



NOTICE OF MEETING

DAVID JONES LIMITED ANNUAL GENERAL MEETING 2012
FRIDAY 23 NOVEMBER 2012 AT 10.00AM

DAVID JONES LIMITED ABN 75 000 074 573 ACN 000 074 573

NOTICE OF MEETING

DAVID JONES ANNUAL GENERAL MEETING

Notice is given to the members of David Jones Limited ABN 75 000 074 573 (the Company) that the Annual General Meeting of the Company will be held at On Seven at David Jones, Level 7, 86-108 Castlereagh Street, Sydney NSW 2000 on Friday, 23 November 2012 at 10:00am

ITEMS OF BUSINESS

1. To receive and consider the financial report of the Company and its controlled entities for the 52 weeks ended 28 July 2012 and the reports of the Directors and Auditor.

2. Re-election and election of Directors.

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

(a) 'Peter Mason, who retires by rotation in accordance with rule 6.1(f) of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.'

(b) 'Steven Vamos (appointed a director with effect from 5 June 2012), who retires in accordance with rule 6.1(e) of the Company's constitution and, being eligible, offers himself for election, be elected as a director of the Company.'

(c) 'Jane Harvey (appointed a director with effect from 3 October 2012), who retires in accordance with rule 6.1(e) of the Company's constitution and, being eligible, offers herself for election, be elected as a director of the Company.'

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

'That the Remuneration Report of the Company be adopted.'

The vote on this resolution is advisory only.

4. Allocation of Performance Rights under the Long Term Incentive Plan (FY2013-FY2015 Executive Long-Term Incentive Plan) to Paul Zahra.

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

'That approval be given for the grant of up to a maximum number of 300,000 Performance Rights (each in respect of one ordinary share in the capital of the Company) to Paul Zahra, the Chief Executive Officer and Managing Director of the Company, pursuant to the David Jones Limited Long Term Incentive Plan (FY2013-FY2015 Executive Long-Term Incentive Plan) and on the terms set out in the notice of Annual General Meeting 2012.'

By order of the Board



Susan Leppinus
SECRETARY

Sydney, 12 October 2012

VOTING EXCLUSION STATEMENT

For all resolutions that are directly or indirectly related to the remuneration of the key management personnel (KMP) of the Company (being the resolutions applying to Items 3 and 4 of the business of the meeting) the *Corporations Act 2001 (Cth)* (Corporations Act) restricts KMP and their closely related parties from **voting** in their own right or as proxies in certain circumstances. The terms 'KMP' and 'closely related party' are defined in the Corporations Act. A 'closely related party' includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

In addition, a voting restriction applies in respect of Item 4 under the ASX Listing Rules.

Item 3

The Company will disregard any votes cast (in any capacity) on Item 3 by or on behalf of a member of the KMP or a KMP's closely related party unless the vote is cast:

- as proxy for a person entitled to vote on Item 3 in accordance with a direction on the Proxy Form, or
- by the Chairman of the meeting as proxy for a person entitled to vote on Item 3 pursuant to an express authorisation on the proxy form to vote as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP).

Item 4

The Company will disregard any votes cast (in any capacity) on Item 4 by the Directors or any of their associates.

In addition, the Company will disregard any votes cast as a proxy on Item 4 by a member of the KMP or their closely related parties, unless the vote is cast:

- as proxy for a person entitled to vote on Item 4 in accordance with a direction on the Proxy Form, or
- by the Chairman of the meeting as proxy for a person entitled to vote on Item 4 in accordance with a direction on the proxy form to vote as the proxy decides.

HOW TO VOTE

You will be eligible to attend and vote at the meeting if you are registered as a holder of the Company's shares at 7.00 pm (Sydney time) on Wednesday, 21 November 2012.

CORPORATE REPRESENTATIVE

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a completed Proxy Form), please bring with you to the meeting a duly completed Appointment of Corporate Representative Form to enable you to attend and vote at the meeting. Contact the Share Registry, which will forward to you a form for completion.

PROXIES

Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his or her stead.

A proxy does not need to be a shareholder of the Company and may be an individual or a body corporate. If you are entitled to cast two or more votes, you may appoint two proxies and each proxy should be appointed to exercise a specified portion of your voting rights. If you do not specify the proportion of your votes that each proxy may exercise, each proxy may exercise half the votes. **If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on all items of business.**

Any directed proxies that are not voted on a poll at the meeting by a shareholder's appointed proxy will automatically default to the Chairman of the meeting, who is required to vote proxies as directed on a poll.

To be effective, the Proxy Form must be received by 10:00am on Wednesday, 21 November 2012, being 48 hours before the commencement of the meeting. You can submit your Proxy Form in person at Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney, NSW, 2000, or at the Company's registered office, by facsimile to (03) 9473 2555 or by post to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, VIC, 3001. No facility exists for receiving Proxy Forms by email.

You can also submit your proxy appointment online by visiting the webpage: www.investorvote.com.au. You will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on your proxy form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website. A proxy cannot be appointed electronically by a person appointed by a shareholder under a Power of Attorney or similar authority.

Intermediaries with access to Intermediary Online through Computershare Investor Services Pty Limited should lodge their votes through www.intermediaryonline.com.

Important information in respect of proxy voting on Item 3 (Remuneration Report) and Item 4 (Allocation of Performance Rights under the FY2013–FY2015 Executive Long-Term Incentive Plan to Paul Zahra).

Given the voting exclusions in respect of Item 3 and Item 4 (refer above):

- if you intend to appoint a member of the KMP other than the Chairman (such as a Director or a member of the Executive Committee) or their closely related party as your proxy, please ensure that you direct them how to vote on Item 3 and Item 4, otherwise they will not be able to cast a vote as your proxy on those items; and
- if you appoint the Chairman of the meeting as your proxy (or if he is appointed your proxy by default), you can direct the Chairman how to vote by marking one of the boxes for Item 3 and Item 4 (if you wish to vote for, against or abstain from voting), or, in relation to Item 4, by marking the Chairman's box

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on the Proxy Form (in which case the Chairman of the meeting will vote in favour of this item of business). If you do not direct the Chairman of the meeting how to vote on Item 3 you will be taken to have expressly authorised the Chairman to exercise your proxy as he decides (in which case, the Chairman of the meeting intends to vote in favour of those items of business). In relation to Item 4, if you do not provide a direction in one of the ways described above (or if the direction is to 'abstain'), or you do not mark the Chairman's box on the Proxy Form, the Chairman of the meeting will not be able to cast your votes in respect of Item 4, and those votes will not be counted in computing the required majority on a poll.

How the Chairman of the meeting will vote proxies

The Chairman of the meeting will vote all available proxies on, and in favour of, all of the proposed resolutions.

EXPLANATORY NOTES

ITEM 1 – FINANCIAL REPORT AND THE REPORTS OF THE DIRECTORS AND AUDITOR

The Corporations Act requires the financial report and the reports of the Directors and Auditor be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity to raise questions on all these reports at the meeting.

ITEM 2 – RE-ELECTION AND ELECTION OF DIRECTORS

Profiles of the candidates offering themselves for re-election to the office of Director are as follows:



(a) **Peter Mason**

Resident of Sydney

Term of office Non-executive Director since 28 November 2007 and appointed Deputy Chairman on 3 May 2012

Independent Yes

External Directorships/Appointments

Chairman, AMP Limited; Director, Singapore Telecommunications Limited; Senior Advisor to UBS Investment Bank; Chairman, UBS Australia Foundation Pty Ltd; Director, University of New South Wales Foundation; Director, (Headspace) National Youth Mental Health Foundation Ltd; Director, Taylors Wines Pty Ltd.; Chairman, Centre for International Finance and Regulation and Trustee of the Sydney Opera House Trust.

Skills, experience and expertise Mr Mason has extensive experience as a director and chief executive officer in financial services in Australia and the United Kingdom, primarily in investment banking. Mr Mason has been a Director and Chairman of a number of public companies and educational and charitable organisations.

Board committee membership Chairman of the Remuneration and Nominations Committee.

The Directors (Peter Mason abstaining) unanimously recommend that shareholders vote in favour of resolution 2(a).



(b) **Steven Vamos**

Resident of Sydney

Term of office Non-executive Director since 5 June 2012

Independent Yes

External Directorships/Appointments

Director, Telstra Corporation Limited; Director, Medibank Private Limited; President, The Society for Knowledge Economics.

Skills, experience and expertise Mr Vamos has over 30 years experience in the information technology, internet media and online advertising industries. He led Microsoft Australia and New Zealand from 2003 to 2007 before moving to the United States to lead the company's international online media business. Previously he was Chief Executive Officer of ninemsn and Vice President for Apple Computer Australia and Asia Pacific in the 1990's. He also held professional and executive roles at IBM Australia for 14 years. He is the founding President of the Society for Knowledge Economics, a not-for-profit think tank that encourages new and better practices in organisational leadership and management.

Board Committee membership Member of Audit Committee and Remuneration and Nominations Committee.

The Directors (Steven Vamos abstaining) unanimously recommend that shareholders vote in favour of resolution 2(b).



(c) **Jane Harvey**

Resident of Melbourne

Term of office Non-executive Director since 3 October 2012

Independent Yes

External Directorships

Director, IOOF Holdings Limited; Director, Medibank Private Limited;

Director, Colonial Foundation Trust; Director, Telecommunications Industry Ombudsmen.

Skills, experience and expertise Ms Harvey is an experienced Non-executive director having previously been a partner at Pricewaterhouse Coopers until 2002. She has extensive business, finance and general management experience obtained through a range of line management and consulting roles across many industries and sectors. She is currently the Chair of the Audit Committee for IOOF Holdings Limited, Chair of the Audit and Risk Management Committee for Medibank Private Limited and Chair of the Audit Committee for the Department of Treasury and Finance Victoria.

Board committee membership Member of Audit Committee.

The Directors (Jane Harvey abstaining) unanimously recommend that shareholders vote in favour of resolution 2(c).

ITEM 3 – ADOPTION OF THE REMUNERATION REPORT

The Corporations Act requires listed companies to put a resolution to shareholders to adopt the Company's Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the discussion held at the Annual General Meeting will be considered by the Remuneration and Nominations Committee when evaluating the remuneration arrangements of the Company.

The Remuneration Report is set out on pages 45 to 70 of the 2012 Annual Report and is also available at <http://www.davidjones.com.au/For-Investors/Presentations-and-Reports-2012/Annual-Report-2012>.

The Remuneration Report:

- describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the differences between the basis for remunerating Non-executive Directors and executives of the Company, including the executive Directors.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

A voting exclusion applies to this item of business.

The Directors unanimously recommend that shareholders vote in favour of resolution 3.

ITEM 4 – ALLOCATION OF PERFORMANCE RIGHTS UNDER THE LONG TERM INCENTIVE PLAN FY2013–FY2015 EXECUTIVE LONG TERM INCENTIVE PLAN) TO PAUL ZAHRA

Overview

As noted in the Remuneration Report, the Company has reviewed the remuneration arrangements for executives.

The current Long Term Incentive Plan (LTI) arrangements for executives finished in FY2012. There were no LTI grants to executives in FY2012.

The Company has reviewed its approach to executive remuneration to ensure that the overall remuneration offer remains market competitive and appropriately rewards the executives for sustained, long-term value creation.

In developing the FY2013 remuneration framework, the Board has considered a number of perspectives, including:

- alignment with external perspectives, including prevailing market practice, views of institutional investors and proxy advisors;
- implementing an incentive framework that recognises the Company's business environment, Future Directions strategy and industry sector;
- the continued attraction and retention of key talent; and
- delivering meaningful and appropriate Executive incentives aligned to Company performance.

One element of the FY2013 remuneration framework is the FY2013–FY2015 Executive Long Term Incentive Plan (FY2013–2015 ELTIP).

The Board is recommending that the Chief Executive Officer and Managing Director, Paul Zahra, be granted an allocation of performance rights under the FY2013–FY2015 ELTIP, the details of which are outlined below.

The offer of performance rights to the Chief Executive Officer and Managing Director under the FY2013–FY2015 ELTIP is designed to achieve the following:

- ensure that the Chief Executive Officer and Managing Director's total remuneration package is market competitive;
- ensure an appropriate balance between fixed remuneration and variable, performance based reward;
- incentivise the Chief Executive Officer and Managing Director to grow profits and increase shareholder returns over the performance period; and
- ensure the successful delivery of the Company's Future Directions strategy and retain the Chief Executive Officer and Managing Director through the next phase in the Company's life cycle.

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Number of rights to be allocated

The Board recommends that the Managing Director and Chief Executive Officer is offered 300,000 performance rights under the Terms and Conditions of the FY2013–FY2015 ELTIP. Subject to the performance and service conditions being met the performance rights will convert to ordinary shares on a one-for-one basis in September 2015. Mr Zahra is not required to pay an amount at the time of the grant of the performance rights, nor when the performance rights convert to ordinary shares.

The allocation of 300,000 rights approximates to 40% of the Chief Executive Officer and Managing Director's fixed remuneration of \$1.4m. The Board considers this to be an appropriate allocation based on a review of market benchmarking information provided by its independent remuneration advisor.

Performance period

The performance of the Company will be assessed over a three year performance period commencing on the first day of FY2013 and ending on the last day of FY2015. Performance against the performance measures will be based on audited financial statements.

Performance conditions

The performance measures for the FY2013–FY2015 ELTIP will be Relative Total Shareholder Return (TSR) and growth in Earnings Per Share (EPS).

The allocation of performance rights will be evenly weighted to the performance measures; that is, the allocation will be 150,000 TSR rights and 150,000 EPS rights.

There are no re-test facilities for either performance measure.

TSR performance measure

TSR has been selected on the basis that it remains the most commonly used performance measure for companies in the ASX100. The Board considers that it is the most appropriate measure of shareholder returns over the performance period.

For TSR rights to vest, the Company must achieve the following performance benchmarks:

- 50% of TSR rights (75,000 rights) will vest if David Jones' TSR is at the 51st percentile compared to the peer group;
- 100% of TSR rights (150,000 rights) will vest if David Jones' TSR reaches the 75th percentile; and
- Straight-line (pro-rata) vesting will occur for performance between the 51st and 75th percentiles.

TSR performance will be based on the average daily closing share price for the last three months of FY2015 compared to the last three months of FY2012.

The constituents of the Peer Group are predominantly members of the Consumer Discretionary sector of the ASX300. The initial Peer Group was prepared by the Company with the independent remuneration advisor completing a review and analysis of the proposed Peer Group, considering factors such as:

- comparative performance against the Company (five years);
- comparative performance against the Consumer Discretionary Index (five years); and
- correlation against retail spend.

The Board refined the Peer Group, with the following companies being the final constituents:

Retail Constituents:

- Australian Pharmaceutical Industries Limited
- Harvey Norman Holdings Limited
- JB Hi-Fi Limited
- Kathmandu Holdings Limited
- Myer Holdings Limited
- Nick Scali Limited
- Oroton Group Limited
- Pacific Brands Limited
- The Reject Shop Limited
- Metcash Limited
- Premier Investments Limited
- Wesfarmers Limited
- Woolworths Limited
- Billabong International Limited
- GUD Holdings Limited
- Super Retail Group Limited

Other comparators:

- APN News & Media Limited
- Fairfax Media Limited
- Seven West Media Limited
- Southern Cross Media Group Limited
- Ten Network Holdings Limited
- Treasury Wine Estates Limited
- Flight Centre Limited
- Coca-Cola Amatil Limited

The Board may at its discretion remove a Company from, or add a Company to, the Peer Group to ensure that the Peer Group remains relevant. Factors which the Board may consider in deciding whether to add or remove a Company include, but are not limited to:

- the company ceasing to be listed on the ASX;
- new entrants to the ASX; and
- the company no longer meeting the peer group criteria.

EPS Performance Measure

EPS means basic earnings per share as defined in accounting standards, and as adjusted by the Board in its discretion.

Following a review of both the Short Term Incentive (STI) and LTI arrangements in the Company, the Board determined that a pure profit based measure (NPAT) should be used to assess performance over the short term, with the LTI plan containing measures that also consider the allocation of capital. As such, the use of a Company based profit measure, such as PAT, has been retained in the FY2013 STI plan only.

One of the main reasons PAT was used in the previous LTI plan, the FY2009–FY2012 Executive Retention Plan, was due to the broader participation in that plan (approximately 110 employees) compared to the FY2013–FY2015 ELTIP, which is open to members of the Executive Committee only. It was considered that PAT was a more meaningful and understood financial performance measure for the participants in the previous LTI plan.

The Board considers that the executives have an influence over both the long term growth in earnings and capital allocation and as such it considers that EPS is a more appropriate measure for the executives than PAT.

The EPS growth targets have been chosen after completing market analysis, considering the current retail environment and delivering appropriate reward outcomes for stretch performance.

For EPS rights to vest, the Company must achieve the following performance benchmarks:

- 50% of EPS rights (75,000 rights) will vest if the compound annual growth rate in EPS is at least 5%;
- 100% of EPS rights (an additional 75,000 rights) will vest if the compound annual growth rate in EPS is at least 10%; and
- straight-line (pro-rata) vesting will occur for levels of Company performance between 5% and 10% compound annual growth.

Service Condition

For any performance rights to vest, the Chief Executive Officer and Managing Director must, in general, remain employed by the Company on 30 September 2015.

In the event of death or permanent disablement during the performance period the full vesting of the performance rights will occur.

Change of control

In the event of a change of control of the Company, the Board will exercise its discretion and determine if any performance rights have vested. In making its determination the Board will:

- assess the performance of the Company in terms of both TSR and EPS at the date of change of control; and
- pro-rata the allocation evenly over the period from the start of FY2013 to the date of change of control.

Dividends

No dividends will be payable on the unvested performance rights. Once performance rights have vested and converted to ordinary shares, dividends will be payable to the Chief Executive Officer and Managing Director as an ordinary shareholder.

General Provisions

No consideration is payable by Chief Executive Officer and Managing Director for the grant or issue of the performance rights or the underlying shares to which they relate.

Any shares allocated as a result of the performance and service condition being met will be registered in the name of the Chief Executive Officer and Managing Director and held in a holding lock, subject to Board approval for release.

Shares used to satisfy the performance rights may be acquired on market or by a new issue of shares.

Other Information

The Chief Executive Officer and Managing Director is the only Director entitled to participate in the FY2013–FY2015 ELTIP.

The ELTIP is the new LTI arrangement for the Company and no grants have previously been made under the ELTIP. As stated above, the previous LTI arrangements for executives finished in FY2012. There were no LTI grants to executives (including the Chief Executive Officer and Managing Director, and the former Finance Director) in FY2012. Following and in accordance with shareholder approval at the 2010 AGM, Mr Zahra was allocated 500,000 rights and Mr Goddard was allocated 250,000 under the previous LTI arrangements.

The Board recommends that the Shareholders approve the grant of up to a maximum of 300,000 performance rights and any subsequent shares resulting from the performance and service conditions being met, to the Chief Executive Officer and Managing Director, Paul Zahra. It is intended that the performance rights will be granted shortly after the AGM, and in any event, no later than 22 November 2013.

A voting exclusion applies to this item of business.

The Directors (excluding Paul Zahra) recommend that shareholders vote in favour of resolution 4.



David Jones Limited
ABN 75 000 074 573

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

In Person:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

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Proxy Form



Vote online or view the notice of meeting and annual report, 24 hours a day, 7 days a week:
www.investorvote.com.au

- ☒ **Cast your proxy vote**
- ☒ **Access the notice of meeting and annual report**
- ☒ **Review and update your securityholding**

Your secure access information is:

Control Number: 123456

SRN/HIN: I1234567890

PIN: 123456



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10.00 a.m. on Wednesday 21 November 2012.**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

Default to the Chairman of the Meeting: Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

Proxy voting by key management personnel: If you intend to appoint a member of the key management personnel (other than the Chairman) as your proxy, please ensure that you direct them how to vote on Items 3 & 4 otherwise they will not be able to cast a vote as your proxy on those items.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 1234567890 I N D

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of David Jones Limited hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or 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 directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of David Jones Limited to be held at On Seven at David Jones, Level 7, 86-108 Castlereagh Street, Sydney NSW 2000 on Friday, 23 November 2012 at 10:00am and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention below) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Item 4 this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2 below.

Important for Item 4: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 4, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

		For	Against	Abstain
2 (a)	To re-elect Peter Mason as a Director	☐	☐	☐
2 (b)	To elect Steven Vamos as a Director	☐	☐	☐
2 (c)	To elect Jane Harvey as a Director	☐	☐	☐
3	To adopt the Remuneration Report	☐	☐	☐
4	Allocation of Performance Rights under the Long Term Incentive Plan to Paul Zahra	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date ____/____/____