

# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 2009 Annual General Meeting will be held at  
**10.00am on Wednesday, 27 May 2009**  
at the offices of Baker & McKenzie,  
Sydney Room, Level 27, AMP Centre,  
50 Bridge Street, Sydney, New South Wales.



Corporate Express Australia Limited  
ABN 94 000 728 398

The 2009 Annual General Meeting of the Shareholders of Corporate Express Australia Limited (“Company”) will be held at **10.00am on Wednesday, 27 May 2009** at the offices of Baker & McKenzie, Sydney Room, Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales.

## GENERAL BUSINESS

### 1. Financial Report

To receive and consider the annual financial report, directors’ report and auditor’s report of the Company for the financial period ended 31 January 2009.

### 2. Election of Directors

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

#### Casual Vacancies filled during the year

- a. THAT Mr B Maarud, who retires under clause 18.6 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.
- b. THAT Mr P Ventress, who retires under clause 18.6 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.
- c. THAT Mr P Hitchcock, who retires under clause 18.6 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.

#### Retirement by Rotation

- d. THAT Mr Ian Pollard, who retires by rotation under clause 19.2 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.
- e. THAT Mr John Randall, who retires by rotation under clause 19.2 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.
- f. THAT Mr Grant Logan, who retires by rotation under clause 19.2 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected a director of the Company.

### 3. Mr Paul Hitchcock – Grant of performance share rights

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

THAT the Board of Directors of the Company be authorised to offer to the Company’s Chief Executive Officer and Managing Director, Paul Hitchcock, pursuant to the Corporate Express Australia Limited Long Term Incentive Plan, up to a maximum number of 600,000 performance share rights over ordinary shares in the capital of the Company, and upon exercise of those rights, a maximum number of 600,000 fully paid ordinary shares in the capital of the Company.

### 4. Mr Malcolm Keefe – Grant of performance share rights

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

THAT the Board of Directors of the Company be authorised to offer to the Company’s Chief Operating Officer, Malcolm Keefe, pursuant to the Corporate Express Australia Limited Long Term Incentive Plan, up to a maximum number of 306,000 performance share rights over ordinary shares in the capital of the Company, and upon exercise of those rights, a maximum number of 306,000 fully paid ordinary shares in the capital of the Company.

### 5. Mr Grant Logan – Grant of performance share rights

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

THAT the Board of Directors of the Company be authorised to offer to the Company’s Chief Financial Officer, Grant Logan, pursuant to the Corporate Express Australia Limited Long Term Incentive Plan, up to a maximum number of 306,000 performance share rights over ordinary shares in the capital of the Company, and upon exercise of those rights, a maximum number of 306,000 fully paid ordinary shares in the capital of the Company.

### 6. Mr Garry Whatley – Grant of performance share rights

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

THAT the Board of Directors of the Company be authorised to offer to the Company’s Chief Information Officer and an Alternate Executive Director, Garry Whatley, pursuant to the Corporate Express Australia Limited Long Term Incentive Plan, up to a maximum number of 200,000 performance share rights over ordinary shares in the capital of the Company, and upon exercise of those rights, a maximum number of 200,000 fully paid ordinary shares in the capital of the Company.

### 7. Appointment of Auditor

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

THAT Ernst & Young, whose appointment as auditor by the Board of Directors of the Company to fill a casual vacancy under section 327C of the Corporations Act is effective until the Company’s next annual general meeting, continue in office as the auditor of the Company.

## OTHER BUSINESS – NON BINDING ADVISORY VOTE

### 8. Adoption of Remuneration Report

To adopt the Remuneration Report as set out on pages 25 to 35 of the Annual Report for the financial period ended 31 January 2009.

## IMPORTANT NOTES

### Voting Entitlements

To determine the entitlements of a shareholder at the annual general meeting, the directors have decided that the shareholding of a shareholder will be as it appears in the share register at 7pm Sydney time, Monday 25 May 2009.

### Proxies

If you are a member entitled to attend and vote you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half the votes. A proxy need not be a member of the Company.

If you wish to appoint one proxy, please use the form provided and return it to the share registry, at the address specified on the proxy form. If you wish to appoint two proxies please obtain an additional form from the share registry. To be effective a proxy form must be received by no later than 10.00 am Sydney time, Monday 25 May 2009. Address and facsimile details are contained on the proxy form.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on a show of hands or a poll and the shares the subject of the proxy appointment will not be counted in computing the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting to vote on their behalf. If a proxy form is returned and the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the meeting, any director, or the secretary which do not contain a direction how to vote will be used where possible to support the resolutions proposed in this notice.

### Voting Generally

The Company's Constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, only one may vote on a show of hands. If a proxy has been appointed by two or more members who specify different ways to vote on a resolution, the proxy may not vote on a show of hands.

### Voting on Resolutions 3 to 6 inclusive:

The Company will disregard any votes cast on Resolutions 3 to 6 inclusive by a director or an associate of any director.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Corporate Representatives

If a holding is registered in a company name, any individual voting on behalf of that company must do so either as a proxy or a duly appointed corporate representative in accordance with the Corporations Act 2001.

## EXPLANATORY NOTES

### Financial Report

The Corporations Act and the Company's Constitution require the Company's annual financial report, directors' report and auditor's report to be received and considered at the annual general meeting of shareholders.

Neither the Corporations Act nor the Company's Constitution require a vote of shareholders on the reports. However, in accordance with the Corporations Act and the Company's past practice, shareholders will have the opportunity to ask questions and make comments on the reports, and the Company's business and operations. A reasonable opportunity will also be given to shareholders as a whole to ask the auditor questions relevant to the conduct of the audit and the preparation and contents of the auditor's report.

### Resolutions 2(a), 2(b) and 2(c): Re-election of Directors who filled casual vacancies

Mr Bjorn Maarud, Mr Peter Ventress and Mr Paul Hitchcock were all appointed to the board since the last annual general meeting to replace a director who resigned during that period. All are eligible to be re-elected, and each offers himself for re-election. Biographical details are set out below.

- a) **Mr Bjorn Maarud** – MBA from the Norwegian School of Management, Bachelors degree in engineering from Oslo University College

Mr Maarud was appointed a director on 15 May 2008.

Mr Maarud is currently the Regional Vice President, Nordic region, for the international Corporate Express business. He is responsible for the management and strategic development of the Nordic and Baltic states businesses, an area with annual sales of 3.6 billion NOK, and 1,200 employees.

He is a director of the Bertel O. Steen Group, a leading Norwegian importer and distributor of motor vehicles and sports wear. He is chairman of Micro Matic Norge AS a Norwegian importer and marketer of components and systems for the management and control of heating and ventilation technical installations.

Mr Maarud is a member of the Company's Remuneration Committee.

As an employee of a company within the Staples group, and therefore associated with the Company's majority shareholder, Mr Maarud is not an independent director.

- b) **Mr Peter Ventress** – Masters degree in Modern History & Modern Languages (Oxford University, UK) and MBA (Open University London, UK).

Mr Ventress was appointed to the board on 3 December 2008.

He is currently the President of Staples International, overseeing Staples' businesses in Europe, South America, Asia and Australia. He previously served as CEO of Corporate Express N.V. leading up to the acquisition of the company by Staples in July 2008. He also served as a member of the Executive Board of Corporate Express. From 1999 – 2007 Peter held a number of senior management roles including: President Corporate Express Europe 2005 – 2007; President Corporate Express Canada 2002 – 2005; Regional President Corporate Express Europe 2001 – 2002; and President Buhrmann France 1999 – 2001.

Prior to Corporate Express, Mr Ventress served in a number of general management positions in the UK paper industry.

Mr Ventress is a member of the Company's Nomination Committee.

As an employee of a company within the Staples group, and therefore associated with the Company's majority shareholder, Mr Ventress not an independent director.

- c) **Mr Paul Hitchcock** – Associate Chartered Accountant, Diploma of Marketing – Auckland University.

Mr Hitchcock was appointed to the board on 30 March 2009.

He was Managing Director of Goodman Fielder Commercial, a division of Goodman Fielder from 2003 to 2008. In addition he was Managing Director of Goodman Fielder's Asia Pacific businesses from 2005 to 2008. These businesses had combined revenue of \$1.1 billion, EBITDA of \$117 million and over 2000 employees in 10 countries. In this role he consistently grew revenue, margins and profits. Paul has held general management and leadership roles, senior commercial roles in finance (his original discipline), human resources (at Lion Nathan) and sales (at both Goodman Fielder and Lion Nathan). At Goodman Fielder Commercial he has also gained experience in B2B commerce and logistics management.

As an executive director, Mr Hitchcock is not an independent director.

### **Resolutions 2(d), 2(e) and 2(f): Re-election of Directors who retire by rotation**

Dr Ian Pollard, Mr John Randall and Mr Grant Logan being one third of the directors (or the next whole number closest thereto), retire by rotation in accordance with clause 19.2 of the Company's Constitution. All are eligible to be re-elected, and each offers himself for re-election. Biographical details are set out below.

- d) **Dr Ian Pollard** – BA (Macquarie University); MA (Oxford University); D Phil (International Management Centre); Fellow of the Institute of Actuaries of Australia

Dr Pollard was appointed to the board on 1 July 2004, and became chairman on 1 January 2005. He has a broad background in corporate finance and advice, private equity investment and public company governance. He was Managing Director of the formerly publicly listed Development Capital of Australia Limited (now DCA Group Limited) from 1989 to 1998 and Managing Director of Development Finance Corporation Limited in 1986 – 1987. He has held previous directorships with Just Group Limited (Chairman) and DCA Group Limited.

Dr Pollard is a member of the ASX Corporate Governance Implementation Review Group and has authored three books on corporate finance.

Dr Pollard is a member of the Company's Remuneration Committee, and chair of the Nomination Committee. He is an independent director with no direct or indirect material relationship with the Company.

- e) **Mr John Randall** ACIS, FAIM.

Mr Randall was appointed a director on 3 January 2006. He has a strong background in logistics and general management.

Prior to the sale of the business to Canadian interests in December 2005, Mr Randall was Chairman and Chief Executive Officer of P&O Cold Logistics Limited. He held the Chief Executive position since 1995, and was Chairman from 2002. P&O Cold Logistics, whilst part of the larger P&O conglomerate, was a division with world wide operations, managed globally from Sydney, with revenues of almost \$600 million, 50 distribution centres across the world and 3,000 employees.

Mr Randall began his career with P&O in 1981, and has held general management, finance and marketing roles since that time. He was a director of P&O Australia from January 1997 to December 2005, and for a number of years sat on the Executive Committee of the UK parent company.

Mr Randall is a member of the Company's Audit Committee, and chair of the Remuneration Committee. He is an independent director with no direct or indirect material relationship with the Company.

- f) **Mr Grant Logan** – BCA, Victoria University, CPA NZ

Mr Logan was appointed a director on 15 December 2004. He has extensive business and financial experience, and has held senior executive positions with a number of international, private and publicly listed companies.

Mr Logan has been the Chief Financial Officer at Corporate Express for over 5 years. Prior to this he held CFO positions with Goodman Fielder and Bayer Australia Limited. At Philips Electronics he was Chairman and Chief Executive Officer, Australia and New Zealand, after being promoted from the CFO role.

As an executive director, Mr Logan is not an independent director.

### **Resolutions 3, 4, 5 and 6 – Issue of Performance Share Rights to Executive Directors The Long Term Incentive Plan Generally**

The Corporate Express Australia Limited Long Term Incentive Plan ("LTIP") was first adopted by the Company in 1999 (then called the Executive Option Plan). It is an employee incentive scheme intended to improve Company performance by aligning senior management interests with those of shareholders, and retain high calibre executives.

Currently approximately 25 executives are eligible to participate in the LTIP. This number, and eligibility to participate in the LTIP, may be increased or decreased at the discretion of the Board. An offer is generally made under the LTIP to executives each year.

All benefits made available under the LTIP are conditional upon the satisfaction of performance hurdles measured over a period of years. No shares are provided prior to the final date of the relevant measurement period, and then are only granted if the performance hurdles have been met.

#### **Other Specific Features of the Long Term Incentive Plan**

The LTIP allows executives to be offered options to acquire ordinary shares in the Company. Options may be either traditional options where the right to acquire the shares is conditional upon payment of the exercise price, or a zero exercise price option, which we refer to in this document as a "performance share right".

The LTIP matches best practice whereby long term incentive plans are being designed to enable the granting of both standard options and performance share rights (also known as performance shares, restricted shares, deferred shares etc).

The proposed offers for which shareholder approval is sought involve performance share rights and hence this term is used throughout this notice, as opposed to a reference to an option (although all references to a performance share right apply equally to an option).

Generally,

- Each issue of performance share rights to executives must be held for a minimum holding period determined by the Board before they can be considered for exercise. Then they can only be exercised if performance has met or exceeded the performance hurdle set by the Board.
- Performance share rights may be exercised before the end of their minimum holding period and satisfaction of performance hurdles in special circumstances such as retirement, redundancy, death or permanent disablement of the executive, or subject to the ASX Listing Rules, in the event of a takeover offer being made for the Company, or the Company entering into a scheme of arrangement ("Special Circumstances"). The Board may determine other Special Circumstances from time to time.
- To ensure no potential conflict of interest, non-executive directors may not participate in the LTIP. At present the only executive directors appointed, and therefore entitled to participate in the LTIP are Messrs Paul Hitchcock, Malcolm Keefe, Grant Logan and Garry Whatley (alternate director).
- If exercised, each performance share right will be converted into one ordinary share, with no further price payable on conversion.
- The Board will determine the number of performance share rights offered to a participant having regard to performance, existing holdings, remuneration and market practice, and will ensure such allocations are reasonable.
- Performance share rights are only transferable with the consent of the Board. Performance share rights will not be listed on the ASX.
- No participant will have an interest in the shares underlying a performance share right until the performance share rights are exercised.
- Shares issued on the exercise of performance share rights will be listed on the ASX, will rank equally with other ordinary shares and will not carry restrictions on trading.
- Performance share rights will lapse:
  - on the tenth anniversary of their issue date, or such earlier date determined by the Board;
  - on the date of termination of employment of a participant (other than due to Special Circumstance);
  - 2 years after the occurrence of a Special Circumstance;
  - if the performance hurdles have not been attained;
  - if the participant's dishonesty or like conduct against the Company results in forfeiture under the Rules of the LTIP; or
  - a participant is declared bankrupt.

- Performance share rights carry no right to receive dividends or to vote.
- Adjustment to the number of performance share rights will be made, in accordance with the ASX Listing Rules, if there is a bonus issue, rights issue or reconstruction of capital before the performance share rights are exercised.
- Participation in the LTIP does not affect participation in any other incentive or other scheme operated by the Company. The number of shares acquired during the previous 5 years from new issues by the Company under all employee share schemes established by the Company (including as a result of exercise of options to acquire unissued shares granted under any such employee share scheme) but excluding any such shares which have been bought back by the Company), when aggregated with the number of shares which would be acquired from new issues by the Company under all employee share schemes established by the Company were all outstanding options to acquire unissued shares (issued pursuant to such employee share schemes) to be exercised must not exceed 10% of the total number of issued shares in the Company.
- The Rules of the LTIP are subject to the overriding requirements of the Corporations Act and the ASX Listing Rules.

#### **Specific Features of the Offers made to the Executive Directors**

Taking into account market practice and the advice of independent remuneration advisors, the Board proposes to continue to offer annual grants of performance share rights, and on exercise, ordinary shares, to Paul Hitchcock, Malcolm Keefe, Grant Logan, and Garry Whatley. The Board obtains independent expert advice in respect of the remuneration packages of its executive directors from time to time and believes these to be well within the recommended levels of market competitive rewards, and otherwise in accordance with the Company's remuneration policies.

#### **The Performance Measure**

The performance measure applied to the entitlement granted under the LTIP is relative Total Shareholder Return (TSR) in respect of 1/3 of the entitlement, Earnings per Share in respect of 1/3 of the entitlement, and continuation of employment in respect of the remaining 1/3 of the entitlement.

TSR is the return to shareholders provided by share price appreciation plus dividends (which are assumed to be reinvested in the Company's shares) expressed as a percentage of the share price at the beginning of the measurement period, adjusted where appropriate for bonus issues, capital consolidation or equivalents.

Dividends include ordinary dividends and any other cash payments to shareholders such as special dividends and capital returns, and any other matters generally taken into account by Bloomberg (or equivalent) in calculating TSR. The share prices used for the purpose of TSR calculation are determined as the volume weighted average of the Company's share price over the 3 month period immediately preceding the start and end date of the performance period.

The TSR of all the companies in the peer group, and the Company, are ranked at the end of a 3 year performance period.

Participants do not have any entitlement to the underlying shares unless the Company's TSR is at or above the 50th percentile ranking of the peer group. At a 50th percentile ranking, participants have an entitlement to 50% of the underlying shares offered. If the Company's TSR ranking is above the 50th percentile, an additional 2% of the underlying shares is attained for every additional percentile, up to the 75th percentile where participants have an entitlement to 100% of the underlying shares. Where the Company's TSR ranking is above the 50th percentile, and below the 75th percentile some of the performance share rights result in shares being issued to the executive. The remaining relevant performance share rights lapse.

If however a TSR at or above the 50th percentile ranking of the peer group is not achieved at all within the initial performance measurement period, there is no entitlement to the underlying shares for a participant, and the measure is re-tested at the end of year 4, and if no entitlement at all arises on that occasion, once again at the end of year 5. In each case of re-testing, the TSR is measured from the start of the performance period to the end of the extended performance period. If the TSR performance level has been achieved over this extended period to the threshold or

higher level a participant is entitled to the relevant number of underlying shares, calculated by reference to the extent to which that measure is achieved. Any other entitlement that does not satisfy the performance hurdles lapse.

The performance measure to be applied to 1/3 of the PSRs granted is Earnings per share ("EPS").

EPS is based on diluted EPS, calculated in accordance with the Australian Accounting Standard AASB 133, and applied on a consistent basis throughout the 3 year measurement period. The EPS calculation is adjusted for unusual or abnormal events such as, but not limited to, profits as a result of a sale of a business or business unit.

The proportion of the PSRs which vest is determined by the extent to which the annual compound EPS growth over the 3 year performance period exceeds the annual compound growth of Consumer Price Index All Groups – Weighted average of 8 Australian capital cities ("CPI"), over the same period. The following table sets out the various threshold levels which must be achieved prior to vesting, and the percentage of PSRs which vest upon achievement of those thresholds:

Performance Level	Annual Compound Real EPS Growth over a 3 year measurement period (Over and above CPI)	% of PSRs to Vest (of those which are subject to an EPS performance hurdle)
	Less than 4%	Nil
Threshold	4%	25%
	More than 4%, less than 8%	Pro-rata up to 50%
Target	8%	50%
	More than 8%, less than 12%	Pro-rata up to 100%
Stretch	12% and above	100%

There is no re-testing of EPS performance in years 4 or 5. Any relevant PSRs which do not meet the EPS performance hurdle lapse.

The remaining 1/3 of an executive's PSR entitlement is subject to a 3 year retention based vesting requiring the executive to be employed up to and including the vesting date.

The board reserves the right to adjust the performance measures in the event of significant events (eg: an acquisition) which were not foreseen in the Company's business plan for the period. Measurement may also exclude legislative or regulatory changes that are outside management's control.

#### Peer Group for TSR measurement

The purpose of the peer group is to provide an external benchmark to enable a comparison of the Company relative to other organisations.

The peer group selected by the Board is those companies comprising the ASX 200 index from time to time (excluding the Company itself).

#### Allocation of Share Entitlements

The number of performance share rights or share entitlements to be allocated to executives each year under the LTIP is determined by applying a percentage of an executive's total guaranteed remuneration, and dividing the result by the market value of the Company's shares at the date of computation of the allocation. The market value of the Company's shares is based on the volume weighted average of the Company's share price for the 3 months prior.

The relevant percentages are set out below:

Executive Level	% Total Guaranteed Remuneration
Chief Executive Officer	64%
Executive Directors	44%
Strategic Executive positions	40%

Subject to the maximum limits approved by shareholders, the Board reserves the right to modify the above percentages for executives. The Board may also, in its discretion, decide to grant entitlements which are less than the entitlements set out above, to all or any one executive in any one year, or none at all.

Adopting the above in respect of Messrs Hitchcock, Keefe, Logan and Whatley, approval is sought for the issue of performance share rights, and ordinary shares consequent

upon the exercise of those performance share rights, as set out in the table below. Note that this approval is intended to cover 3 years of operation of the LTIP. The dates on which the performance share rights will be issued, and the period of the initial 3 year performance measurement period are also set out below.

Name	Approximate number of Performance share rights to be issued	Date by which performance share rights will be issued	Initial 3 year performance measurement period
Paul Hitchcock, Managing Director & CEO	2009 Allocation – 179,200	End of May 2009	3 years from date of grant
	2010 Allocation – 197,120	End of May 2010	3 years from date of grant
	2011 Allocation – 216,832	End of May 2011	3 years from date of grant
<b>Total maximum allocation over the next 3 years: 600,000</b>			
Malcolm Keefe, Chief Operating Officer	2009 Allocation – 92,400	End of May 2009	3 years from date of grant
	2010 Allocation – 101,640	End of May 2010	3 years from date of grant
	2011 Allocation – 111,804	End of May 2011	3 years from date of grant
<b>Total maximum allocation over the next 3 years: 306,000</b>			
Grant Logan, Chief Financial Officer	2009 Allocation – 92,400	End of May 2009	3 years from date of grant
	2010 Allocation – 101,640	End of May 2010	3 years from date of grant
	2011 Allocation – 111,804	End of May 2011	3 years from date of grant
<b>Total maximum allocation over the next 3 years: 306,000</b>			
Garry Whatley, Chief Information Officer & Alternate Director	2009 Allocation – 59,200	End of May 2009	3 years from date of grant
	2010 Allocation – 65,120	End of May 2010	3 years from date of grant
	2011 Allocation – 71,632	End of May 2011	3 years from date of grant
<b>Total maximum allocation over the next 3 years: 200,000</b>			

The maximum allocations above are based on an assumed share price of \$2.50, include an allowance for increases in total guaranteed remuneration and have been rounded. However, the higher the share price at the date of issue of the performance share rights, the lower the number of performance share rights that will be issued. As noted above, performance share rights are options to acquire ordinary shares at a zero exercise price.

#### Other Matters

Details of any securities issued under the LTIP to an executive director are and will continue to be published in the annual report of the Company in respect of each financial year to which the annual report relates, together with a note as to whether approval for the issues of the securities was obtained under ASX Listing Rule 10.14. In accordance with the ASX Listing Rules, approval from

shareholders is and will be obtained before participation in the LTIP commences for any executive director (excluding participation prior to his or her appointment as a director). There are no other persons referred to in Listing Rule 10.14, who are entitled to participate in the LTIP, other than the executive directors named in this Notice and for whom approval is sought in this Notice.

Since the last approval of shareholders was obtained under Listing Rule 10.14 at the annual general meeting held on 15 May 2007, options in the form of performance share rights have been issued to executive directors as set out in the table below. In all cases the grant was a grant of PSRs, which are zero priced options, and no other acquisition price was paid by each executive director. There are no company loans associated with the grant or exercise of the PSRs.

Name	No. of PSRs issued	Date of Grant	Expiry	Other
Paul Hitchcock	–	–	–	–
Grant Harrod	89,441	14/6/2007	14/6/2017	Note 1
	90,231	2/7/2008	2/7/2018	Note 2
Malcolm Keefe	34,161	14/6/2007	14/6/2017	Note 1
	42,308	2/7/2008	2/7/2018	Note 2
Grant Logan	34,161	14/6/2007	14/6/2017	Note 1
	42,308	2/7/2008	2/7/2018	Note 2
Garry Whatley	26,398	14/6/2007	14/6/2017	Note 1
	27,106	2/7/2008	2/7/2018	Note 2

**Note 1** – The PSRs were granted subject to performance conditions which were 50% subject to a relative TSR performance condition, and 50% subject to an EPS performance condition.

**Note 2** – The PSRs were granted subject to performance conditions the same as those proposed in this Notice, that is, 1/3 subject to a relative TSR performance condition, 1/3 subject to an EPS performance condition and 1/3 subject to a continued employment performance condition.

#### **Resolution 7: Appointment of Ernst & Young as Auditor**

On 2 October 2008 the resignation of PricewaterhouseCoopers as auditor of the Company was consented to by the Australian Securities and Investment Commission and therefore became effective. As announced on that date, the Company's Board of Directors appointed Ernst & Young as auditor pursuant to section 327C of the Corporations Act. The appointment is effective only until the next annual general meeting of the Company.

Accordingly, at this annual general meeting, shareholders receive the opportunity to either approve or reject the appointment of Ernst & Young as the Company's auditor. The Board of Directors chose to appoint Ernst & Young on the basis that Ernst & Young are currently the global auditors of Staples Inc, the ultimate parent company of the Company's 59% majority shareholder. An alignment of auditors avoids potential duplicate costs and potential inconsistencies in the interpretation and application of accounting standards.

#### **Resolution 8: Non binding advisory vote – Adoption of Remuneration Report**

The Annual Report for the financial period ended 31 January 2009 contains a Remuneration Report which forms a part of the Directors' Report. The Remuneration Report sets out the remuneration policy for the Company and its controlled entities, and sets out the remuneration arrangements in place for directors and senior management.

The Corporations Act requires the Company to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. This vote is advisory only and does not bind the Company. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.



**Kathleen Forbes**  
Company Secretary

30 March 2009