



NOTICE OF MEETING

Time: 11.30am
Date: Wed 16th November 2005
Venue: Broadwater Pagoda
112 Melville Parade
Como, Western Australia

Schaffer Corporation Limited ("**SFC**" or the "**Company**") gives notice the annual general meeting of shareholders will be held at **Broadwater Pagoda, 112 Melville Parade, Como, Western Australia at 11.30am (WST) Wednesday 16th November 2005.**

BUSINESS

1. Accounts and Reports

To receive and consider the annual financial report and reports of the directors and the auditors for the period ended 30 June 2005.

2. Resolution 1: Re-election of Mr Anton Mayer as a Director

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

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

3. Resolution 2: Re-election of Mr Michael Perrott as a Director

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

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

4. Resolution 3: Adopt Remuneration Report

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

"That the Remuneration Report for the period ended 30 June 2005 be adopted."

Note that the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

By order of the Board

GV Davieson
Company Secretary
11 October 2005



EXPLANATORY NOTE

The business set out below is scheduled to be conducted at:

Time: 11.30am
Date: Wed 16th November 2005
Venue: Broadwater Pagoda
112 Melville Parade
Como, Western Australia

This Explanatory Note has been prepared for the information of shareholders of the Company in connection with the business to be conducted at the forthcoming annual general meeting of shareholders.

Annual Financial Report

The first item on the notice of annual general meeting deals with the presentation of the Financial Report and Reports of the Directors and Auditor of the Company for the year ended 30 June 2005. No resolution is required to be moved in respect of this item of business.

Resolution 1 – Re-election of Director

Anton Mayer *Executive Director* - Born: Berg Switzerland 15-Jun-1942

Mr Mayer is required to retire from office pursuant to the 'Director Rotation' provisions of Article 3.6 of the Company's constitution. Mr Mayer, being eligible, has offered himself for re-election as a Director.

Mr Mayer joined the Board in 2001. Mr Mayer is the Managing Director of the company's Leather division (Australian Leather Holdings Limited), a position he has held since 1998. He is also a director of a number of the ALH group subsidiaries. Mr Mayer has over 35 years of international leather experience, broad business skills and a global business perspective.

The Board supports the re-election of Mr Mayer.

Resolution 2 – Re-election of Director

Michael Perrott *Independent Director* - Born: Perth W.A. 3-Nov-1945

Mr Perrott was appointed by the Board on 23 February 2005. As this AGM is the first since Mr Perrott's appointment, Mr Perrott is required to retire from office pursuant to the 'Board Appointment' provisions of Article 3.3 of the Company's constitution. Mr Perrott, being eligible, has offered himself for re-election as a Director.

Mr Perrott is an independent director of the SFC Board. He is also a member of the Board's Audit Committee and the Remuneration and Nominations Committee. Mr Perrott has over 35 years experience in the construction and contracting industry. He was previously Managing Director of the Gardner Perrott Group Limited until that business was sold to Brambles Limited in 1989. He is currently chairman of Bone Medical Limited, GME Resources Limited and Canning Vale Weaving Mills and a director of Portman Limited.

The Board supports the re-election of Mr Perrott.

Resolution 3 – Remuneration Report

For financial years commencing on or after 1 July 2004, the extent of disclosures prescribed by the Corporations Act have been significantly increased. The Corporations Act now requires that the Directors' Report (contained within the Annual Report) include a 'remuneration report'. In addition, the Corporation Act requires that a resolution that the remuneration report be adopted, must be put to a vote at the Company's Annual General Meeting. The remuneration report sets out the remuneration policy for the group and reports the remuneration arrangements in place for directors and specified executives. Pursuant to the Corporations Act, the vote on the remuneration report is advisory only and will not bind the Directors or the Company. The Company's remuneration report commences on Page 55 of the 2005 Annual Report, a copy of which is available from SFC's website at www.schaffer.com.au.

The Board supports the adoption of the Remuneration Report.

Questions and Comments by Shareholders at the Meeting

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



NOTES

Section 1109N determination

The directors have determined in accordance with section 1109N of the Corporations Act 2001 (Cth) that, for the purpose of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm WST on 14th November 2005. Accordingly transactions registered after that time will be disregarded in determining entitlement to attend and vote at the annual general meeting.

Proxies

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

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

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

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

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

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

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

- at 1305 Hay Street, West Perth, W.A. 6005; or
- on fax number (08) 9481 0439,

Corporate Representative

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



PROXY FORM

Name of Shareholder:

Address of Shareholder:

All correspondence to:

1305 Hay Street
West Perth WA 6005
Facsimile: 08 9481 0439

I/We being a shareholder in Schaffer Corporation Limited hereby appoint as my/our proxy:

(Only complete if you wish to appoint someone other than the Chairman of the meeting as your proxy)

Name of Proxy:

Address of Proxy:

OR failing that person, or if no such person is named

The Chairman of the meeting

to vote as directed below, or, if no directions are given, as the proxy or the Chairman sees fit at the annual general meeting of the Company to be held on 16th November 2005 at 11.30am WST at 112 Melville Parade, Como, W.A. and at any adjournment thereof.

If appointing a second proxy, state the percentage of your voting rights applicable to the proxy appointed by this form:

_____%

If you **do not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

The Chairman intends to vote all undirected proxies in favour of all resolutions.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

I/We direct my/our proxy to vote as indicated below.

BUSINESS

	For	Against	Abstain
Resolution 1: Re-election of A K Mayer as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of M D Perrott as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURE OF SHAREHOLDER(S)

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact Name:

Telephone No. ()

Affix Company Seal (if required by your constitution)