

UNIVERSITY CO-OPERATIVE BOOKSHOP LIMITED

ARBN 009 937 160

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 59th Annual General Meeting of the members of the University Co-operative Bookshop Limited (**Co-operative**) will be held at **12:30pm** on **30 January 2018** at **Workshop Room, Level 3, A Block Southern Cross University, Lismore Campus, NSW 2480** for the purpose of transacting the following business:

Ordinary Business

1. Minutes

To table and confirm the minutes from the preceding Annual General Meeting held on 31 March 2017.

2. 2017 Annual Financial Report

To receive and consider the Annual Financial Report of the Co-operative for the year ended 31 August 2017, comprising the Financial Report, the Directors' Report, and the Audit Report.

3. Election of Ordinary Directors

To receive the report of the Returning Officer and for the Chairman to declare the results of the election of Ordinary Directors.

4. Remuneration of Directors

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

"That, in accordance with Rule 67 of the rules of the Co-operative, the sum of \$275,000 (plus superannuation) be set aside for directors' fees."

Special Business

1. Amendment to Rule 57(a)(i) of the Rules of the Co-operative ("Rules")

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

"That Rule 57(a)(i) be deleted and replaced with the following:

four directors elected pursuant to Rule 63 and who shall not be employees of the Co-operative;"

2. Amendment to Rule 60(a) of the Rules

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

"That Rule 60(a) be deleted and replaced with the following:

At the Annual General Meeting of the Co-operative in each year, one director (other than the Employee Director and the Appointed Directors) must retire."

3. Amendment to Rule 61 of the Rules

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

“That Rules 61(a) and 61(b) be deleted and replaced with the following:

61(a) The director to retire in any year shall (subject to the provisions as to filling casual vacancies) be the person who has been longest in office since his or her last election.

61(b) As between persons who became directors on the same day, the person to retire shall (unless they otherwise agree amongst themselves) be determined on the following basis:

(i) the number of votes cast in favour of the relevant directors at such last election shall be obtained; and

(ii) the director with the least number of votes shall retire, provided that if the number received by such directors was identical, the matter shall be determined by lot.”

Note

The Board requests that any questions a member may wish to put before the meeting be provided to the Chairman at least 72 hours prior to the meeting either via email to comsec@coop-bookshop.com.au or by post to “Attention: Company Secretary, Co-op Bookshop, Level 1, 15 Foster Street, Surry Hills NSW 2010” so that the Board may adequately prepare an informed response for members.

Proxies

Any member entitled to attend and vote at the Annual General Meeting may appoint another active member as proxy to attend and vote instead of that member. A person may not act as a proxy for more than five persons.

A form of proxy is available from the Secretary at the registered office of the Co-operative during normal business hours. If a corporation is a member, the form of proxy must be signed under its common seal, or under the hand of an officer or attorney duly authorised.

Proxies must be lodged at the registered office of the Co-operative at least seven days before the time of the meeting (that is, by **12.29pm on 23 January 2018**).

Dated

Registered Office: Level 1, 15 Foster Street, Surry Hills NSW 2010

By order of the Board

Danny Lee

Secretary of the Co-operative

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist members of the Co-operative to understand the reason and nature of the proposed special resolutions set out in the attached Notice of Annual General Meeting.

The Board recommends that you read this Explanatory Memorandum carefully and attend the Annual General Meeting. If you are unable to attend but wish to vote, please complete the proxy form (a copy is available upon request from the Secretary at the registered office of the Co-operative during normal business hours) and ensure it reaches the address or facsimile stated in the Notice of Annual General Meeting not less than 7 days prior to the time of the Annual General Meeting (that is, by **12.29pm** on **23 January 2018**).

Introduction

Each of the Rule amendments set out in this notice must be approved by a special resolution of members pursuant to section 61 of the *Co-operatives National Law*, an appendix to the *Co-operatives (Adoption of National Law) Act 2012* (NSW) (CNL) and Rule 2(b) of the Rules.

Rule amendments do not take effect until they are registered by the Registrar of Co-operatives.

Resolution 1 – Reducing the number of elected Co-operative Board members from six to four

Rule 57(a)(i) as currently drafted states:

57(a) There shall be a Board of directors comprised as follows:

(i) six directors elected pursuant to Rule 63 and who shall not be employees of the Co-operative;

The proposed amended Rule 57(a)(i) would state:

57(a) There shall be a Board of directors comprised as follows:

(i) four directors elected pursuant to Rule 63 and who shall not be employees of the Co-operative;

The proposed reduction in the maximum number of elected directors to four, and the resulting overall reduction in the maximum number of directors to seven, reflects the Board's view that the optimum size for the Board of Co-operative is not more than seven directors due to the greater complexity and administrative costs involved with having a larger Board.

The proposed reduction in the maximum number of directors is reflective of contemporary governance practices which provide for smaller more agile boards.

The proposed reduction will reduce costs and modernise Co-operative's governance approach whilst still maintaining a suitable mix of the skills and experience required to appropriately manage Co-operative's activities.

Resolution 2 – Reducing the number of elected Co-operative Board members who must retire each year

Rule 60(a) as currently drafted states:

60(a) At the Annual General Meeting of the Co-operative in each year, two directors (other than the Employee Director and the Appointed Directors) must retire.

The proposed amended Rule 60(a) would state:

60(a) At the Annual General Meeting of the Co-operative in each year, one director (other than the Employee Director and the Appointed Directors) must retire.

The proposed reduction in the number of elected Co-operative Board members who must retire each year from two to one flows from the proposed reduction in the maximum number of elected directors to four.

To ensure the consistency and continuity of the management and direction of Co-operative, the Co-operative Board's view is that a more stable board of directors of Co-operative is preferred.

Resolution 3 – Amending the language of Rule 61 to reflect the reduction in the number of directors who must retire each year

Rule 61(a) as currently drafted states:

61(a) The directors to retire in any year shall (subject to the provisions as to filling casual vacancies) be those who have been longest in office since their last election.

The proposed amended Rule 61(a) would state:

61(a) The director to retire in any year shall (subject to the provisions as to filling casual vacancies) be the person who has been longest in office since his or her last election.

Rule 61(b) as currently drafted states:

61(b) As between persons who became directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined on the following basis:

(i) the number of votes cast in favour of the relevant directors at such last election shall be obtained; and

(ii) the director or those directors (as the case may be depending on the number of directors that must retire) with the least number of votes shall retire, provided that if the number of votes received by such directors was identical, the matter shall be determined by lot.

The proposed amended Rule 61(b) would state:

61(b) As between persons who became directors on the same day, the person to retire shall (unless they otherwise agree amongst themselves) be determined on the following basis:

(i) the number of votes cast in favour of the relevant directors at such last election shall be obtained; and

(ii) the director with the least number of votes shall retire, provided that if the number received by such directors was identical, the matter shall be determined by lot.”

The proposed amendment in Rule 61 is to reflect the proposed reduction in the number of directors who must retire each year from two to one.

Board recommendation

The Board recommends that members approve the above amendments and vote in favour of the special resolutions.