

Nick Scali Limited

ABN: 82 000 403 896



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Nick Scali Limited ("the Company") will be held at Nick Scali Head Office, 3-29 Birnie Avenue, Lidcombe, on Thursday, 31 October 2013 at 12.00pm.

Ordinary Business

(1) Financial Reporting

To receive and consider the Financial Report of the Company, the Directors' Report and Independent Auditor's Report for the year ended 30 June 2013.

There is no vote on this item.

(2) Re-election of Director

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

That Mr John W Ingram, who retires by rotation in accordance with the Company's Constitution rule 7.1(f), be re-elected as a Director of the Company.

(3) Remuneration Report

To consider and if thought fit pass the following as an advisory resolution:

To adopt the Remuneration Report of the Company for the year ended 30 June 2013 as set out on pages 12 to 14 of the Annual Report.

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

A vote must not be cast (in any capacity) on this Resolution 3 by or on behalf of a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report ("KMP") and their closely related parties, whether as a shareholder or as a proxy. However, a vote may be cast on this Resolution by a KMP, or a closely related party of a KMP, if:

- a. the vote is cast as a proxy and the appointment is in writing and specifies how the proxy is to vote on the Resolution; and
- b. the vote is not cast on behalf of a KMP or a closely related party of a KMP.

For further information, please refer to the Explanatory Notes which form a part of this Notice of Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read "Brett Daley".

Brett Daley
Company Secretary
27 September 2013

Notes on Voting

- (1) Each member has the right to appoint a proxy. A proxy need not be a member of the Company.**
- (2) A member 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.**
- (3) Proxies given by companies must be executed under seal or under the hand of an attorney duly authorised in writing.**

Proxy forms must be received at:

**Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Fax 02 9287 0309**

Or lodge your vote online at www.linkmarketservices.com.au.

Proxy closes

Proxy form must be received at Link Market Services by 12.00pm on Tuesday, 29 October 2013, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid.

Entitlement to vote

In accordance with the requirements of the Corporations Act, the Directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the registrar of members as at 7.00pm Tuesday, 29 October 2013.

Annual General Meeting – Explanatory Notes

Agenda item 1 – Financial Reporting

In accordance with the requirements of the Corporations Act the Financial Report, Directors' Report and Independent Auditor's Report of the Company for the most recent financial year, which are included in the Company's Annual Report, will be laid before the meeting. Shareholders will be provided with the opportunity to ask questions about the reports or about the Company generally, but there will be no formal resolution put to the meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor's Report or the conduct of the audit of the Financial Report.

Agenda item 2 – Re-election of Director

In accordance with rule 7.1(f) of the Company's Constitution, Mr John W Ingram retires from office at this General Meeting, and being eligible to do so, offers himself for re-election.

Following is a short biography of the Director standing for re-election.

Mr John W Ingram – Independent Non-Executive Director

John was appointed to the Board as non-executive Chairman on 7 April 2004. He is the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of Nick Scali Limited. John was formerly Managing Director of Crane Group Limited and is currently the Chairman of Watty Limited and a Non Executive Director of United Group Limited.

Agenda item 3 – Remuneration Report

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their Annual General Meeting. The Remuneration Report is included on pages 12 to 14 of the Company's Annual Report, which accompanies this Notice of Meeting.

The Remuneration Report outlines the remuneration arrangements in place for directors and executives of the Company, and summarises the Company's remuneration philosophy as well as providing details of the Remuneration Committee, which is a Board subcommittee.

Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting and that occurs again at the 2014 Annual General Meeting, the Company will be required to put to shareholders a resolution at the 2014 Annual General Meeting proposing the calling of an extraordinary general meeting to consider the election of directors of the Company ("spill resolution").

If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting ("spill meeting") within 90 days of the 2014 Annual General Meeting. All of the Directors who were in office when the 2014 Directors' Report was considered at the 2014 Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.



By mail:
Nick Scali Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 2 1300 554 474



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SHAREHOLDER PROXY FORM

I/We being a member(s) of Nick Scali Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman 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. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 12:00pm on Thursday, 31 October 2013, at Nick Scali Head Office, 3-29 Birnie Avenue, Lidcombe NSW and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolution 2

Re-election of Director -
Mr John W Ingram

For

Against

Abstain*

Resolution 3

Remuneration Report

For

Against

Abstain*

① * 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 votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

NCK PRX301R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm on Tuesday, 29 October 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Nick Scali Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.