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to the MX360 websites may also be disrupted. If AWS ceased to offer its services to MX360 and MX360 was unable to obtain a replacement hosting provider quickly, this could also lead to disruption of service to the MX360 websites. Unavailability of the websites could lead to a loss of revenue while MX360 is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions could have a material adverse impact upon MX360's reputation. This could hinder MX360's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon MX360's growth.

(d) Disruption to Internet Services

It is anticipated that MX360's user community would be spread throughout the world. It also has staff located in a number of countries, the two principal ones being Australia and the Romania. Disruption to Internet services in countries where MX360's users or staff are based, for example as a result of technical outages or catastrophic destruction of infrastructure following natural disasters, could significantly impact upon use of MX360's websites and business continuity. This could have a material adverse effect on MX360's ability to generate revenue while the disruptions remain in place. Further, if the disruptions affected regions with a significant user population, such as India, and if the disruptions were prolonged, they could have a material adverse effect on MX360's ability to continue to grow its business.

(e) Risks Associated with the Regulatory Environment

Presently, MX360's operations are based in Australia and subject to Australian laws and regulations. However, the company intends to expand its operations into other markets. MX360 is presently an Australian company and subject to Australian regulation. For example, MX360 is required to comply with the Corporations Act 2001 and the Competition and Consumer Act 2010. Users, competitors, members of the general public or regulators could allege breaches of this legislation, for example, if they considered an advertisement to be misleading or deceptive. This could result in remedial action or litigation, which could potentially lead to MX360 being required to pay compensation or a fine. MX360's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon MX360's profitability.

In addition, if regulators took the view that MX360 had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to MX360 and consequent impact upon its revenue.

MX360 intends to offer its services throughout the world, and has users of those services in most countries and jurisdictions of the world. Regulatory changes could see MX360 required to hold a license in some of these jurisdictions, or otherwise comply with local regulations. This could preclude the Company from offering certain services to these jurisdictions until such a licence was obtained, or require the Company to comply with a range of regulatory environments.

Any such increase in the costs and resources associated with regulatory compliance in these jurisdictions could impact upon MX360's profitability.

## 7.6 Other Risks

(a) Reliance on Key Personnel

It is anticipated that MX360's Platform would operate in a very specific market segment, with significant scale in the size of its website operations, and with a considerable focus on website data analytics, a new and rapidly evolving area of expertise. As a result, key executives and employees have very specific, and often rare, skillsets in areas of great

importance to the Company. MX360 may not be able to attract and retain these key staff or be able to find effective replacements if needed in a timely manner. The loss of services of one or more of these people, or a delay in their replacement, may have an adverse effect on the Company's business, operating results and financial condition.

(b) Income tax

Consideration received or receivable during a barter or contra transaction (either in terms of cash, goods or services) may represent assessable income for the purposes of income tax under the tax laws of the jurisdiction in which the goods or services are received.

(c) Competition

The e-commerce and online exchange space is highly competitive. The new sharing economy, like the outsourcing and gig economy and services marketplace space has been rapidly evolving, with both new entrants and established marketplaces operating in specific areas of expertise (for example, graphic design), hire per hour services, and fixed price services - although none directly with the same model as MX360.

It is anticipated that MX360 would face competition from such organisations, some of which may have greater financial, technical and marketing resources. Increased competition could result in margin reductions, under-utilisation of employees, impact operating margins and loss of market share.

Any of these occurrences could adversely affect the Company's business, operating results and financial condition.

(d) Global Nature

It is anticipated that MX360 would have users in, and would provide services to people in, almost every jurisdiction of the world. The Company therefore facilitates employment, and service provision, while also providing its own services into each of these jurisdictions. This broadens the scope of most general risks to the Company, as changes in regulation and legislation can affect the Company in ways that are hard to predict.

In some jurisdictions, government policies and procedures regulating online marketplaces may still be in their infancy, potentially resulting in local laws and practices that are time consuming and resource-intensive to comply with, or which are unclear. Required approvals may be difficult to obtain. Some of the jurisdictions in which MX360 may operate in the future may experience sudden civil unrest or major political change.

MX360's operations may be adversely affected by the risks associated with operating in such jurisdictions, which may impact on its ability to grow the business in overseas markets.

More generally, MX360 will have to adapt to local business and contract customs in jurisdictions, where it currently operates and where it plans to operate.

(e) Liquidity and Realisation Risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the MX360 Shareholders retaining 55.17% of the Shares after completion of the Offer (excluding any Shares acquired by the Directors under the Offer), these Shares being subject to escrow and trading restrictions, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares. Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

## (f) Need to Attract and Retain Skilled Staff

The Company's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that MX360 will be successful in attracting and retaining such personnel.

A failure to do so may have an adverse effect on the operations and profitability of the Company's business.

## (g) Marketplace Fee Risk

MX360 proposes to charge fees upon the provision of its services to users. For example, the Company charges fees when it makes introductions between users posting needs and wants and users bidding to exchange goods or services. The Company may need to reduce the level of its fees, for example as a result of competitive pressure or as a strategy to grow market share.

A reduction in fees could lead to lower revenues overall or to slowing in the rate at which MX360's revenues grow. Also some fees are based on the value of the exchange. If the average value of projects declines, the Company could earn less revenue per exchange. If this occurred without a concurrent increase in the number of exchanges sufficient to offset the loss in per exchange revenue, this could lead to a decline in total revenue.

MX360 expects to operate internationally and in major currencies. Accordingly, fluctuations in prevailing exchange rates affect the Company's profitability and financial position.

## (h) Management of Future Growth

The Company may experience a period of rapid growth and increase in the number of its employees and officers and the scope of its supporting infrastructure. This growth is likely to result in new and increased responsibilities for management and would place a significant strain on the Company's management. The Company will be required to continue to implement and improve its systems in a timely manner in order to accommodate the increased number of transactions and customers and the increased size of its operation. A failure to do so may adversely affect the Company's revenue and profitability.

## (i) Illegal activities conducted on the platform

MX360 is susceptible to potentially illegal or improper uses, including, fraudulent and illicit sales, money laundering, bank fraud, and online securities fraud. In addition, MX360's service could be subject to unauthorized credit card use, identity theft, break-ins to withdraw account balances and it may be required to reimburse customers for any funds stolen as a result of such breaches. Users could request reimbursement, or stop using the Platform, if they are affected by illegal activities or buyer fraud. Further, MX360 may, by reason of its publication of the want or need, be implicated in objectionable or illegal activity which exposes it to law enforcement investigation or action, or a civil dispute. Any such occurrence may cause the Company to suffer financial loss and may lead to the Company's reputation suffering amongst users, contributors and its partners.

In addition, MX360 may be subject to anti-money laundering laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. Because of different laws and regulations in each jurisdiction in which MX360 is proposing to operate, as it rolls-out and adapts the Platform in other countries, additional verification and reporting requirements could apply. These regulations could impose significant costs on MX360. These requirements, as well as any additional restrictions for example imposed by credit card associations, could raise our MX360's costs significantly and reduce the attractiveness of MX360. Failure to comply with money laundering laws could result in significant criminal and civil lawsuits, penalties, and forfeiture of significant assets.

## 8 Escrow

The ASX has expressly reserved the right to apply escrow conditions pursuant to Appendix 9B to any securities of the Company issued pursuant to the MX360 Acquisition.

A restricted security is defined under the ASX Listing Rules in reference to Appendix 9B, which also sets out various categories of persons who may be issued restricted securities and the circumstances in which those securities are listed as restricted. Item 7 of Appendix 9B of the ASX Listing Rules provides that securities issued before admission where consideration for the issues of the securities are the services performed by the promoter are 'restricted securities'.

The holders of restricted securities are prohibited from disposing of the securities, creating a security interest over them or generally doing anything that would have the effect of transferring from the holder to another, effective ownership or control of the securities for a particular period.

## 9 Directors' Recommendations and Voting

The Directors unanimously approved the proposal to put the Resolutions to STI Shareholders.

Each Director considers that the proposals more fully described in these Explanatory Notes are in the best interests of the Company and recommends to STI Shareholders to vote in favour of each of the Resolutions.

Other than as stated in these Explanatory Notes, the Directors have no interest in the Resolutions.

In making their recommendations, the Directors advise STI Shareholders to read this Notice of Meeting in its entirety, and to seek their own independent financial advice in relation to it.

The Directors each intend to vote in favour of all Resolutions, subject to the application of voting exclusions under the ASX Listing Rules and the Corporations Act.

Details of the Directors' and the Proposed Directors' interests in the Company's securities are set out in Section 11.1.

## 10 Resolutions

### 10.1 Resolution 1: Acquisition of MX360

#### (a) Introduction

Resolution 1 refers to the proposed acquisition by STI of all of the issued capital in the capital of MX360 and a change to the scale and nature of the Company's activities. ASX Listing Rule 11.1 provides that if a company proposes to make a significant change to the nature or scale of its activities it must, if required by the ASX, obtain the approval of shareholders for those changes. The Company is required to obtain STI Shareholder approval for the MX360 Acquisition.

The ASX has indicated to the Company that, in view of the significance of the proposed changes, under the terms of ASX Listing Rule 11.1.3, the Company is required to comply with Chapters 1 and 2 of the ASX Listing Rules. The Company's Shares are currently suspended from quotation. Under the terms of Guidance Note 12 to the ASX Listing Rules, following STI Shareholder approval of the Resolutions, trading in STI Shares will remain suspended until such time as the requirements of Chapters 1 and 2 of the ASX Listing Rules have been met.

This Resolution is conditional on the passing of all Resolutions.

#### (b) Rationale for the MX360 Acquisition

STI has sought, for some time, to make an appropriate investment to maximise returns to STI Shareholders. Having carefully considered a number of options, the Board believes that, subject to STI Shareholder approval, the MX360 Acquisition and other elements of the Proposed Transaction represent an attractive opportunity for STI Shareholders.

After completion of the Proposed Transaction, the Company will have cash available to fund growth of the MX360 business.

- (c) Conditional on re-compliance with Chapters 1 and 2 of ASX Listing Rules

Completion of the MX360 Acquisition is conditional upon ASX confirming that the Company has re-complied with Chapters 1 and 2 of the Listing Rules.

- (d) Directors' Recommendation

The Directors having no interest in the outcome of this Resolution other than as a STI Shareholder, recommend that STI Shareholders vote in favour of this Resolution for the following reasons:

- (i) the MX360 Acquisition and other elements of the Proposed Transaction represent an attractive opportunity for STI Shareholders; and
- (ii) the Proposed Transaction is in the best interests of the Company.

## 10.2 **Resolution 2: Issue of Consideration Shares to MX360 Shareholders**

- (a) Introduction

Resolution 2 proposes to issue the MX360 Shareholders up to 80,000,000 Consideration Shares, each with a deemed issue price of \$0.10 per Share, as consideration for the acquisition by the Company of all of the issued capital in the capital of MX360.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. The proposed issue of Consideration Shares contemplated under Resolution 2 will exceed this limit. The effect of STI Shareholder approval will be that the Consideration Shares issued will not be counted in calculating the number of securities which the Company can issue in the future under the 15% limit imposed by ASX Listing Rule 7.1.

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Consideration Shares.

This Resolution is conditional on the passing of all Resolutions.

- (b) Effect of issue on the Company's share capital

The Company currently has on issue a total of 17,571,781 fully paid ordinary shares and 210,488 options as at the date of this Notice of Meeting.

Following Completion of the Proposed Transaction and if the maximum number of Public Offer Shares are issued, the Company will have a total of up to 144,571,781 Shares on issue, comprising and subject to the following:

- (i) up to 80,000,000 Consideration Shares issued to MX360 Shareholders; and
- (ii) up to 40,000,000 Public Offer Shares issued to subscribers under the Public Offer;

If approved, the issue of the Consideration Shares would result in MX360 Shareholders obtaining a cumulative voting power in the Company of approximately 55.17% of the enlarged share capital of the Company, after taking into account all new STI Shares to be issued under the Public Offer pursuant to the Prospectus, but excluding share that may be issued pursuant to conversion of any options.

The full names of each MX360 Shareholder together with details of their current and post-Completion Shareholdings as at Completion will be as set out in the table below:

<b>MX360 Shareholder</b>	<b>Consideration Shares</b>	<b>Total maximum Shareholding</b>	<b>Post Completion % of STI</b>
Wes Culley	26,990,000	26,990,000	18.61%
James McCarron	26,990,000	26,990,000	18.61%
DFive Pty Ltd as trustee for the Davidson Family Trust	3,000,000	3,000,000	2.07%
Matthew Arnold Mitchell	11,510,000	11,510,000	7.94%
Mugdock Investments Pty Ltd	11,510,000	11,510,000	7.94%
<b>TOTAL</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>55.17%</b>

(c) Change of Officers

In conjunction with the effective change of control of the Company:

- (i) Grant Davidson, Wesley Culley, and James McCarron will be appointed as Directors of the Company;
- (i) Peter Torney and Timothy Shaw will stand down as Directors of the Company; and

(d) Conditional on re-compliance with Chapters 1 and 2 of ASX Listing Rules

No Consideration Shares will be issued under Resolution 2 until the ASX confirms that the Company has re-complied with Chapters 1 and 2 of the Listing Rules.

(e) Application for listing of Consideration Shares

As a condition of the Proposed Transaction, the Company will apply for quotation of all the Consideration Shares on the ASX as soon as possible after the issue of the Consideration Shares.

(f) Approval

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Consideration Shares. The effect of Resolution 2 will be to allow the Company to issue the Consideration Shares during the 3 month period after the General Meeting, without using the Company's 15% annual placement capacity.

(g) ASX Listing Rule 7.3 requirement – Consideration Shares

In accordance with the Corporations Act and the ASX Listing Rules, the Company provides the following additional information to STI Shareholders in relation to the issue of the Consideration Shares to the MX360 Shareholders:

<b>Names of the allottees or the basis upon which allottees will be identified or selected:</b>	Please refer to Section 10.2(b) above for the names of the allottees.
<b>Maximum number of securities to be issued or the formula for calculating the number of securities to be</b>	Please refer to Section 10.2(b) above for the number of Consideration Shares proposed to be issued to each MX360 Shareholder.  The maximum number of Consideration Shares to be

<b>issued:</b>	issued to all MX360 Shareholders under the MX360 Acquisition is 80,000,000 Shares.
<b>The date by which the entity will issue the securities:</b>	The Consideration Shares will be issued on Completion (which is expected to occur on or about 29 January 2016) and in any event no later than 3 months after the date of the General Meeting or such later date as permitted by the ASX.
<b>Price at which the securities will be issued:</b>	The issue price for the Consideration Shares is \$0.10 per Consideration Share.
<b>Terms of the securities:</b>	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
<b>Use (or intended use) of the funds raised:</b>	As the Consideration Shares are being issued as consideration for the MX360 Acquisition, no cash will be raised from the issue of Consideration Shares.

### 10.3 Resolution 3: Issue of Public Offer Shares

#### (a) Introduction

Resolution 3 proposes the issue of up to 40,000,000 Shares under the Prospectus (**Public Offer Shares**), at an issue price of \$0.10 per Public Offer Share, to raise up to \$4,000,000. The money raised from the Public Offer will be used to pay for the Company's expenses of the Public Offer and the Company's and MX360's expenses incurred in respect of the Proposed Transaction. In addition, the funds raised will provide working capital to fund ongoing operations and future growth of the Combined Group. The issue of the Public Offer Shares is conditional on the passing of all other Resolutions, and on the simultaneous Completion on the issue date of the Public Offer Shares.

For the avoidance of doubt, the Public Offer Shares will be issued under the Public Offer pursuant to the Prospectus.

This Resolution is conditional on the passing of all Resolutions.

#### (b) ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out above in relation to Resolution 2. The proposed issue of Public Offer Shares contemplated under Resolution 3 will exceed this limit. The effect of STI Shareholder approval will be that the Public Offer Shares issued will not be counted in calculating the number of securities which the Company can issue in the next 12 months under the 15% limit imposed by ASX Listing Rule 7.1.

#### (c) Information required under ASX Listing Rules

In accordance with ASX Listing Rules 7.3, the following information is provided in relation to the issue of the Public Offer Shares:

<b>Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:</b>	40,000,000 fully paid ordinary Shares in the Company
<b>The date by which the entity will issue the securities:</b>	The Public Offer Shares will be issued on Completion (which is expected to occur on or about 29 January 2016) and in any event no later than 3 months after the date of the General Meeting or such later date as



	permitted by the ASX.
<b>Price at which the securities will be issued:</b>	The issue price will be \$0.10 per Public Offer Share.
<b>Terms of the securities:</b>	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
<b>Names of the allottees or the basis upon which allottees will be identified or selected:</b>	Participants in Public Offer will be members of the public who are not related parties of the Company.
<b>Use (or intended use) of the funds raised:</b>	The intended use of the funds raised from the Public Offer are set out below in section 10.3(d).

## (d) Use of funds

Assuming that the amount of A\$4,000,000 is raised under the Public Offer, the Company proposes that such amounts are used as follows:

Item	A\$
Product and platform development	\$1,050,000
Marketing and launch	\$1,250,000
Working Capital	\$1,200,000
Expenses of the Offer	\$500,000
<b>TOTAL</b>	<b>\$4,000,000</b>

The use of funds set out above represents the Company's current intentions based on the Combined Group's current plans and current business conditions. The amounts and timing of actual expenditure may vary and will depend on various factors. While the Company believes it will have sufficient funds after completion of the Proposed Transaction to meet all of its growth and capital requirements, the Company may seek to exploit future opportunities of a kind that will require it to raise additional capital from equity or debt sources.

## (e) Conditional on re-compliance with Chapters 1 and 2 of ASX Listing Rules

No Public Offer Shares will be issued under Resolution 3 until upon ASX confirms that the Company has re-complied with Chapters 1 and 2 of the Listing Rules.

## (f) Directors' Recommendation

The Directors, who do not have an interest in this Resolution and who will not participate in the Public Offer, recommend that STI Shareholders vote in favour of this Resolution. The reasons the Board makes this recommendation are that they consider:

- (i) the issue of Public Offer Shares will enable the Combined Group to complete the MX360 Acquisition and assist in funding ongoing working capital requirements; and
- (ii) the Public Offer is in the best interests of the Company.

#### 10.4 **Resolution 4: Appointment of Grant Davidson as a director**

Resolution 4 seeks STI Shareholder approval, conditional on the passing of all other Resolutions, for the appointment of Grant Davidson as a Director of the Company with effect on and from Completion. Details of Grant Davidson's qualifications and relevant experience are set out in Section 7.1.

For the avoidance of doubt, if Completion does not occur, Grant Davidson will not be appointed as a Director of the Company.

This Resolution is conditional on the passing of all Resolutions.

**Directors' Recommendation:** The Board recommends that STI Shareholders vote in favour of this Resolution. The reasons the Board makes this recommendation are that:

- (a) Grant Davidson's expertise in advertising, branding and design;
- (b) Completion is conditional on the appointment of Grant Davidson as a Director of the Company; and
- (c) the Board considers that the MX360 Acquisition is in the best interests of the Company.

Other than as STI Shareholders, none of the Directors has an interest in the outcome of this Resolution.

#### 10.5 **Resolution 5: Appointment of Wesley Culley as a director**

Resolution 5 seeks STI Shareholder approval, conditional on the passing of all other Resolutions, for the appointment of Wesley Culley as a Director of the Company with effect on and from Completion. Details of Wesley Culley's qualifications and relevant experience are set out in Section 7.1.

For the avoidance of doubt, if Completion does not occur, Wesley Culley will not be appointed as a Director of the Company.

This Resolution is conditional on the passing of all Resolutions.

**Directors' Recommendation:** The Board recommends that STI Shareholders vote in favour of this Resolution. The reasons the Board makes this recommendation are that:

- (a) Wesley Culley's expertise in finance, retail and digital media, and knowledge of the technology industry;
- (b) Completion is conditional on the appointment of Wesley Culley as a Director of the Company; and
- (c) the Board considers that the MX360 Acquisition is in the best interests of the Company.

Other than as STI Shareholders, none of the Directors has an interest in the outcome of this Resolution.

#### 10.6 **Resolution 6: Appointment of James McCarron as a director**

Resolution 6 seeks STI Shareholder approval, conditional on the passing of all other Resolutions, for the appointment of James McCarron as a Director of the Company with effect on and from Completion. Details of James McCarron's qualifications and relevant experience are set out in Section 7.1.

For the avoidance of doubt, if Completion does not occur, James McCarron will not be appointed as a Director of the Company.

This Resolution is conditional on the passing of all Resolutions.

**Directors' Recommendation:** The Board recommends that STI Shareholders vote in favour of this Resolution. The reasons the Board makes this recommendation are that:

- (a) James McCarron 's expertise in the technology industry and digital media and strategy;
- (b) Completion is conditional on the appointment of James McCarron as a Director of the Company; and
- (c) the Board considers that the MX360 Acquisition is in the best interests of the Company.

Other than as STI Shareholders, none of the Directors has an interest in the outcome of this Resolution.

#### 10.7 **Resolution 7: Change of Name – Special Resolution**

- (a) Introduction

The Company considers that it is appropriate the name of the Company reflects the changing scale and operations of the Combined Group. To this end the Company is seeking, in accordance with section 157(1)(a) of the Corporations Act, STI Shareholder approval by way of special resolution for the name of the Company to be changed to OrContra Limited.

The Company also seeks approval under section 136(2) of the Corporations Act, to the Company's Constitution being updated to reflect the change of name.

This Resolution is conditional on the passing of all Resolutions.

- (b) Special Resolution

In accordance with section 136(2) of the Corporations Act, the Constitution of the Company can only be amended by a special resolution passed by at least 75% of votes cast by Shareholders present and voting at a general meeting whether in person, proxy or attorney or in the case of a corporate Shareholder or proxy, by a natural person representative.

- (c) Directors' Recommendation

The Directors recommend Shareholders vote in favour of this Resolution.

## 11 Other information

### 11.1 Directors' interest in securities

The Company's Constitution states that no share qualification is required of any Director.

The direct and indirect interests of each Director and each proposed Director in the securities of the Company are as follows (post STI Share Consolidation):

Director/Proposed Director (including associates)	STI Shares as at the date of this Notice of Meeting <sup>1</sup>	Options over STI Shares as at the date of this Notice of Meeting <sup>1</sup>	STI Shares after Completion	Options over STI Shares after Completion
Peter Dykes	2,000,000	-	2,000,000	-
Timothy Shaw	2,000,000	-	2,000,000	-
Peter Alan Torney	1,200,000	-	1,200,000	-
Grant Davidson	-	-	3,000,000	-
Wesley Culley	-	-	26,990,000	-
James McCarron	-	-	26,990,000	-

### 11.2 Disclaimer as to forward looking statements

In preparing this Explanatory Note, the Company has relied on documents, information and representations (including historical financial information and projected financial information) provided or made by MX360. MX360 has consented to the use of those documents, information and representations for the purposes of this Notice of Meeting. In a letter to the Company, MX360 has confirmed that STI can rely on the information and documentation provided in relation to MX360 and the Proposed Directors' intentions regarding the Company, for inclusion in this Notice of Meeting.

In addition to the historical information that is contained in this Explanatory Note, some of the statements appearing in this Explanatory Note may be in the nature of forward looking statements. While care has been taken to ensure the reasonableness of such statements, STI Shareholders should be aware that such statements are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries that both STI and MX360 operate in as well as general economic conditions. Actual events or results may differ materially.

## 12 Glossary

In this Notice of Meeting, unless the context or subject matter otherwise requires:

<b>Acquisition Agreement</b>	The share sale and purchase agreement between the Company and the MX360 Shareholders dated 24 November 2015.
<b>Affiliate</b>	in relation to any entity, means any other entity that: (a) is a Related Body Corporate of the first mentioned entity; or (b) Controls, is Controlled by, or is under common Control with the first mentioned entity; and in relation to any person, an entity that is Controlled by that person.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires.
<b>ASX Listing Rules</b>	The official Listing Rules of the ASX.
<b>Board</b>	The board of Directors.
<b>Combined Group</b>	The merged STI and MX360 group of companies subject to and immediately following Completion.
<b>Company or STI</b>	Stirling Products Limited (ABN 33 077 105 429).
<b>Completion</b>	Completion of the Acquisition Agreement.
<b>Consideration Shares</b>	80,000,000 STI Shares to be issued to the MX360 Shareholders, as partial purchase consideration for all of the issued capital in the capital of MX360.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
<b>Directors</b>	The directors of the Company.
<b>Explanatory Notes</b>	The explanatory notes accompanying the Notice of Meeting.
<b>General Meeting or Meeting</b>	The extraordinary general meeting of the Company to be held at the time and place specified in the Notice of Meeting.
<b>MX360</b>	MX360 Group Pty Limited (ACN 606 793 275).
<b>MX360 Acquisition</b>	The Company's proposed acquisition of all of the issued capital in the capital of MX360.
<b>MX360 Shareholders</b>	The holders of issued capital in MX360, whose names are set out in Section 10.2.
<b>Notice of Meeting</b>	This document, comprising the chairman's letter, notice of meeting, Explanatory Notes and all appendices.
<b>Official Quotation</b>	Quotation on the official list of the ASX.
<b>Platform or MX360 Platform</b>	Has the meaning given to it in Section 2.4.
<b>Proposed Directors</b>	Grant Davidson, Wesley Culley and James McCarron.
<b>Proposed Transaction</b>	Has the meaning ascribed to it in section 2.1 of the Explanatory Notes.
<b>Prospectus</b>	The prospectus proposed to be issued by STI in relation to the Public Offer on the date of this Notice of Meeting and circulated with this Notice of Meeting.

<b>Public Offer</b>	The offer of up to 40,000,000 STI Shares at \$0.10 to investors under the Prospectus to raise \$4,000,000 with a minimum raise of at least \$3,000,000.
<b>Public Offer Shares</b>	The STI Shares offered under the Public Offer.
<b>Resolutions</b>	The resolutions to be considered by STI Shareholders at the General Meeting, as set out in this Notice of Meeting.
<b>Share Registry</b>	Boardroom Pty Ltd, however from 7 December 2015, means Security Transfer Registrars Pty Ltd.
<b>STI Shareholder or Shareholder</b>	Holder of STI Shares.
<b>STI Shares or Shares</b>	Ordinary shares in the capital of the Company.



#### All Correspondence to:

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## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Tuesday 29 December 2015.**

### 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 security holder 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 **10:00am (AEDT) on Tuesday, 29 December 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged by either:

📠 **By Fax** + 61 8 9463 6103

✉ **By Mail** Mining Corporate Pty Ltd  
GPO Box 2517,  
Perth WA 6831 Australia

@ **By Email** [liz@miningcorporate.com.au](mailto:liz@miningcorporate.com.au)

#### Attending the Meeting

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

# Stirling Products Limited

ABN 32 077 105 429

☐

## 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 **Stirling Products Limited** (Company) and entitled to attend and vote hereby appoint:

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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 shareholder) 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 the Company to be held at **Level 10, 52 Phillip Street, Sydney NSW 2000 on Thursday, 31 December, 2015 at 10:00am (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	Acquisition of MX360	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Consideration Shares to MX360 Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Public Offer Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Grant Davidson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Wesley Culley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of James McCarron as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Change of Company Name (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

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 / / 2015