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**OVER
50
MILLION
CUSTOMERS
ANNUALLY**

**OVER
5000
TEAM
MEMBERS**

**274
STORES
BY JUNE**

**40
NEW STORES
THIS YEAR**

**269
CURRENT
STORES**

**SHARE
PURCHASE
PLAN OFFER**

THE REJECT SHOP

THE SAVVY WAY TO SHOP

CHAIRMAN'S LETTER

3 May 2013

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to offer eligible shareholders an opportunity to participate in the share purchase plan ("**SPP**") which was announced on 23 April 2013 in conjunction with a placement of ordinary shares to institutional investors ("**Placement**"). The SPP allows eligible shareholders to purchase up to \$14,985 worth of new The Reject Shop Limited ("**TRS**") ordinary shares ("**New Shares**") (subject to scale-back at TRS' absolute discretion) without brokerage or transaction costs.

The SPP gives you the chance to increase your TRS holding at a price of \$16.20 per New Share ("**SPP Price**"), being the same price paid by institutional investors in the Placement.

TRS raised \$30 million under the Placement and intends to raise up to \$10 million through the SPP. Together, the proceeds of the SPP and the Placement will be used to fund TRS' proposed accelerated new store rollout, or be applied as general working capital. For further detail, please refer to the announcements made by TRS on 23 April 2013, which are available on the ASX website or TRS' website.

Participation in the SPP is optional and is open to eligible shareholders with a registered address in Australia or New Zealand who were holders of fully paid TRS ordinary shares ("**Shares**") at 7.00pm (Melbourne time) on 22 April 2013 ("**Record Date**"). Certain eligible shareholders who are custodians holding Shares on behalf of certain beneficiaries are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

Important information regarding potential scale-back in the SPP

- TRS intends to raise up to \$10 million via the SPP and reserves the right to scale back applications at its absolute discretion.
- TRS may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale-back.
- You may be allocated New Shares to a value which is significantly less than the parcel which you applied for and the difference will be refunded to you without any interest.
- Shareholders should keep this potential scale-back in mind when deciding how much to apply for under the SPP.

How to apply

If you are an eligible shareholder and wish to participate in the SPP, you may apply to purchase a parcel of New Shares valued at \$972, \$2,025, \$5,022, \$9,963 or \$14,985 at the SPP Price.

You can apply by either:

- completing the enclosed Application Form as instructed and returning it to the address indicated on the form, together with your payment; or
- making payment directly by BPAY.

Your application and payment must be received by 5.00pm (Melbourne time) on 21 May 2013 ("**Closing Date**"). If you make your application by BPAY, you do not need to return the Application Form.

Scale-back

TRS intends to raise up to \$10 million under the SPP. If subscriptions received by TRS exceed \$10 million, or such other amount determined by the Directors, TRS may scale back the maximum number of New Shares issued to each shareholder ("**Scale-back**") at its absolute discretion. TRS may give

consideration to the size of the applicant's current shareholding when determining the amount of any potential Scale-back. In particular, TRS may take into account what an applicant's pro-rata entitlement would have been if TRS had elected to undertake a \$40 million entitlement offer, instead of a Placement and SPP. Should a Scale-back occur, you may be allocated New Shares to a value which is significantly less than the parcel of New Shares for which you applied and the difference will be refunded to you without interest.

When deciding on the amount to apply for, please consider the impact of the potential Scale-back as it may impact the number of New Shares you receive. For example, if you hold \$2,000 of Shares and apply for \$14,985 of New Shares and TRS scales back the offer, you may only receive \$3,000 of New Shares or less, rounded down to the nearest share, with \$11,985 refunded to you without interest.

Should there be a balance remaining above the cost of your allocation which is less than one New Share, it will be donated to charity.

Timetable

Record Date	7.00pm (Melbourne time) on 22 April 2013
SPP Offer opens ("Opening Date")	7 May 2013
SPP Offer closes ("Closing Date")	5.00pm (Melbourne time) on 21 May 2013
SPP results announcement	27 May 2013
Issue of New Shares	29 May 2013
Quotation of New Shares	30 May 2013
Despatch of holding statements	31 May 2013

Important information

The offer of New Shares under the SPP is made in accordance with ASIC Class Order 09/425 which grants relief from the requirement to issue a disclosure document for the SPP.

This Booklet contains further information about the SPP. The Board urges you to read this Booklet carefully and in its entirety before deciding whether to participate in the SPP. In particular, you should note the risk of movements in TRS' share price, which is set out in the "Frequently Asked Questions" section and clause 10 in the "SPP Terms and Conditions" section of this Booklet.

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. If you are in any doubt about the course of action you should follow, you should consult your financial, taxation or other professional adviser before participating in the SPP.

For further information about the SPP or how to apply, please call the TRS SPP Information Line on 1300 551 378 (within Australia) or +61 1300 551 378 (outside Australia) between 8:30am to 5:00pm (Melbourne time) on Monday to Friday from 7 May 2013.

On behalf of the Board, I thank you for your continued support of TRS.

Yours faithfully,



William J Stevens
Chairman
The Reject Shop Limited

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The securities referred to in this Booklet have not and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act), in the absence of registration or an available exemption from registration. This document has been prepared for publication in Australia and New Zealand only and may not be released elsewhere.

FREQUENTLY ASKED QUESTIONS

1. **What is the SPP?**

Under the SPP, eligible shareholders have an opportunity to apply to purchase up to \$14,985 worth of New Shares at a price of \$16.20 per New Share. The issue price has been determined to match the price paid by institutional investors in the Placement. The issue price represented a 3.1% discount to the last closing price of \$16.72 on 22 April 2013 (being the trading day before the SPP and Placement were announced) and a 1.0% discount to the 5 day volume weighted average price of \$16.36 (calculated over the 5 trading days leading up to and including 22 April 2013).

There is a risk that the market price of Shares may rise or fall between the date of this Booklet and the time of issue of New Shares under the SPP. This means that the price you pay for the New Shares may be less than or more than the market price of Shares at the date of this Booklet or the time of issue.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the SPP Price.

2. **Am I an eligible shareholder?**

You are an eligible shareholder if you are a holder of Shares on the Record Date, being 7.00pm (Melbourne time) on 22 April 2013 and have a registered address in Australia or New Zealand.

If you hold Shares on behalf of persons who reside outside Australia or New Zealand, or are in the United States, you are not an eligible shareholder and are not entitled to participate in the SPP. Please refer to clause 1 of the "SPP Terms and Conditions" section of this Booklet for further information.

If you are a joint holder of Shares, please refer to clause 3 of the "SPP Terms and Conditions" section of this Booklet for further information.

3. **How are custodians and nominees treated under the SPP?**

Please refer to clause 4 of the "SPP Terms and Conditions" section of this Booklet for information on eligibility for custodian and nominee shareholders.

4. **What are the key dates of the SPP?**

Record Date	7.00pm (Melbourne time) on 22 April 2013
Opening Date	7 May 2013
Closing Date	5.00pm (Melbourne time) on 21 May 2013
SPP results announcement	27 May 2013
Issue Date of New Shares	29 May 2013
Trading Date of New Shares on ASX	30 May 2013
Despatch of holding statements for New Shares	31 May 2013

TRS may vary any of the above dates in its absolute discretion by lodging a revised timetable with ASX.

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<p>5. How do I apply?</p>	<p>You can apply under the SPP through one of the following methods:</p> <p><u>Option 1</u></p> <p>Complete the enclosed Application Form as instructed and return it to the address indicated on the form, together with your payment.</p> <p><u>Option 2</u></p> <p>You can make a payment by BPAY. To do this, follow the BPAY instructions set out on the Application Form. If you make your payment with BPAY you do not need to return your Application Form.</p> <p>To pay via BPAY you will need to use the personalised reference number shown on your Application Form which is required to identify your shareholding.</p> <p>You will not be able to withdraw or revoke your application or BPAY payment once you have submitted it or made it or change the amount of New Shares you have applied for.</p> <p>You must ensure that your application and payment is <u>received</u> by 5.00pm (Melbourne time) on 21 May 2013.</p>
<p>6. How much can I invest?</p>	<p>If you are an eligible shareholder you may apply to purchase a parcel of New Shares with a value of either \$972, \$2,025, \$5,022, \$9,963 or \$14,985.</p> <p>Eligible shareholders may only acquire a maximum of \$14,985 worth of New Shares under the SPP, irrespective of the number of Shares they currently hold. This limitation applies even if you receive more than one Application Form, or if you hold Shares in more than one capacity.</p>
<p>7. What is the Scale-back?</p>	<p>If subscriptions received by TRS exceed \$10 million, or such other amount determined by the Directors, TRS may scale back the maximum number of New Shares issued to each shareholder at its absolute discretion. TRS may give consideration to the size of the applicant's current shareholding when determining the amount of any potential Scale-back.</p> <p>Please refer to clause 9 of the "SPP Terms and Conditions" section of this Booklet for further information in relation to Scale-back.</p>
<p>8. What rights will the New Shares have?</p>	<p>New Shares will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements from the date of issue.</p>
<p>9. Will the New Shares be quoted?</p>	<p>Yes. TRS will apply for the New Shares to be issued under the SPP to be quoted on the ASX.</p>
<p>10. Is the SPP underwritten?</p>	<p>No.</p>
<p>11. Can I transfer my rights under the SPP?</p>	<p>As the SPP is non-renounceable, your rights under the SPP are personal and cannot be transferred to another person.</p>
<p>12. Will there be brokerage and other transaction costs?</p>	<p>No brokerage or other transaction costs will apply to the application for, and issue of, New Shares under the SPP.</p>

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SPP TERMS AND CONDITIONS

IMPORTANT NOTICE

If you apply to participate in the SPP, you should be aware, and accept the risk, that the market price of Shares may change between the date of the SPP offer and the date when New Shares are issued to you under the SPP. As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on ASX at a lower price than under the SPP. We encourage you to seek your own professional advice regarding your participation in the SPP.

1. Eligible Shareholders

- 1.1 Subject to clauses 1.2 to 1.4, all persons registered as holders of ordinary fully paid shares of The Reject Shop Limited ("**Shares**"), at 7.00pm (Melbourne time) on 22 April 2013 (the "**Record Date**"), whose address in the share register of The Reject Shop Limited (ABN 33 006 122 676) ("**TRS**") is in Australia or New Zealand, may participate in the Share Purchase Plan (the "**SPP**") (the "**Eligible Shareholders**").
- 1.2 Eligible Shareholders who hold Shares as a "custodian" (as defined in ASIC Class Order 09/425) ("**Custodian**") may participate in the SPP on behalf of one or more persons whom the Custodian holds Shares on behalf of ("**Custodian Beneficiaries**"), provided the conditions set out in clause 4 are met.
- 1.3 Shareholders who hold Shares on behalf of persons who reside outside Australia or New Zealand including those who are "US persons" (as defined in Regulation S under the US Securities Act of 1933, as amended ("**US Securities Act**")) ("**US Persons**") or who act for the account or benefit of a US Person are not entitled to participate in the SPP.
- 1.4 If you are a joint holder of Shares, you are taken to be a single registered holder of Shares for the purposes of determining whether you are an Eligible Shareholder and joint holders are entitled to participate in the SPP in respect of that single holding only.

2. Offer

- 2.1 Eligible Shareholders may apply to purchase a parcel of ordinary fully paid shares in TRS ("**New Shares**") under the SPP, as set out in clause 5.
- 2.2 Participation in the SPP is optional. The offer is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to a third party.
- 2.3 The offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 2.4 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

3. Joint holders

If you receive more than one offer under the SPP due to multiple registered holdings, you may only apply for one maximum parcel of New Shares.

4. Custodians

- 4.1 If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, TRS will not issue New Shares under the SPP unless the Custodian certifies the following in writing to TRS:
 - (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians ("**Participating Beneficiaries**"); or

- (ii) that another custodian (“**Downstream Custodian**”) holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where sub-paragraph (a)(i) applies – the Custodian; and
 - (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian,
- to apply for New Shares under the SPP on their behalf;
- (b) the number of Participating Beneficiaries;
 - (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary’s address is located in Australia or New Zealand;
 - (d) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number of Shares to which the beneficial interests relate;
 - (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
 - (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
 - (i) the New Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph (e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
 - (g) that a copy of this Booklet was given to each Participating Beneficiary; and
 - (h) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary,

(“**Custodian Certificate**”).

4.2 Custodians must request a Custodian Certificate when making an application on behalf of Custodian Beneficiaries. To request a Custodian Certificate or for further information about the custodian application process, a Custodian should contact the TRS SPP Information Line on 1300 551 378 (within Australia) or +61 1300 551 378 (outside Australia) between 8:30am to 5:00pm (Melbourne time) on Monday to Friday from 7 May 2013.

4.3 Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

4.4 If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above.

5. Applying for New Shares

5.1 If you are an Eligible Shareholder and wish to participate in the SPP, you may apply to purchase a parcel of New Shares valued at \$972, \$2,025, \$5,022, \$9,963 or \$14,985 at the SPP Price. If you do not wish to participate in the SPP, you may disregard this Booklet.

5.2 You can apply by either:

- completing and returning the enclosed Application Form as instructed and return it to the address indicated on the form, together with your payment; or
- making payment directly by BPAY.

Your application and payment must be received by 5.00pm (Melbourne time) on 21 May 2013 ("**Closing Date**"). If you are sending the payment by post, then please leave several days for delivery. If you are paying by BPAY, then please check the processing cut-off times with your financial institution. If you make your application by BPAY, you do not need to return the Application Form.

5.3 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. Subject to clause 9, TRS will divide the parcel value you select by the SPP Price in order to determine the number of New Shares which you have applied for (rounded down to the nearest whole number of New Shares). If you make a payment by BPAY and TRS receives an amount which is not equal to either \$972, \$2,025, \$5,022, \$9,963 or \$14,985, TRS may round down the dollar amount of New Shares that you are applying for to the next lowest parcel at its discretion.

5.4 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$14,985.

5.5 TRS may either accept or reject your application for New Shares at its absolute discretion. TRS may reject your application in the following circumstances (among others):

- (a) your Application Form is incorrectly completed, incomplete or otherwise determined by TRS to be invalid;
- (b) you have applied for less than \$972 worth of New Shares;
- (c) your cheque is dishonoured;
- (d) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the amount corresponding to amount of New Shares you have elected to purchase;
- (e) your BPAY payment is not received by the Closing Date or is otherwise incomplete or invalid;
- (f) TRS believes that you are applying either directly or indirectly (such as through a trust) to buy more than an aggregate of \$14,985 of New Shares;
- (g) TRS believes that you and one or more other registered holders of the same or similar name or address are applying to buy more than an aggregate of \$14,985 of New Shares;

- (h) your Application Form or BPAY payment is received after the Closing Date. Late payments will be refunded (without interest);
- (i) TRS believes you are not an Eligible Shareholder (subject to compliance with any applicable Australian Securities and Investments Commission or ASX requirements); or
- (j) your name is not recorded in the register of members on the Record Date. For example, applications by people claiming an interest in Shares through a registered holder of shares will not be accepted if the registered holder of shares is not noted on the register of members as holding the Shares on account of another person.

6. **Issue price of New Shares under the SPP**

- 6.1 The issue price per New Share under the SPP will be \$16.20 ("**SPP Price**"), being the same price paid by institutional investors in the Placement.
- 6.2 The current Share price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.
- 6.3 You agree to pay the SPP Price per New Share for the number of New Shares calculated under clause 5.3 or, if there is a Scale-back, the number of New Shares calculated under clause 9.

7. **The New Shares**

- 7.1 New Shares will be issued on the Issue Date.
- 7.2 New Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements from issue.
- 7.3 TRS will apply for the New Shares issued under the SPP to be quoted on ASX.

8. **Costs of participation**

- 8.1 No brokerage or other transaction costs will apply to the application for, and issue of, New Shares under the SPP.

9. **Scale-back**

- 9.1 If subscriptions received by TRS under the SPP exceed \$10 million, or such other amount determined by the Directors, TRS may scale back the maximum number of New Shares issued to each shareholder to the extent and in the manner that it sees fit and at its absolute discretion ("**Scale-back**"). TRS may give consideration to the size of the applicant's current shareholding when determining the amount of any potential Scale-back.
- 9.2 If a Scale-back occurs, you may receive less than the parcel of New Shares for which you have applied. If a Scale-back produces a fractional number of shares when applied to your issue of New Shares, the number of New Shares you will be allocated will be rounded down to the nearest whole number of New Shares.
- 9.3 If there is a Scale-back, your application monies may be greater than the value of the New Shares you will be issued. In such event, the excess application monies will be refunded to you without interest, by direct credit (to your nominated account as record on TRS' Share register) or cheque as soon as practicable.
- 9.4 When deciding on the amount to apply for, please consider the impact of the potential Scale-back as it may impact the number of New Shares you receive. To the extent that subscriptions under the SPP are above \$10 million, or such other amount determined by the Directors, your allocation may be scaled back and you will receive a refund for the balance of your application without interest.

- 9.5 Should there be a balance remaining above the cost of your full allocation which is less than the cost of one New Share, the balance will be donated to charity.

10. **Acknowledgements**

If you submit a BPAY payment or complete and return an Application Form:

- (a) you acknowledge that you have read and irrevocably and unconditionally agree to the terms and conditions in this Booklet in full and you agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
- (b) you acknowledge that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP, and participate in the SPP;
- (c) you acknowledge that you do not reside outside Australia or New Zealand, or within the United States;
- (d) if you are a trustee or nominee and are the registered holder of Shares (and this is expressly noted on the share register of TRS) and hold Shares on account of another person ("**Beneficiary**"), you acknowledge that the Beneficiary will be taken to be the registered holder of those Shares and any application, certification or issue of New Shares to you (as trustee or nominee) will be taken to be an application, certification by, or an issue to, the Beneficiary;
- (e) you certify that the total of the application price for the following does not exceed \$15,000:
 - (i) the New Shares the subject of your application;
 - (ii) any other New Shares or any arrangement similar to the SPP in the 12 months before the date of your application;
 - (iii) any other New Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in such Shares,even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (f) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (as that term is defined in ASIC Class Order 09/425); and
 - (ii) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (g) you acknowledge your application is irrevocable and unconditional;
- (h) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (i) you authorise TRS to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;

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- (j) you acknowledge that TRS may at any time determine that your Application Form is valid, in accordance with this Booklet, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (k) you acknowledge that no interest will be paid on any application monies held pending the issuance of the New Shares or subsequently returned to you for any reason;
 - (l) you accept that TRS at its absolute discretion can make reductions in issuance of New Shares under a Scale-back;
 - (m) you acknowledge that TRS is not liable for any exercise of its discretions referred to in this Booklet;
 - (n) you accept the risk associated with any refund that may be dispatched to you to by cheque to your address or by direct credit to your nominated bank account as shown on TRS's register;
 - (o) you are responsible for any dishonour fees or other costs TRS may incur in presenting a cheque for payment which is dishonoured;
 - (p) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (q) you agree not to send any materials relating to the SPP to any person in the United States or that is or is acting for the account or benefit of a US person;
 - (r) you acknowledge to be bound by the constitution of TRS;
 - (s) you acknowledge that neither TRS nor Link Market Services ("**Registry**") has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy New Shares, and that this Booklet has been prepared without taking into account the objectives, financial situation, tax position or needs of individuals; and
 - (t) you are aware, and accept the risk, that the market price of Shares may change between the date of the SPP offer and the date when New Shares are issued to you under the SPP, and that the SPP Price you pay for New Shares under the SPP may exceed the market price of Shares on the Issue Date.

11. Timetable

11.1 Subject to clause 11.2:

- (a) **(Record Date)** the offer is made to all persons registered as holders of Shares at 7.00pm (Melbourne time) on 22 April 2013 whose address in the share register of TRS is in Australia or New Zealand;
- (b) **(Opening Date)** the SPP offer opens on 7 May 2013;
- (c) **(Closing Date)** the SPP offer closes at 5.00pm (Melbourne time) on 21 May 2013;
- (d) **(Scale-back announcement)** any Scale-back (if any) will be announced to the ASX on 27 May 2013;
- (e) **(Issue Date)** TRS proposes to issue the New Shares on 29 May 2013;

- (f) **(Trading Date)** TRS expects trading on ASX of the New Shares issued under the SPP to commence on 30 May 2013; and
- (g) **(Despatch Date)** the date on which transaction confirmations are sent to shareholders and if applicable, a direct credit deposit to your nominated account is made or refund cheque is despatched as a result of any Scale-back being applied to your allotment.

11.2 TRS may vary any of the above dates in clause 11.1 at its absolute discretion (even if the offer has been opened, or BPAY payments or Application Forms have been received) by lodging a revised timetable with ASX.

12. **No underwriting**

12.1 The SPP is not underwritten.

13. **Class order compliance**

A registered holder of Shares will be ineligible to participate in the SPP if their participation would be in breach of ASIC Class Order 09/425.

14. **Dispute resolution, waiver, withdrawal, suspension, and termination**

TRS may settle, in any manner it deems, any difficulties, anomalies, or disputes which may arise in connection with the operation of the SPP and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates. TRS reserves the right to waive strict compliance with any provisions of this Booklet, to amend or vary the terms and conditions set out in this Booklet and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where TRS does not notify you of that event.

15. **Governing Law**

This Booklet and the offer under the SPP is governed by the laws in force in Victoria.

Before you apply for New Shares under the SPP, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP (taking into account your own financial situation, needs and objectives). TRS and its officers make no recommendation about whether or not you should apply for New Shares under the SPP, and nothing in these Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

This Booklet does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdictions. Neither the SPP nor the New Shares have been or will be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

SRN/HIN:

Entitlement Number:

Record Date: 22 April 2013

Offer Opens: 7 May 2013

Offer Closes 5:00pm (Melbourne time):	21 May 2013
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SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for New Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the New Shares in accordance with the instructions outlined in the Share Purchase Plan and further important instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Melbourne time) on 21 May 2013. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of New Shares the subject of your Application Payment.

If you make a payment by BPAY® and The Reject Shop receives an amount which is not equal to either A\$972, A\$2,025, A\$5,022, A\$9,963, or A\$14,985, The Reject Shop may round down the dollar amount of New Shares that you are applying for to the next lowest parcel at its discretion. Your payment must be for a minimum of A\$972.



Billier Code: 939637

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
 More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$972, A\$2,025, A\$5,022, A\$9,963, or A\$14,985.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "The Reject Shop" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$972, A\$2,025, A\$5,022, A\$9,963, or A\$14,985, The Reject Shop may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$972.
- Enter your contact telephone number at which we may contact you regarding your application for New Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



A I/we wish to purchase a parcel of New Shares to the dollar amount of (tick one box only):

A\$972 OR
 A\$2,025 OR
 A\$5,022 OR
 A\$9,963 OR
 A\$14,985

B Make your cheque, bank draft or money order payable to "The Reject Shop" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours Telephone Number – After Hours Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase New Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the Share Purchase Plan Booklet and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order CO 09/425 you must complete and submit an additional Certificate that contains additional certifications and details that must be provided ("the Custodian Certificate") before your Application will be received. The Custodian Certificate can be obtained by contacting the TRS SPP Information Line. Applications received by custodians that are not accompanied by a duly completed and signed Custodian Certificate will be rejected.
6. For applicants that are not required to complete the Custodian Certificate, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. The Reject Shop reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the New Shares for which they have applied as The Reject Shop may scaleback applications in its discretion.

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

The Reject Shop
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

The Reject Shop
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Melbourne time) on 21 May 2013. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. The Reject Shop reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.