

**Notice of annual general meeting
The Reject Shop Limited ABN 33 006 122 676**

The annual general meeting of The Reject Shop Limited will be held at ASX Theatrette Ground Floor, 530 Collins Street Melbourne, at 3.30 pm Wednesday 27th October 2004.

Agenda

1. Financial report and directors' and audit reports

To receive and consider the financial report, including the directors' declaration, for the year ended 27th June 2004 and the related directors' report and audit report.

2. Election of directors

To elect two directors:

- (a) Mr. J. Shuster retires in accordance with the company's Constitution and, being eligible, offers himself for re-election
- (b) Mr. B. Beattie retires in accordance with the company's Constitution and, being eligible, offers himself for re-election

Information about the candidates is set out on the following page.

By Order of the Board



C Bryce
Company Secretary
22nd September 2004

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who will be attending as your proxy, please complete the enclosed proxy form. This form must be received by the company by 3.30pm on Monday 25th October 2004.

The completed proxy form may be lodged using the reply-paid envelope by posting, delivery or facsimile to the company's share registry (see reverse for details).

Notice of annual general meeting
(continued)

Information about the candidates for election as directors

Mr. Brian Beattie

Age: 61

Mr Brian Beattie was appointed as a director on 27th February 2004 and has been Chairman since the 27th April 2004.

Mr Beattie has extensive experience in the retail industry including eight years with Woolworth's Limited and thereafter 20 years at Coles Myer Limited, five years as Managing Director of Target and three years as Managing Director of Coles Supermarkets. Mr. Beattie was also Chief Executive Officer of Victoria Racing and the Victoria Racing Club and is the Non-Executive Chairman of Austin Group Limited.

Mr. John Shuster

Age: 62

Mr John Shuster is a lawyer, joint founder and a former Chairman of the Company, Mr Shuster has a detailed knowledge of the discount variety retail sector in Australia. Mr Shuster has been a director since 1983.

Please note that:

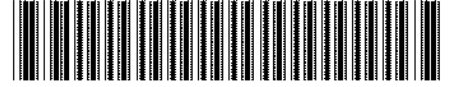
1. A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote on a poll in the member's place.
2. The appointment of two proxies will be of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights. A single proxy exercises all voting rights.
3. The form of proxy must be signed by the member or the member's attorney duly authorised in writing or if the member is a corporation under its corporate seal or by its duly authorised attorney or representative.
If an attorney is to attend the meeting please submit the relevant certified power of attorney for noting and return.
If a representative of the corporation or body corporate is to attend the meeting the appropriate Letter of Representation should be produced prior to admission.
4. In the case of joint holders the proxy form must be signed by all shareholders.
5. Proxies will only be valid and accepted by the Company if they are signed and forwarded to the Company at the address or facsimile number quoted below so as to be received not later than 48 hours before the meeting.
6. The Company has determined in accordance with regulations pursuant to section 1074E of the Corporations Act 2001 (C'wlth) that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 7.00pm (Melbourne Time) on Monday 25 October 2004.
7. The Company's principal register is maintained at the following address:

ASX Perpetual Registrars Limited
Level 4, 333 Collins Street
Melbourne VIC 3000

Postal Address: GPO Box 1736
Melbourne VIC 3001
Telephone: 1300 554 474
(03) 9615 9947
Facsimile Number: (03) 8614 2909

APPOINTMENT OF PROXY

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



X99999999999

I/We being a member(s) of The Reject Shop Limited and entitled to attend and vote hereby appoint

A 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 securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person /body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 3.30pm on Wednesday, 27 October 2004 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received in the Registrar's office no later than 48 hours before the meeting.

Should you desire to direct your proxy how to vote on any resolution please insert in the appropriate box below.

Resolution 1

Receive Financial Report and Directors' and Audit Report "No Resolution Required"

For Against Abstain*

Resolution 2

Election of Directors

2(a) To elect Mr J. Shuster as a Director

2(b) To elect Mr B. Beattie as a Director

* 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.

B SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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 securityholder's constitution and the Corporations Act 2001 (Cwth).

ASX Perpetual Registrars Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a security holder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.asxperpetual.com.au).

