



**Stanfield Funds Management Limited
ACN 006 222 395**

Notice of Annual General Meeting

**Annual General Meeting to be held at
Suite 10, Level 1 Spectrum Building, 100
Railway Road, Subiaco, WA 6008 on
25 November 2015 commencing at 11.30am (WST).**

Important

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Stanfield Funds Management Limited ACN 006 222 395 (**Company**) will be held at Suite 10, Level 1 Spectrum Building, 100 Railway Road, Subiaco, WA 6008 on 25 November 2015, commencing at 11.30am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1: Approval of Remuneration Report

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2015 be adopted."

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy.

Resolution 2: Re-election of Carlyle Clump

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

"That, for all purposes, Carlyle Clump, who retires by rotation in accordance with clause 74 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director."

Resolution 3: Change of Constitution

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

"That, in accordance with sections 136(2) and 136(1)(b) of the Corporations Act, and for all other purposes, approval be given for the repeal of the Company's existing Constitution and adoption of the New Constitution as the Constitution of the Company."

Resolution 4: Approval of 10% Placement Facility

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

“That, in accordance with Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in an issue under the 10% Placement Facility and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair 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.

Resolution 5: Ratification of issue of Creditor Options

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 157,095 Creditor Options to the Unsecured Creditors on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by the Unsecured Creditors and any associates of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair 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.

Resolution 6: Issue of Creditor Options to Thomas Sargent

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

“That, in accordance with Listing Rule 10.11, and for all other purposes, approval be given for the issue of 48,125 Creditor Options to Thomas Sargent (and/or his nominees) in satisfaction of debt owing by the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Thomas Sargent and any associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board

A handwritten signature in black ink, appearing to read 'Paul Doropoulos', written in a cursive style.

Paul Doropoulos
Director
Stanfield Funds Management Limited

21 October 2015

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Stanfield Funds Management Limited ACN 006 222 395 (**Company**) in connection with Resolutions 1 to 6 to be considered at the Annual General Meeting to be held at Suite 10, Level 1 Spectrum Building, 100 Railway Road, Subiaco, WA 6008 on 25 November 2015, commencing at 11.30am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in Section 0.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 1.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 1, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 1 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to the Company at Suite 10, Level 1 Spectrum Building, 100 Railway Road, Subiaco, WA 6008; or
- facsimile to the Company on +61 9218 8875.

so that it is received by no later than 11.30am (WST) on 23 November 2015. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4.00pm (WST) on 23 November 2015. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

REGULATORY INFORMATION

1. Annual Report

The Annual Report of the Company for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Report and the management of the Company.

A representative of the Company's auditor, BDO Audit (WA) Pty Ltd, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

2. Resolution 1: Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 June 2014, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would go up for re-election.

The Directors encourage all Shareholders to vote on Resolution 1.

3. Resolution 2: Re-election of Carlyle Clump

In accordance with clause 74 of the Constitution, at every annual general meeting, an election of Directors must be held whereby one or more Directors retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Carlyle Clump retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election. Brief background information on Mr Clump is set out below:

Carlyle Clump

Carlyle Clump is currently a special advisor to Jacanda Capital – a boutique advisory company headquartered in Sydney. In addition, Carlyle has recently advised an Asia-Pacific organisation on the launch of a specialist payment product, and working with other companies in Singapore, USA and UK.

In 2000, Carlyle founded Retail Decisions, an international card issuing and fraud prevention company, with many of the world's leading brands as customers. Its customers include banks, payment service providers, retailers and airlines. Carlyle was the Chief Executive Officer from 2000 until 2011. The Company was listed on the London Stock Exchange until 2006, when Carlyle took the company private. He retired as the company's Group Chair in March 2013.

Prior to Retail Decisions, Carlyle was the Chief Executive of Card Clear plc., an AIM listed company involved in payments, card issuing, loyalty, currency exchange and fraud prevention.

From 1993 to 1998, Carlyle served as the Group Managing Director of the Harpur Group, an issuer of specialist payment cards.

Based in France, he was the President-Directeur General of TEPAR – a consortium of European card issuing companies – from 1989 to 1993. He spent some 13 years with Texaco, where he served as European Marketing Coordinator, Manager of the UK's Marketing and Planning Division, as well as a series of roles in retail management, logistic, finance and economics.

Carlyle has a Master of Business Administration from the Cranfield School of Management, a post-graduate diploma in Management Studies and a University of London Degree in Physics.

Carlyle was appointed as a Director on 6 October 2014. Although Carlyle is engaged by the Company in a Non-Executive capacity, he also provides corporate services to the Company from time to time via a services agreement between the Company and Boardroom Capital.

Directors' recommendations

Other than Mr Clump, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3: Change of Constitution

Resolution 3 is a special resolution which seeks Shareholder approval to repeal the Company's existing Constitution and adopt the New Constitution as the Constitution of the Company.

The Company's existing Constitution was adopted on the registration of the Company on 7 December 1983. The Company was originally registered as a private company, and therefore its Constitution was tailored for a private company registered under the *Companies (Victoria) Code* (which has since been repealed) in 1983.

Rather than adopting a new Constitution when the Company converted to a public company and listed on the ASX in 1994, the Company made numerous amendments to its original Constitution to comply with the Listing Rules and changes in corporate law. Accordingly, the Company's existing Constitution contains a number of outdated provisions and incorrect references to corporate law and regulatory authorities.

The Directors consider it is appropriate for the Company to adopt the New Constitution to replace the existing Constitution to reflect contemporary corporate practice and conform with current Australian corporate law (including the Corporations Act and the Listing Rules). The New Constitution is in a usual and standard form for an ASX-listed company of the size and nature of the Company, and has been approved by ASX in accordance with Listing Rule 15.3.

Section 136 of the Corporations Act

Section 136(2) of the Corporations Act provides that a company can repeal its constitution by shareholders passing a special resolution in general meeting. Section 136(1)(b) provides that a company can then adopt a constitution after registration by passing a special resolution. Accordingly, Resolution 3 seeks Shareholder approval to repeal the existing Constitution and adopt the New Constitution for the purposes of sections 136(2) and 136(1)(b) of the Corporations Act.

As Resolution 3 is a special resolution, at least 75% of the votes cast on Resolution 3 must be cast in favour of the Resolution in order for it to be passed.

If Shareholders pass Resolution 3 then the New Constitution will become the Constitution of the Company with immediate effect following the Annual General Meeting.

The New Constitution contains a number of changes to the existing Constitution, many of which are administrative or relatively minor in nature and will not result in any material changes to the rights and obligations of Shareholders.

A full copy of the New Constitution is available to Shareholders free of charge. To request a copy of the New Constitution, please contact the Company Secretary by telephone on +61 8 6211 5099. Alternatively, the New Constitution can be viewed on the Company's website at www.stanfieldfunds.com.au.

The key differences between the existing Constitution and the New Constitution are set out below.

Subject	Difference
Uncertificated holdings	The New Constitution expressly allows the Company to use electronic systems for the purposes of facilitating dealings in securities (e.g. CHESS). Further, under the New Constitution, Shareholders will have the right to receive holding statements, which replaces the right to receive share or option certificates.
Transfers of Shares	The existing Constitution only contemplates a transfer of Shares by way of an instrument of transfer (i.e. a share transfer form). If the transfer is being made on a stock exchange then only the transferor needs to execute the form. The New Constitution permits a transfer of Shares by way of an instrument of transfer, or via an electronic system (e.g. CHESS) for a transfer on a stock exchange.
Unmarketable parcels	The New Constitution sets out a process which enables the Company to sell or buy-back the Shares of Shareholders who hold less than a marketable parcel (i.e. less than \$500 worth). The process is common among contemporary constitutions, and complies with the requirements of ASX in Listing Rule 15.13. Shareholders cannot be forced to sell their parcel and can elect to retain their Shares. This process gives the Company the flexibility to sweep up small Share holdings at market price and at no cost to the Shareholder, thereby potentially reducing administrative costs (e.g. printing and postage costs associated with notices and letters to Shareholders).

Subject	Difference
General meetings	<p>The existing Constitution requires a 14 day notice period for convening general meetings. The New Constitution requires a 28 day notice period, which complies with the requirements of the Corporations Act.</p> <p>The quorum for a general meeting under the existing Constitution is 2 Shareholders, whereas it is 3 Shareholders under the New Constitution.</p> <p>The New Constitution allows for a proxy of a Shareholder to be a person who is not a Shareholder.</p>
Director proceedings	<p>The existing Constitution provides that notice of a Board meeting does not need to be sent to Directors outside Australia whereas the New Constitution contains no such provision.</p> <p>The existing Constitution does not permit the Chair to have a casting vote, whereas the New Constitution does if votes are equal except where there are only 2 Directors present and entitled to vote on the matter.</p> <p>The New Constitution expressly permits Board meetings to be held via electronic means (e.g. teleconference, video link, etc).</p>
Seal	<p>The New Constitution expressly provides that the Company can execute documents without using a seal.</p>
Dividends	<p>The existing Constitution essentially provides that the payment of dividends by the Company is at the discretion of the Directors. The New Constitution requires that any dividend is paid in accordance with the Corporations Act and where:</p> <ul style="list-style-type: none"> • the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; • the payment of the dividend is fair and reasonable to the Shareholders as a whole; and • the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.
Notices	<p>The existing Constitution only contemplates service of notices by post. The New Constitution allows for notices to be served by hand, post, facsimile or other electronic means.</p>

Directors' recommendations

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

5. Resolution 4: Approval of 10% Placement Facility

Resolution 4 is a special resolution which seeks Shareholder approval for the issue of Equity Securities totaling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A.

Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities totaling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

As Resolution 4 is a special resolution, at least 75% of the votes cast on Resolution 4 must be cast in favour of the Resolution in order for it to be passed.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its Shares.

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note: 'A' has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of Equity Securities

that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (set out above).

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date above, the date on which the Equity Securities are issued.

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 4:

(a) **Minimum price at which the securities may be issued**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in Section 5(a)(ii), the date on which the Equity Securities are issued.

(b) **Risk of dilution**

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 assuming that the Proposed Transaction has completed and the Public Offer is fully subscribed.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue at the date of this Notice. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		50% decrease in market price \$0.105	Current market price \$0.21	100% increase in market price \$0.42
Current variable 'A' 16,158,387	10% voting dilution	1,615,839 Shares	1,615,839 Shares	1,615,839 Shares
	Funds raised	\$169,663	\$339,326	\$678,652
50% increase in current variable 'A' 24,237,581	10% voting dilution	2,423,758 Shares	2,423,758 Shares	2,423,758 Shares
	Funds raised	\$254,495	\$508,989	\$1,017,978
100% increase in current variable 'A' 32,316,774	10% voting dilution	3,231,677Shares	3,231,677Shares	3,231,677Shares
	Funds raised	\$339,326	\$478,652	\$1,357,305

Notes:

1. Assumes the Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The market price used is \$0.21, being the closing price of Shares on 20 October 2015.

(c) Date by which the securities may be issued

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (disposal of the main undertaking of the Company).

(d) **Purposes for which the securities may be issued**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company may apply the funds raised towards, the review and evaluation of new acquisitions and investments (including expenses associated with such acquisitions and investments) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy for issues of securities**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of recipients of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients of Equity Securities under the 10% Placement Facility have not been determined at the date of this Notice but are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

(f) **Details of previous issues of securities**

During the 12 months preceding the date of the Annual General Meeting, the Company has issued 11,437,793 Shares, 9,440,000 Noteholder Options, 157,095 Creditor Options, representing 446% of the total number of Equity Securities on issue at the commencement of that period. All of these Equity Securities were issued by the Company under its Recent Prospectus.

Details of all issues of Equity Securities during the 12 month period prior to the date of the Annual General Meeting are set out below.

Entitlement Offer	
Date of issue	1. On or about 27 March 2015. 2. On or about 23 April 2015.
Number issued	1. 73,368. 2. 4,647,226.
Class of security	Fully paid ordinary share.
Summary of terms	Each Share ranks equally in all respects with other Shares on issue.
Persons who received securities	1. Eligible Shareholders who applied for Shares under the Entitlement Offer. 2. Investors who took up the shortfall who were mostly clients of the underwriter, CPD Capital Group Pty Ltd.
Issue price	\$0.25 per Share.
Discount to market price	Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014).
Total cash consideration	\$1,180,148.
Amount of cash spent	\$1,011,000
Use of cash	Payments to the Deed Administrator in accordance with the DOCA, costs associated with the Recapitalisation Proposal, costs associated with reviewing and evaluating existing assets and working capital.
Intended use of remaining cash	Costs associated with reviewing and evaluating existing assets and working capital

Conversion Offer A	
Date of issue	5 May 2015
Number issued	1. 2,320,000 Shares. 2. 4,640,000 Noteholder Options.
Class of security	1. Fully paid ordinary share. 2. Option to acquire a Share.
Summary of terms	1. Each Share ranks equally in all respects with other Shares on issue. 2. Each Noteholder Option is exercisable at \$0.25 and expires on 30 April 2018.
Persons who received securities	Holders of Class A Notes.
Issue price	1. \$0.25 per Share. 2. Nil as the Noteholder Options were issued free attaching to the Shares on a 2 for 1 basis.
Discount to market price	1. Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014). 2. N/A.
Total cash consideration	\$580,000.
Amount of cash spent	\$580,000
Use of cash	Payments to the Deed Administrator in accordance with the DOCA, costs associated with the Recapitalisation Proposal, costs associated with reviewing and evaluating existing assets and working capital.
Intended use of remaining cash	Not applicable

Conversion Offer B	
Date of issue	5 May 2015
Number issued	1. 2,080,000 Shares. 2. 4,160,000 Noteholder Options.
Class of security	1. Fully paid ordinary share. 2. Option to acquire a Share.
Summary of terms	1. Each Share ranks equally in all respects with other Shares on issue. 2. Each Noteholder Option is exercisable at \$0.25 and expires on 30 April 2018.
Persons who received securities	Holders of Class B Notes.
Issue price	1. \$0.25 per Share. 2. Nil as the Noteholder Options were issued free attaching to the Shares on a 2 for 1 basis.
Discount to market price	1. Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014). 2. N/A.
Total cash consideration	\$520,000.
Amount of cash spent	\$520,000
Use of cash	Payments to the Deed Administrator in accordance with the DOCA, costs associated with the Recapitalisation Proposal, costs associated with reviewing and evaluating existing assets and working capital.
Intended use of remaining cash	Not applicable

Conversion Offer C	
Date of issue	5 May 2015
Number issued	1. 344,548 Shares. 2. 640,000 Noteholder Options.
Class of security	1. Fully paid ordinary share. 2. Option to acquire a Share.
Summary of terms	1. Each Share ranks equally in all respects with other Shares on issue. 2. Each Noteholder Option is exercisable at \$0.25 and expires on 30 April 2018.
Persons who received securities	Holders of Class B Notes.
Issue price	1. \$0.25 per Share. 2. Nil as the Noteholder Options were issued free attaching to the Shares.
Discount to market price	1. Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014). 2. N/A.
Total cash consideration	\$80,000.
Amount of cash spent	\$80,000
Use of cash	Payments to the Deed Administrator in accordance with the DOCA, costs associated with the Recapitalisation Proposal, costs associated with reviewing and evaluating existing assets and working capital.
Intended use of remaining cash	Not applicable

Creditor Offer A	
Date of issue	1. 5 May 2015. 2. 5 August 2015.
Number issued	1. 302,651 Shares. 2. 157,095 Creditor Options.
Class of security	1. Fully paid ordinary share. 2. Option to acquire a Share.
Summary of terms	1. Each Share ranks equally in all respects with other Shares on issue. 2. Each Creditor Option is exercisable at \$0.20 and expires on 5 August 2016.
Persons who received securities	Unsecured creditors under the DOCA.
Issue price	1. \$0.25 per Share (based on the conversion price of debt to Shares). 2. Nil as the Creditor Options were issued free attaching to the Shares if the relevant creditor held the Shares for 3 months.
Discount to market price	1. Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014). 2. N/A.
Total cash consideration	Nil.
Amount of cash spent	N/A.
Use of cash	N/A.
Intended use of remaining cash	N/A.

Creditor Offer B	
Date of issue	5 May 2015.
Number issued	770,000 Shares.
Class of security	Fully paid ordinary share.
Summary of terms	Each Share ranks equally in all respects with other Shares on issue.
Persons who received securities	Creditors of the Company.
Issue price	\$0.25 per Share (based on the conversion price of debt to Shares).
Discount to market price	Nil (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014).
Total cash consideration	Nil.
Amount of cash spent	N/A.
Use of cash	N/A.
Intended use of remaining cash	N/A.

Broker Offer	
Date of issue	5 May 2015
Number issued	900,000 Shares.
Class of security	Fully paid ordinary share.
Summary of terms	Each Share ranks equally in all respects with other Shares on issue.
Persons who received securities	CPS Capital Group Pty Ltd in accordance with an underwriting agreement.
Issue price	\$0.01 per Share.
Discount to market price	96% (based on a market price of \$0.25 being the offer price under the Entitlement Offer. At the time of issue, the Company's Shares had been suspended from trading on the ASX since 12 August 2014).
Total cash consideration	\$9,000.
Amount of cash spent	All.
Use of cash	Costs associated with the Recapitalisation Proposal.
Intended use of remaining cash	N/A.

Directors' recommendations

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

6. Resolution 5: Ratification of issue of Creditor Options

On 5 August 2015, the Company issued 157,095 Creditor Options to the Unsecured Creditors for nil consideration in accordance with the DOCA.

Shareholder approval is sought to approve and ratify the 157,095 Creditor Options previously issued under the Recent Prospectus under Creditor Offer A, as referred to in Resolution 5.

Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue of securities by a company made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's shareholders subsequently approve it. Such approval replenishes the company's 15% capacity and enables it to issue further securities up to that limit. Accordingly, if Resolution 5 is approved, the Creditor Options issued under the Creditor Offer A will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 5 for the purposes of Listing Rule 7.4:

(a) **Number of securities issued**

157,095 Creditor Options.

(b) **Price at which the securities were issued**

No cash consideration was payable for the Creditor Options as they were issued free attaching to Shares issued pursuant to the DOCA.

(c) **Terms of the securities**

Each Creditor Option has an exercise price of \$0.20 and expires on 5 August 2016. The Creditor Options are otherwise on the terms and conditions set out in section 7.3 of the Recent Prospectus.

(d) **Names of the person to whom the entity issued the securities or the basis on which those persons were determined**

The Creditor Options were issued to the Unsecured Creditors. None of the Unsecured Creditors are related parties of the Company.

(e) **The use (or intended use) of the funds raised**

No funds will be raised from the issue of the Creditor Options as they are being issued free attaching to Shares issued pursuant to the DOCA.

7. Resolution 6: Issue of Creditor Options to Thomas Sargent

Resolution 6 seeks Shareholder approval for the issue of 48,125 Creditor Options to Thomas Sargent (and/or his nominees) in satisfaction of debt owing by the Company.

Under the terms of the DOCA, the Company is required to issue the Creditor Options to Mr Sargent as he held the Shares he received under the DOCA for the requisite 3 months following the Company's reinstatement to trading on the ASX on 14 May 2015.

Mr Sargent is a related party of the Company for the purposes of section 228 of the Corporations Act as he has been a Non-Executive Director of the Company in the past 6 months, having resigned on 9 September 2015.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As noted above, Thomas Sargent is a related party of the Company under section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Creditor Options to Thomas Sargent.

If Resolution 6 is approved, the Creditor Options issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 6:

(a) **Name of the person**

Thomas Sargent (and/or his nominees).

(a) **Maximum number of securities to be issued**

48,125 Creditor Options.

(b) **Date by which the entity will issue the securities**

The Creditor Options will be issued to Thomas Sargant (and/or his nominees) as soon as reasonably practicable after the Annual General Meeting. In any event, however, no Creditor Options will be issued to Mr Sargant (and/or his nominees) later than 1 month after the Meeting (other than to the extent permitted by any waiver or modification of the Listing Rules).

(c) **Relationship that requires shareholder approval**

Thomas Sargant is a related party of the Company for the purposes of section 228 of the Corporations Act as he has been a Non-Executive Director of the Company in the past 6 months, having resigned on 9 September 2015.

(d) **Issue price of the securities**

No cash consideration is payable for the Creditor Options as they are being issued free attaching to Shares issued pursuant to the DOCA.

(e) **Terms of the issue**

Each Creditor Option will have an exercise price of \$0.20 and will expire 1 year after being issued. The Creditor Options will otherwise be on the terms and conditions set out in section 7.3 of the Recent Prospectus.

(f) **Intended use of funds raised**

No funds will be raised from the issue of the Creditor Options as they are being issued free attaching to Shares issued pursuant to the DOCA.

Section 208 of the Corporations Act

Although Thomas Sargant is a related party of the Company, the Board has determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Creditor Options to Mr Sargant due to the 'arm's length' exception in section 210. In forming this view, the Board notes the following:

- The Creditor Options are being issued to Thomas Sargant in satisfaction of debt owing by the Company and in accordance with the terms of the DOCA. The terms of the DOCA were negotiated on an arm's length basis.
- The number of Creditor Options to be issued to Thomas Sargant is the same, on a pro-rata basis, as the number of Creditor Options issued to other eligible creditors under the DOCA who are not related parties of the Company.
- The issue of Creditor Options to Thomas Sargant would be reasonable in the circumstances if the Company were dealing at arm's length.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility has the meaning given in Section 5.

10% Placement Period has the meaning given in Section 5.

Annexure means an annexure to this Explanatory Statement.

Annual Report means the annual report of the Company for the financial year ended 30 June 2015.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Auditor's Report means the auditor's report contained in the Annual Report.

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Closely Related Party means a closely related party of a member of Key Management Personnel as defined in section 9 of the Corporations Act, being:

- (a) a spouse or child of the member;
- (b) a child of that member's spouse;
- (c) a dependent of that member or of that member's spouse;
- (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- (e) a company that is controlled by that member; or
- (f) any other person prescribed by the regulations.

Company means Stanfield Funds Management Limited ACN 006 222 395.

Constitution means the constitution of the Company.

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

Creditor Offer A means the offer under the Recent Prospectus of up to 909,665 Shares to the Unsecured Creditors for nil cash consideration, together with 1 free attaching Creditor Option for each Share issued in accordance with the DOCA.

Creditor Option means an Option with an exercise price of \$0.20, an expiry date of 5 August 2016 (other than the 48,125 Creditor Options to be issued to Thomas Sargant which will expire 1 year after being issued), and which is otherwise on the terms and conditions set out in section 7.3 of the Recent Prospectus.

Director means a director of the Company.

Directors' Report means the directors' report contained in the Annual Report.

DOCA means the deed of company arrangement dated 6 October 2014 in relation to the Company summarised in section 6.1 of the Recent Prospectus.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Financial Report means the financial report contained in the Annual Report.

Key Management Personnel means the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the official listing rules of ASX.

Meeting or Annual General Meeting means the Annual General Meeting of Shareholders to be held on 25 November 2015 11.30am (WST).

Notice or Notice of Meeting means the notice of annual general meeting incorporating this Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to this Notice.

Recent Prospectus means the prospectus issued by the Company dated 13 March 2015.

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Trading Day has the meaning given in the Listing Rules.

Unsecured Creditors means the unsecured creditors of the Company as determined in accordance with the DOCA, other than Thomas Sargent.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

Holder Number

Security Holder Appointment of Proxy – Annual General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

(Name of Proxy)

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11:30am (WST) on 25 November 2015 at Suite 10, Level 1 Spectrum Building, 100 Railway Road, Subiaco, WA 6008 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Carlyle Clump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of issue of Creditor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Change of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of Creditor Options to Thomas Sargent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1

Sole Director or
Sole Director / Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Note: If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

Proxy appointments can be lodged by:

- a) **Post** – to the Company at Suite 10, Level 1 Spectrum Building, 100 Railway Road, Subiaco, WA 6008; or
- b) **Facsimile** – to the Company on +61 9218 8875; or

so that it is received by no later than 11.30am (WST) on 23 November 2015

Proxy Forms received later than this time will be invalid