

Notice of Annual General Meeting

22 November 2004



 **BSL**
Beta Stores Limited
ABN 44 009 710 605

Notice of Annual General Meeting

Betta Stores Limited ABN 44 009 710 605

The 2004 Annual General Meeting of shareholders of Betta Stores Limited will be held as follows:

Date: Monday, 22 November 2004
Time: 9.00am
Venue: The Boardroom
Betta Stores Limited
97 School Street
SPRING HILL QLD 4000

Ordinary Business

1. **Financial Report**

To receive and consider the financial report of the Company for the year ended 30 June 2004 and the reports of the Directors and Auditors.

2. **Election of Directors**

To elect 2 Directors from the following:

- (a) Mr Everard Johnson retires by rotation in accordance with rule 71 of the Company's Constitution and, being eligible, offers himself for re-election.
- (b) Mr Graham Currington retires by rotation in accordance with rule 71 of the Company's Constitution and, being eligible, offers himself for re-election.
- (c) Mr Thomas Antonio, being eligible in accordance with the Company's Constitution, offers himself for election.
- (d) Mr Michael Breeman, being eligible in accordance with the Company's Constitution, offers himself for election.

3. **Directors' Remuneration**

To increase the aggregate maximum remuneration of the Directors from \$193,820 to \$260,500 having regard to:

- (a) an increase in the Consumer Price Index; and
- (b) provision for an additional 2 non-Retailer directors that could be appointed in accordance with the Constitution.

Special Business

4. **Dividend Reinvestment Plan**

To approve the Dividend Reinvestment Plan as set out in the attached Explanatory Notes.

Dated this the 26th day of October, 2004

By order of the Board
Malcolm V Leeke
Company Secretary

Voting Information

Voting by Proxy

- A Shareholder entitled to attend and vote at the meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A Proxy Form is enclosed with this Notice of Meeting. A proxy is entitled to vote on a poll and, subject to no more than one proxy being appointed, on a show of hands.
- A proxy need not be a shareholder.
- You cannot appoint yourself as your own proxy.
- A shareholder who is entitled to cast two or more votes may appoint two proxies. If you wish to appoint more than one proxy, please telephone Computershare Investor Services Pty Limited on 1300 552 270 (international +617 3237-2100) for an additional Proxy Form.
- Where two proxies are appointed you should specify the proportion or number of votes each proxy is entitled to exercise. If the appointment does not specify the proportion of number of the shareholder's votes each proxy may exercise, then each proxy may exercise up to half of the votes. Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.
- To be effective a Proxy Form and the original (or a certified copy) of the power of attorney or any other instrument under which it is signed, must be received by the Company c/- Computershare Investor Services Pty Limited **at least 48 hours before the time for holding the meeting** at:
 - Postal address: GPO Box 523, Brisbane, Queensland, 4001, Australia
 - Delivery address: Level 27, Central Plaza One, 345 Queen Street, Brisbane, Queensland, 4000, Australia or
 - **Or if by Facsimile:** at (07) 3229-9860 (international +617 3229-9860).

Voting Rights

The Board has determined that a shareholder's voting entitlement at the meeting will be taken to be held by the persons who are the registered holders at 5.00pm (Brisbane time) on Friday 19 November 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

On a poll, shareholders have one vote for every fully paid ordinary share held.

Explanatory Notes to Shareholders

Resolution 4 - Dividend Reinvestment Plan

Highlights

The BSL Dividend Reinvestment Plan ("the Plan") is an optional and convenient way of increasing your holding in BSL Ordinary Shares by reinvesting all or part of your dividend in additional Ordinary Shares.

The advantages of the Plan to Shareholders are:-

- A convenient and quick method of increasing Shareholders' investments in the Company.
- The opportunity to acquire the Ordinary Shares at a discount to the then weighted average market price.
- Saving on stamp duty and brokerage.

At each date on which a dividend is paid the dividend on the shares participating in the Plan is automatically re-invested in new shares.

Shares are allotted under the Plan at a discount of up to 10% from the then weighted average market price and are allotted to you free of brokerage, commission and stamp duty costs.

Shares allotted under the Plan rank equally in all respects with existing shares.

Participation is entirely optional. You may join the Plan, vary your participation or withdraw from it at any time.

A statement is sent to you after each dividend payment, detailing your participation in the Plan. (Details of the Plan are set out fully in the Terms and Conditions on the following pages).

Eligibility

All shareholders who have a registered address in Australia or in such other countries as are approved by the Directors from time to time are eligible to participate in the Plan. However, shareholders who are employees cannot participate in the Plan in respect of any share which they have acquired under an Employee Share Scheme and which are not fully paid for, or in respect of any bonus shares held as security under an Employee Share Scheme.

Participation

Shareholders have the unrestricted option of joining or withdrawing from the Plan as they think fit.

Extent of Participation

There are two types of participation:

(i) Full Participation

Full participation is where the dividend on all Ordinary Shares held by the participant at the record date for determination of dividends is reinvested in new shares.

(ii) Partial Participation

Partial participation is where the dividend on a nominated number of Ordinary Shares being part only of the participant's holding of BSL shares, is reinvested in new shares. Under this option, the dividend on the shares not participating in the Plan is paid in the normal way.

Joining the Plan

To join the Plan you should complete the Application Form, which is available on request from the Share Registry, and return it direct to the Share Registry at the address shown on the Application. Participation in the Plan will commence with the first dividend payment after receipt of the Application Form, subject to it being received before the Record Date for that dividend.

Variation to Level of Participation or Withdrawal from Plan

You may vary your level of participation or withdraw from the Plan at any time by completing a Notice of Variation, which is available on request from the Share Registry, and forwarding it direct to the Share Registry at the address shown on the Notice.

Subject to it being received before the Record Date, the Notice will be effective from the next dividend payment.

Ranking for Dividend

New Ordinary Shares acquired under the Plan will rank equally in every respect with existing issued fully paid Ordinary Shares and will participate in all dividends declared after their issue dates.

The Issue Price

Ordinary Shares will be issued at a discount of up to 10% from the weighted average market price of the Ordinary Shares sold on the Newcastle Stock Exchange during the ten trading days immediately following the Record Date. Shares will be issued as fully paid.

Cost of Participation

The Company will meet the administration costs of the Plan.

Listing and Sale of Shares

Application will be made to list for quotation on the Newcastle Stock Exchange all new shares acquired under the Plan. You may sell any shares including those which are the subject of the Plan or acquired under the Plan. On registration of any transfer, however, the shares participating in the Plan will automatically be withdrawn from the Plan.

Taxation

Under current Australian income tax legislation, our advice is that dividends reinvested will be treated in the same manner as if shareholders had received those dividends in cash. The imputation system will apply as normal to such dividends so that, for example, resident individual shareholders will be entitled to imputation credits in respect of franked dividends re-invested. Your Plan Statement will provide the relevant details.

No responsibility is taken by the Company for the tax liability of Participants. If necessary, independent taxation advice should be obtained.

Note: *The Highlights are a summary only of the applicable terms of the BSL Dividend Reinvestment Plan. Reference should in all cases be made to the Terms and Conditions.*

Dividend Reinvestment Plan Statement

Each participant of the Plan will be sent a statement after each dividend payment which provides details of the following:-

- the class of shares held;
- the dividend paid on such shares;
- the number of shares participating in the Plan;
- the unfranked amount of the dividend.
- the franked amount of the dividend;
- the amount of the imputation credit;
- the amount re-invested in new shares;
- the number of new shares allotted and the price at which allotted;
- the total number of Ordinary Shares held by the participant; and
- any withholding tax deducted (if applicable).

Modification of the Plan

The Directors have the power from time to time to set an aggregate limit on the amount of the dividend which may be re-invested by members under the Plan. Additionally, Directors will have the power to lay down administrative procedures to be followed in respect of implementation of the Plan and to vary or modify the Plan on one month's notice to Shareholders. Directors may suspend the Plan for any period and may terminate the Plan on three month's notice to Shareholders. Shareholders who participate in the Plan will be bound by the terms and conditions of the Plan as they exist from time to time.

Dividend

Enquiries concerning the operation of the Plan may be directed to:

The Company Secretary
BSL
PO Box 656
Spring Hill Qld 4053
Telephone: 07-3222-3999
Facsimile: 07-3222-3939

OR

Share Registry
C/- Computershare Investor Services Pty Ltd
GPO Box 523
Brisbane Qld 4001
Telephone: 1300-552-270
Facsimile: 07-3229-9860

Dividend Reinvestment Plan - Terms & Conditions

1. Interpretation

When used herein, unless the context indicates a contrary intention:

- 1.1 "Record Date" means the time and date specified by the company for lodging transfers for the purpose of identifying the persons who are entitled to dividends;
- 1.2 "BSL" means Betta Stores Limited;
- 1.3 "Directors" means the directors for the time being of BSL;
- 1.4 "Non-participating Shares" means shares which are not subject to the Plan and on which the dividend is paid in the normal way;
- 1.5 "Participant" means a Shareholder whose application to participate in the Plan has been accepted by BSL;
- 1.6 "Participating Shares" means shares which are subject to the Terms and Conditions of the Plan and on which the dividend is re-invested in Plan Shares;
- 1.7 "the Plan" means the BSL Dividend Reinvestment Plan and incorporates the Terms and Conditions as defined therein;
- 1.8 "Plan Shares" means shares allotted in accordance with the Plan;
- 1.9 "Share" means an ordinary fully paid share in the capital of BSL;
- 1.10 "Shareholder" means a person, which includes a corporation, holding shares;
- 1.11 "Terms and Conditions" means these terms and conditions in relation to the BSL Dividend Reinvestment Plan; and
- 1.12 words importing any gender include the other genders.

2. Participation in the Plan

- 2.1 Participation in the Plan is subject to the Terms and Conditions.
- 2.2 Participation in the Plan is optional.
- 2.3 Subject to Clause 2.4, all Shareholders who have a registered address in Australia or in such other countries as are approved by the Directors from time to time for the purposes of this Clause are eligible to participate in the Plan.
- 2.4 Shareholders who are employees of BSL are not eligible to participate in the Plan in respect of any Shares which they have acquired under the BSL Employee Share Scheme and which are not fully paid for, or in respect of any bonus shares held as security under the Employee Share Scheme.
- 2.5 Participation may, subject to the Terms and Conditions, be varied or terminated by a Participant at any time.

3. Application to Participate

- 3.1 Application to participate in the Plan shall be made by an eligible Shareholder on an Application Form approved and issued by BSL and signed by the applicant. An application by joint holders of shares shall be signed by all holders. The Directors may in their absolute discretion accept or refuse any application to participate in the Plan without being bound to give reasons for so doing.

4. Degree of Participation

- 4.1 A Shareholder may participate in the Plan in respect of all the Shares registered in their name (hereinafter described as “full participation”) or in respect of part only of the Shares registered in their name (hereinafter described as “partial participation”).
- 4.2 A Shareholder, eligible to participate in the Plan, shall specify on the Application Form the degree to which they wish to participate in the Plan by:
 - (i) a tick in the box marked “Full Participation” for full participation; or
 - (ii) specifying how many Shares they wish to have participate in the Plan for partial participation.
- 4.3 Under full participation all Shares registered in the participant’s name from time to time, including Plan Shares and bonus shares, will be subject to the Plan.
- 4.4 Under Partial Participation, only that number of Shares as specified by the Participant together with shares issued in relation to those shares under the Plan or under a bonus issue will be subject to the Plan.
- 4.5 Signed applications received by BSL which do not indicate the degree of participation may, without notice to the Shareholder, at the discretion of BSL, be rejected or may be deemed by BSL to be application for full participation, BSL shall not be liable to the Shareholder for any loss, damage or claim in respect to either the Shareholder participation or non-participation as the case may be as a result of the exercise by BSL of its discretion.
- 4.6 Where a shareholder is registered in respect of more than one shareholding in the Company, then each shareholding shall be treated separately and a separate application to participate must be made in respect of each shareholding which is to participate in the Plan.

5. Operation of the Plan

- 5.1 Each dividend which is payable to a Shareholder in respect of Participating Shares and which is available for payment to the Participant will, upon payment but after deduction of any withholding tax or other sum which the Company is entitled or obliged to retain in relation to the dividend, be applied by BSL on the Participant’s behalf in subscribing for Plan Shares.
- 5.2 BSL will, in respect of each dividend payable to a Participant:
 - (i) determine the amount of the dividend payable in respect of that Participant’s Participating Shares less any withholding tax or other sum the Company is entitled or required to retain in relation to the dividend;
 - (ii) determine the maximum whole number of additional Plan Shares, priced in accordance with the Terms and Conditions, which can be acquired by subscription using such amount and where not a whole number, the nearest whole number to that number (whether above or below) and if equidistant between two whole numbers, the nearest whole number above that number;
 - (iii) on behalf of and in the name of the participant subscribe for that number of additional BSL Shares; and
 - (iv) allot that number of Plan Shares to the Participant.

- 5.3 Plan Shares will be allotted at a discount of up to 10% (the exact percentage to be determined by directors) from the weighted average market price of all BSL Shares sold on the Newcastle Stock Exchange during the ten trading days immediately following the Record Date, or if there shall be no trades in BSL shares on the Newcastle Stock Exchange during such period then either (a) the period will be calculated as terminating on the first day on which there is such a trade following the Record Date or (b) the weighted average market price will be as determined by the directors and company advisers.

For the purposes of the Plan, the weighted average market price shall be that calculated and advised to BSL by the Newcastle Stock Exchange Limited.

- 5.4 All Plan Shares will be issued as fully paid.

6. Shares Allotted under the Plan

- 6.1 Plan Shares will be allotted in accordance with the Official Listing Rules of the Newcastle Stock Exchange Limited.
- 6.2 Plan Shares will rank equally in all respects with existing BSL shares.
- 6.3 The Company will cause the issue of the Plan Shares to be recorded in a Holding Statement.

7. Cost to Participants

- 7.1 No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any allotment of Plan Shares. Under the law of Queensland at the date of commencement of the Plan no stamp duty is payable upon the allotment of Plan Shares.
- 7.2 BSL shall pay all the administrative costs of the Plan.

8. Plan Statement

- 8.1 After each dividend payment, BSL will forward to each Participant a statement detailing, as at the relevant dividend date:
- (a) the number of the Participant's Participating Shares as at the Record Date;
 - (b) the amount of dividend payable to the Participant in respect of their Participating Shares;
 - (c) the number of Plan Shares to be allotted to the Participant under the Terms and Conditions; and
 - (d) the Participant's total holding of Participating Shares.

9. Variation to or Termination of Participation

- 9.1 Subject to Clause 11.1 hereof, a Participant may at any time give notice to BSL to:
- (a) increase or decrease the number of their Participating Shares; or
 - (b) terminate their participation in the Plan.
- 9.2 If a participant dies, participation by that Participant and any other Participants with whom the deceased was a joining Participant will be terminated, subject to clause 11.1 upon receipt by BSL of notice of the death of Participant.

10. Reduction or Termination Where No Notice is Given

- 10.1 Where a Participant disposes of part of their holding of Shares and does not given notice otherwise:
- (a) if the number of Shares disposed of is less than the number of Non-participating Shares held by the Participant, then the Shares disposed of will be deemed to be Non-participating Shares; and
 - (b) if the number of shares disposed of is greater than the number of Non-participating Shares held by the participant, then the shares disposed of will be deemed to be all the Participant's Non-participating Shares plus such additional number of their Participating Shares as may be necessary to aggregate the total number of Shares disposed of.
- 10.2 Subject to Clause 11.1 hereof where a Participant disposes of all of their holding of Shares, without giving notice to terminate their participation in the Plan, the Participant will be deemed to have given notice to terminate their participation in the Plan on the last date when BSL registered a transfer or instrument of disposal of the Participant's Shares.

11. Applications and Notices

- 11.1 Applications and notices shall be in writing, in such form and lodged at such address as BSL may from time to time require.
- 11.2 Subject to the Terms and Conditions, applications and notices shall take effect on and from the date on which they are received by BSL provided that:-
- (a) an application is not effective until it has been accepted by BSL; and
 - (b) applications and notices, including notices of death received by BSL after the record Date will not be effective in relation to that dividend but will be effective for subsequent dividends.

12. Stock Exchange Listing

- 12.1 BSL will apply promptly for all Plan Shares to be listed for quotation on the official list of the Newcastle Stock Exchange Limited.

13. Directors' Powers in Relation to the Plan

- 13.1 The Directors may from time to time as they shall think fit set an aggregate limit on the amount of dividend which may be re-invested by Shareholders under the Plan and may vary that limit.
- 13.2 The Directors may lay down administrative procedures to be followed in respect of implementation of the Plan and may vary those procedures.
- 13.3 The Plan may be varied or modified by the Directors at any time on giving one months notice to Shareholders.
- 13.4 Directors may suspend the Plan for any period, and may terminate the Plan on three months notice to shareholders.

14. General

- 14.1 The Plan, its operations, and the Terms and Conditions shall be governed by the laws of the State of Queensland.
- 14.2 Participants shall be bound by the Terms and Conditions as they exist from time to time.