

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

Incorporated in Victoria

Registered office:

Level 1, 1601 Malvern Road, Glen Iris, Vic, 3146

NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice is hereby given that:

The 2013 Annual General Meeting (AGM) of members of Australian United Retailers Limited ACN 077 879 782 (**Company**) will be held at Level 1, 1601 Malvern Road, Glen Iris, Vic on Tuesday, 26 November 2013 at 2.00 PM (AEDT).

BUSINESS

Accounts and Reports

Item 1 - To consider the financial statements

To receive and consider the financial report of the Company and its controlled entities for the year ended 30 June 2013 and the related Directors' Report, Directors' Declaration and Auditors' Report.

Item 2 - To adopt the Company's Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution under section 250R(2) of the Corporations Act:

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2013 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Members should note that voting restrictions may apply in respect of this resolution. Further detail is contained in the 'Persons Precluded from Voting' section below and the attached Explanatory Memorandum (accompanying and forming part of this notice).

Election of Directors

Item 3 – Re-election of Neil Osborne as a Director

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

"That Neil Osborne be re-elected as a Director of the Company."

Item 4 – Re-election of David Williamson as a Director

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

"That David Williamson be re-elected as a Director of the Company."

Item 5 – Re-election of Allan Burge as a Director

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

"That Allan Burge be re-elected as a Director of the Company."

Note: Members should note that there are three candidates standing for four possible Board positions. Consistent with past Company practice, the Chairman intends to call a poll, in respect of Items 3 to 5. A single simultaneous voting procedure will be held in respect of those items following consideration of Item 5. The poll will then be conducted in the manner set out in the Explanatory Memorandum for Shareholders attached to this Notice.

By Order of the Board

Tony Pacella
Company Secretary

Dated 24 October 2013

SEE IMPORTANT NOTES OVERLEAF

AUSTRALIAN UNITED RETAILERS LIMITED ACN 077 879 782

Persons Precluded from Voting

Only Class "A" Redeemable Preference Shareholders are entitled to vote at the AGM.

The *Corporations Act (Cth)* 2001 (**Corporations Act**) restricts the ability of certain persons to vote on a resolution to adopt the Remuneration Report (Item 2).

In accordance with section 250R(4) of the Corporations Act the Company will disregard any votes cast in relation to Item 2 by or on behalf of the key management personnel details of whose remuneration is included in the Remuneration Report, which include the Directors (**Excluded Persons**) and closely related parties of an Excluded Person.

However, in accordance with section 250R(5) of the Corporations Act, an Excluded Person or a closely related party of an excluded person (**voter**) can cast a vote on the Remuneration Report resolution (Item 2) if the vote is not cast on behalf of an Excluded Person or a closely related party of an excluded person and either:

- the voter does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

A closely related party is defined in the Corporations Act and includes a spouse or child of the Excluded Person. Further details are set out in the Explanatory Memorandum.

Voting entitlements

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements for the AGM, will be as it appears in the Share Register as at 7.00 pm on 24 November 2013.

Proxies

A member who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of the member at the meeting. A Class “A” Redeemable Preference Shareholder who is entitled to cast 2 or more votes at the AGM, may appoint either 1 or 2 persons as their proxy. When such a Member appoints 2 proxies, the appointment must specify the proportion of the Member’s voting rights which each proxy is entitled to represent.

For the purposes of the AGM, the proxy may be an individual or a body corporate and need not be a member of the Company. The proxy must be appointed to represent the whole of the member’s voting rights in respect of each eligible voting share held by the member for which the proxy is given.

For the appointment of a proxy to be effective, the Proxy Form, together with any authority under which the Proxy Form was executed or a certified copy of that authority, must be:

- deposited at the Company’s Registered Office, Level 1, 1601 Malvern Road, Glen Iris, Victoria 3146; or
- returned in the enclosed envelope to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Vic 8060; or
- faxed to 1800 783 447 (within Australia), +61 3 9473 2555 (outside Australia); or
- www.intermediaryonline.com, for Intermediary Online subscribers only (Custodians)

at least 48 hours before the meeting.

Corporate representative

If a representative of a corporate member is to attend the meeting pursuant to section 250D of the Corporations Act, a certificate of appointment of the representative must be produced prior to admission to the meeting. A form of the certificate may be obtained from the Company’s share registry or at www.computershare.com.

Explanatory Memorandum for Shareholders

Introduction

This Explanatory Memorandum provides information for shareholders in respect of Items 1 to 5 to be considered at the AGM.

Items 1 & 2 - Tabling of Accounts and adoption of Remuneration Report

As the Company is a 'listed company' for the purposes of the Corporations Act, the annual Directors' Report must contain a report on, amongst other things, director and key management personnel remuneration (**Remuneration Report**). The Remuneration Report is contained within the Director's Report of the 2013 Annual Report, which is available on <http://extranet.foodworks.com.au>. In particular, the Remuneration Report includes an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and senior executives.

Tabling of Accounts (Item 1)

Members will be given a reasonable opportunity at the meeting to ask questions and make comments on the annual financial report, the Directors Report, the Auditor's Report and on the business, operations and management of the Company

Remuneration Report Resolution (Item 2)

Members will vote on a resolution that the Remuneration Report be adopted. This is required under section 250R(2) of the Corporations Act.

Members should note that:

- Under section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and does not bind the Directors or the Company.
- The Corporations Act restricts the ability of certain persons to vote on the Remuneration Report resolution. Further details are contained below.

The Directors recommend members vote in favour of this resolution 2.

Voting Exclusion Statement

The Company will disregard any votes cast in relation to this resolution by or on behalf of the key management personnel, which includes the Directors (**Excluded Persons**) and closely related parties of an Excluded Person.

A closely related party is defined in the Corporations Act as:

- (a) a spouse or child of the Excluded Person; or
- (b) a child of the Excluded Person's spouse; or
- (c) a dependant of the Excluded Person or of the Excluded Person's spouse; or
- (d) anyone else who is one of the Excluded Person's family and may be expected to influence the Excluded Person, or be influenced by

the Excluded Person, in the Excluded Person's dealings with the entity; or

- (e) a company the Excluded Person controls; or
- (f) a person prescribed by the regulations for the purposes this definition in section 9 of the Corporations Act.

However, an Excluded Person or a closely related party of an Excluded Person (**voter**) can cast a vote on the Remuneration Report resolution (Item 2) if the vote is not cast on behalf of an Excluded Person or a closely related party of an Excluded Person and either:

- (a) the voter does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Items 3 – 5 - To elect up to Three Directors

Background

Rule 17.2 in the Company's Constitution requires one-third of the Directors or the number nearest one-third (excluding from the calculation an executive director who is the CEO and any Director appointed during the year pursuant to Rule 17.2(j)) to retire at the Annual General Meeting. The Board has determined which Directors should retire at the 2013 AGM.

It is noted that a retiring Director is eligible for re-election.

The Directors of the Company to retire under Rule 17.2 of the Company's Constitution are Neil Osborne, David Williamson and Allan Burge. Neil, David and Allan have all nominated to be re-elected as directors of the Company.

The order of the resolutions regarding the election of Directors was determined based on the order in which nominations were received.

Consistent with past Company practice, the Board considers it appropriate the Chairman demand a poll, and the Chairman intends to call a poll, in respect of Items 3 to 5. On a poll, every Class "A" Redeemable Preference Shareholder will be entitled to one vote for every Class "A" Redeemable Preference Share held. A single simultaneous voting procedure will be held in respect of those items following consideration of item 5.

Given the Company's constitution requires the number of Directors must not be less than 6 nor more than 10, there are four possible positions available on the Board and three candidates. As such, in respect of the re-election of Neil Osborne, David Williamson and Allan Burge, if any of these candidates receive more votes in favour than votes against the resolution in respect of their re-election, that candidate will be elected as director of the Company.

Proxyholders

Prior to the commencement of the Meeting, proxyholders will be issued with details of the voting instructions (if any) that relate to their appointment. If a proxyholder has received directed voting instructions, the proxyholder will be deemed to have voted in accordance with those instructions if the proxyholder participates in the voting procedure. If a proxyholder has not received voting instruction (i.e. an undirected proxy), the proxyholder will be entitled to vote either for or against (or abstain from voting) in respect of each of the three candidates.

It is important for proxyholders (whether directed or undirected) to note that for their votes to be counted, they must submit the voting card as part of the voting procedure. If they do, the votes of proxies will be included in computing the required majority and the total number of votes in favour of any candidate in determining the directors to be elected in accordance with the procedure set out above.

Item 3 – Re-election of Neil Osborne as a Director

The candidate provided the information set out below for inclusion in this Notice of AGM.



With over 20 years experience in the retail industry, Neil was appointed to AURL as a director in November 2006. Neil is the Deputy Chairman of AURL as well as the Chairman of the Audit and Risk Committee and the Supply Chain Committee.

Neil is a non executive Director of Vita Group Limited - a retailer in the mobile technology and Apple Computing markets. He is also Chairman of Vita's Audit and Risk Committee.

Prior to this, Neil was a Partner with one the world's largest consulting and technology services firm, Accenture. He specialised in retail and business development engagements in Australia, Asia and North America.

From 1978 to 1996, Neil held a variety of senior executive positions with Myer Grace Bros and Coles Myer Ltd in corporate and operating brands across finance, supply chain, strategic planning and merchandise including the positions of Myer Chief Operating Executive (Supply Chain and Chief Financial Officer) and Coles Myer Ltd, Group General Manager Retail Services. During that time Neil co-founded the still popular FlyBuys loyalty program and also led the re-engineering of Myer's complete supply chain.

Neil's qualifications include Fellow Australian Institute of Company Directors (FAICD), Bachelor of Commerce (University of Queensland), Certified Practising Accountant (CPA), Strategic Management Programme – Monash University Graduate School of Management, Advanced Logistics Programme – University of North Florida and Company Directors Course Diploma – Australian Institute of Company Directors.

"As an experienced retailer and independent director I bring a very useful mix of skills and experience to the Foodworks Board. If re-elected I will continue to focus my energies on helping my board and management colleagues build Foodworks as a retailers' service company that will provide shareholder returns over time."

The Directors recommend members vote in favour of this resolution.

Item 4 – Re - election of David Williamson as a Director

The candidate provided the information set out below for inclusion in this Notice of AGM.

David Williamson



I am proud to say I have been part of a family who has been serving my local community as owners of an Independent Retail Business for over 30 years. I have grown up in this industry, helping my family run their Tuckerbag Supermarket from a young age. At the age of 17, I became Store Manager of my family's second store, Riddell's Creek Riteway. From there I moved on to manage our third store which became a Payless Super barn and then graduated to our biggest store, Tuckerbag. I continued as the Store manager until 16 years ago when I was made Company Director when our Gisborne and Riddells Creek stores joined the Foodworks Supermarket Group.

In 2002 I was voted onto the Foodworks board as a Retail board member and served for two years before choosing to resign in 2004 to help reduce the number of board members when our two groups merged to become AURL. In 2006, my wife and I purchased our Gisborne store, excited by the prospect of carrying on our family's legacy. Since this time we have also purchased Kilmore Foodworks and have most recently acquired Sunbury Foodworks. Branching out from our home base in Gisborne where my family is shown great loyalty and support, has brought with it new challenges. Through these experiences I have learnt and continue to learn, many new and valuable skills and lessons about being a manager and owner.

I believe the knowledge, skills and experience I have gained throughout my long standing involvement and management of a number of supermarkets of varying sizes, will enable me to represent all Foodworks' owners with a keen awareness of the issues they face, their needs and ways in which we as an organisation can best support them to develop and build their stores.

With 16 years of involvement with Foodworks as a Director and Store Owner, as well as my previous experience as a board member, I am certain I would be a valuable contributor, offering the AURL board, our shareholders and retailers a dedicated and committed representative, who has an invested interest in seeing our company continue to develop and succeed.

My passion and enthusiasm for my stores, our industry and the Foodworks organisation is unquestionable and I would relish the opportunity to again serve as a board member. I thank you for your consideration.

The Directors recommend members vote in favour of this resolution.

Item 5 - Re-election of Allan Burge as a Director

The candidate provided the information set out below for inclusion in this Notice of AGM.



Nomination for election of Allan Burge

Experience:

Allan has been a retailer since 1968 and currently operates two Foodworks Supermarkets at Loganholme and Woodridge in Queensland.

He was Appointed to the Q.I.W. Board in 1981. In 1983 Q.I.W. was taken over by Q.I.W. Retailers, Allan was elected a Director and was founding Chairman, A position he was elected to annually for the next 10 years. Retiring from the Board in 1993.

At the direction of a General Meeting of SPAR Retailers during 1997, a group of retailers prepared a business plan for the purchase and distribution of fresh fruit and vegetables for QLD and N.S.W. SPAR Fresh Pty Ltd was registered and commenced operations in 1999 trading as Independent Produce Professionals. It is still progressing into its 15th year. Allan was elected a Director and founding Chairman this position he holds to date.

In the past Allan was a member of The Institute of Company Directors of Australia and is a foundation fellow of The Australian Institute of Company Directors. Allan successfully completed the course and assessment for Company Directors through The University of New England, and The Institute of Company Directors. He was awarded a Diploma of Company Director in November 1990.

“The brand of Foodworks has built over the years to be strongly recognised in the industry, but its future strength depends not only on the company but each and every member’s progress. To achieve this the company must offer strong support, services and buying expertise to enable our retailers to compete and grow in a competitive market place. This is as important today as it has ever been as we build for the future”.

The Directors recommend members vote in favour of this resolution.

Voting Exclusion Statement

Apart from the matters specified in respect of Item 2, there are no specific voting exclusions which apply to any of the other resolutions proposed for the meeting.

