

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

Incorporated in Victoria

Registered office:

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

NOTICE OF 2014 ANNUAL GENERAL MEETING

Notice is hereby given that:

The 2014 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, 18 November 2014 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 2014 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 2014 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 Malcolm Ward as a Director

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

"That Malcolm Ward be re-elected as a Director of the Company."

Item 4 – Re-election of Sien ("John") Van Nguyen as a Director

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

"That Sien Van Nguyen be re-elected as a Director of the Company."

Members should note that there are two candidates standing for four possible Board positions. Consistent with past Company practice, the Chairman intends to call a poll, in respect of Items 3 and 4. A single simultaneous voting procedure will be held in respect of those items following consideration of Item 4. 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 10 October 2014

SEE IMPORTANT NOTES OVERLEAF

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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 16 November 2014.

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

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.

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 two 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.

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ACN 077 879 782

Explanatory Memorandum for Shareholders

Introduction

This Explanatory Memorandum provides information for shareholders in respect of Items 1 to 4 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 2014 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.

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

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.

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ACN 077 879 782

Items 3 – 4: To Elect up to Two 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 2014 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 John Bridgfoot, Malcolm Ward and John Nguyen. Malcolm and John Nguyen have nominated to be re-elected as directors of the Company. John Bridgfoot has not nominated to be re-elected as director 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 and 4. 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 4.

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 two candidates. As such, in respect of the re-election of Malcolm Ward, and John Nguyen, 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.

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

Item 3 – Re-election of Malcolm Ward as a Director

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

Malcolm Ward



Malcolm and his wife Liz have been owner/operators of supermarkets since joining the industry in 1994. Malcolm is the Managing Director of their family companies operating 4 FoodWorks stores in Western Australia. He is a director of Supermarkets West Pty Ltd the marketing and promotion company for FoodWorks and Farmer Jacks stores in WA.

Before entering the retail industry Malcolm owned and operated free range and cage egg farms and co-founded and constructed the largest egg farm in WA. He is currently a director and audit committee member of several production and marketing companies in the Australian egg industry including Farm Pride Foods Ltd. He is involved in reviewing the integrity and accuracy of the various companies financial reporting, assessment of operating risks and the pursuit of profitable growth opportunities. Prior to this he operated in the banking, petroleum and technology development industries.

Malcolm brings a broad range of commercial experience having been involved in a number of industries including retailing, business management, agricultural production and marketing, project and property management, and banking.

Malcolm is highly committed to the success of the FoodWorks group and with a significant investment in the industry, and Australia United Retailers Limited, seeks re-election to ensure the continued financial development and effectiveness of the Company to generate growth and returns for member stores. In Malcolm's view:

"The future will continue to be a challenge. I firmly believe in proactively reviewing where we have been with a view to achieving improvement and profitability into the future. The chain stores will always want more of our market. The challenge is to identify our point of difference in each of our local markets and efficiently and profitably satisfy our customers' needs. FoodWorks is here to serve members and is a key driver in improving our businesses and maximizing our returns."

The Directors recommend members vote in favour of this resolution.

AUSTRALIAN UNITED RETAILERS LIMITED

ACN 077 879 782

Item 4 – Re-election of Sien (“John”) Van Nguyen as a Director

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

Sien (“John”) Van Nguyen



John currently owns three FoodWorks supermarkets in Queensland. He is the Managing Director of a family group of companies operating the stores and other enterprises. In this role, John is actively involved in the strategic management of all his businesses, whereby he is able to face the many challenges of expanding his businesses in the presence of his competitors. The stores are diverse in size, location and demographics and John has come to appreciate the different issues that arise within such a diverse group of stores.

John joined the industry in 1994 when he purchased his first store in Inala, south of Brisbane. After several years of success, he then moved his young family to Miles (4 hours West of Brisbane) to own/operate the town’s local supermarket. Since then he has owned/operated stores in Childers, Burpengary, Canungra and in 2010 purchased a Foodworks corporate store in Redbank Plains, Brisbane. John’s management of those stores has seen sales increase in the region of 100% to 400% over the years.

He was appointed to the Board of Directors of Four Square Supermarkets in 2005, until he decided to join the FoodWorks brand in 2006.

John’s successes in retail and strategic management have enabled him to branch out into various other industries, some of which include Sing Sing Investments, an investment company focusing on retail shopping centre acquisition, development and management. In addition, seizing on the resources boom in the past decade, John is also a partner of Hydco International (hydcointernationalsales.com), a manufacturer of drilling rigs operating in India. Recently he was involved in a joint venture with Ostwald Bros in the development of the Eastwood (theeastwood.com.au), a 200 room accommodation facility in Miles.

John was first elected to the Board in 2011 and brings a broad range of relevant commercial and practical experience and is deeply committed to the future and success of the Foodworks group through service to its customers.

“With 20 years in the retail supermarket industry and with experience in both small and large stores in metro and country areas, I recognise the day to day challenges that retailers face, particularly in an increasing competitive climate. If re-elected, I intend to continue bringing significant value to the FoodWorks brand and its respective member stores, leading to their goal of achieving long term success.”

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.