

Notice of Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Scales Corporation Limited (Scales or the Company) will be held at:

Where Savoy West Room, Rydges Latimer Christchurch, 30 Latimer Square, Christchurch

When Wednesday 8 June 2016 at 4.30pm

Agenda

1. Chairman's Introduction

2. Managing Director's Review

3. Ordinary Resolutions:

1. Appointment and remuneration of auditor

Resolution 1:

To record the reappointment of Deloitte as auditor of the Company and to authorise the Directors to fix the auditor's remuneration for the coming year.

(See Explanatory Note re Resolution 1)

2. Re-election of Directors

In accordance with the Constitution, Mark Hutton and Alan Isaac retire as determined by lot and, each being eligible, offer themselves for re-election.

Accordingly, each by way of separate ordinary resolution:

Resolution 2a:

To re-elect Mark Hutton as a Director: and

Resolution 2b:

To re-elect Alan Isaac as a Director.

(See Explanatory Note re Resolutions 2a and 2b)

3. Directors' Remuneration

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

Resolution 3:

That the maximum total pool of Directors' remuneration be increased from \$400,000 to \$440,000 per annum taken together, until such time as this amount be altered by a further ordinary resolution of shareholders. Such sum to be divided amongst the Directors at discretion of the Board of Directors.

(See Explanatory Note re Resolution 3)

Scales Corporation Limited

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scalescorporation.co.nz

4. General business

To consider any other business that may be properly brought before the Annual Meeting.

The Directors invite shareholders to join them for refreshments at the conclusion of the meeting.

By order of the Board.

A handwritten signature in black ink, appearing to read 'S. Kennelly', is positioned above the typed name.

Steve Kennelly
Chief Financial Officer
18 May 2016

Attendance and voting

Your rights to vote may be exercised by:

- a) **Attending and voting in person;** or
- b) **Postal voting:** The Board has determined that postal voting is permitted. Postal voting instructions are included in the Voting Form which accompanies this Notice of Annual Meeting. You can cast a postal vote online, or complete and send the Voting Form by post or fax so that your vote is received by the share registrar no later than 4.30pm on Monday 6 June 2016.

The Chief Financial Officer Steve Kennelly has been authorised by the board to receive and count postal votes at the meeting.

- c) **Appointing a proxy (or representative) to attend and vote in your place:** The proxy need not be a shareholder of the Company. The form of appointment of a proxy and voting instructions accompany this Notice of Annual Meeting. You can appoint a proxy online or complete the Voting Form, including the proxy appointment and return the proxy Voting Form by post or fax so that it is received by the share registrar by no later than 4.30 pm on Monday 6 June 2016.

The address for the share registrar:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142, New Zealand
Level 2, 159 Hurstmere Road
Takapuna, Auckland 1142, New Zealand

Eligibility to vote

Any shareholder whose name is recorded in the Scales Corporation Limited share register at the close of business on 3 June 2016 is entitled to attend the Annual Meeting and vote either in person or by Proxy (subject to the time limits for returning Proxy Forms).

Ordinary resolutions of shareholders

An ordinary resolution is a resolution approved by a majority of more than 50% of votes of those shareholders entitled to vote and voting on the resolution.

RSVP and questions in advance of the meeting

Please fill out and return the RSVP form by 3 June 2016 by using the enclosed pre-paid envelope if you are planning to attend the Annual Meeting. To assist Scales Corporation Limited's Board to provide answers to questions from shareholders, Scales is offering a facility for shareholders to submit questions in advance of the Annual Meeting on the RSVP form. Questions should relate to matters that are relevant to the Annual Meeting including matters arising from the financial reports and any general questions regarding the performance of Scales. Individual responses to questions will not be provided, but the Chairman will, at the Annual Meeting, endeavour to address commonly raised questions. Alternatively, you can email your questions to: info@scalescorporation.co.nz

Explanatory Notes

These notes form part of the Notice of Annual Meeting

Explanatory Note - Resolution 1

Appointment and remuneration of auditor

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The Company wishes Deloitte to continue as the Company's auditor, and Deloitte has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of the auditor are to be fixed in such a manner as the Company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees be fixed by the Directors. Scales Corporation's Board unanimously recommends that shareholders vote in favour of Resolution 1.

Explanatory Note - Resolutions 2a and 2b

Re-election of Directors

The NZX Main Board Listing Rules require that at least one third of the Directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the Annual Meeting each year, but shall be eligible for re-election at that meeting. The Directors to retire are those who have been longest in office since their last election.

Two Directors are required to retire at this meeting. Mark Hutton and Alan Isaac are the Directors who have been determined by lot to retire as required by the Company's Constitution. They both, being eligible, offer themselves for re-election.

Explanatory Note – Resolution 3

Directors' Remuneration

The Board recommends to shareholders that the maximum total pool of Annual Directors' remuneration payable to all Directors be increased by \$40,000 from the present level of a total of \$400,000 set in 2014, at the time of the Initial Public Offer, to a total of \$440,000.

The proposed increase in the total Directors' remuneration pool follows comprehensive benchmarking by the Nominations and Remuneration Committee, Chaired by Mark Hutton, of comparable companies listed on the NZX. Comparable companies were selected by a number of variables, including market capitalisation, recent listing and those operating in the agri sector.

In placing this pool increase before shareholders the following information is relevant and should be noted:

- There has been no increase in the total Director remuneration pool since the Initial Public Offer in July 2014.
- Director remuneration is formally reviewed annually at the beginning of each financial year. As at 1 January 2016 total Director remuneration increased to \$394,875 from the current pool of \$400,000. This was an increase of 15.8% for the Chairman, and 7.5% for the remaining Directors.
- The proposed increase of \$40,000 facilitates the following policies and initiatives:
 - Directors are not paid performance based fees.
 - The annual review of remuneration for 2017 is enabled, subject to company performance.
 - Planning for succession, including the potential appointment of a Deputy Chairman, while targeting the optimal number of Independent Directors at six or below.