



Your vote

2019 Co-op AGM and
Director Elections

Introducing our Annual General Meeting

Being a Co-op Member gives you a say in how we're run.
One of the ways you can do this is by voting at our AGM.

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Here's what you can vote on

You can have your say on motions, Member Nominated Directors and your Members' Council Representatives.

Vote on AGM motions

These are key decisions that affect the way we do business, including the election and re-election of our Independent Non-Executive Directors. Vote in person at our AGM or by appointing a Voting Representative online at ersvotes.com/coopagm2019

Before you vote see pages 7 to 16 of this booklet and the additional information at co-operative.coop/agm

Vote to elect your Member Nominated Directors

These directors are chosen directly by you. Our directors make sure your voice is heard at the highest level within our Co-op.

Vote at
ersvotes.com/coopagm2019

Before you vote see pages 17 to 19 of this booklet.

Vote to elect your Members' Council Representatives

Your Members' Council is made up of 100 members representing 13 areas across the UK, and you get to choose who represents you and your community.

Vote online at
ersvotes.com/coopagm2019

Before you vote read your 2019 Members' Council Elections booklet.

Can I vote if I can't come to the AGM on the day?

Yes, you can get someone else to vote for you. This person is called a Voting Representative and can either be the Chair of the Meeting or another member you choose to attend the AGM in your place. You can tell us who your

Voting Representative will be and instruct them how to vote at
ersvotes.com/coopagm2019

Co-op Annual General Meeting



Our AGM is being held on Saturday 18 May 2019, in Exchange Hall, Manchester Central, Petersfield, Manchester, M2 3GX, starting at 10.30 am.

This is the plan for the day:

① 8.30am

Doors open for registration and networking

⌚ 9.00am - 10.00am
Workshops

2018 in numbers – meet our Finance team and find out more about how we performed in 2018.

Members' Council – come and meet the members that represent you and your community. Find out more about their activities over the last year and share your views about how our members can be more involved in our Co-op.

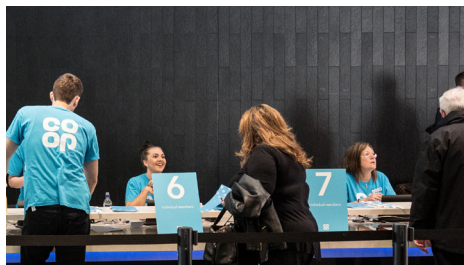
⌚ 10.30am

The AGM

Hear our Chair, CEO, Council President and others review the year. This is your chance to ask a question of the Board and have your say by voting on the motions.

⌚ 1.30pm
Join us in our Marketplace

Our Marketplace will be open before, throughout and after the AGM. Come and find out more about our businesses, meet other co-ops and sample some of our amazing new food ranges.



What to bring

If you're coming to the AGM, you will need your Co-op Membership card and another form of ID like a credit card or your driving licence to show you're eligible to attend.

Security and bag searches

As part of enhanced security measures, we'll be carrying out bag searches on entry. Please bring as little as possible with you.

Watch our AGM online

If you can't join us in person, you can join us online at co-operative.coop/agm, we will be broadcasting live on our YouTube channel.

AGM Event App



Download our AGM App to access everything you need to know about our AGM.

You'll be able to see the AGM programme, find out what's happening on the day and

explore our Marketplace. The App is available to both Apple and Android users. Just search for 'Co-op Event App'. If you're using another device, just enter coop.co.uk/eventapp into your browser.



The formal bit: Notice of Annual General Meeting

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Saturday 18 May 2019, Exchange Hall, Manchester Central,
Petersfield, Manchester, M2 3GX at 10.30 am.

Below are the motions we are asking you to vote on at the meeting. The Board and Council are recommending you vote for all Motions.

We have included supporting notes at the end of this Notice to help you make up your mind.

Motions 1-3

These are motions to be passed as Ordinary Resolutions and are advisory, they only need a simple majority to be passed. A simple majority is more than 50% of the total votes cast.

Our performance

1

To receive the Annual Report and Accounts for the period ended 5 January 2019.

2

To approve the Directors' Remuneration Report for the period ended 5 January 2019.

Our Remuneration Report can be found on pages 70-87 of our Annual Report and Accounts which is on our website: co-operative.coop/annualresults

?

What is a remuneration report?

It's a report that tells you what our Directors and Executive have been paid.

3

To approve our Executive Pay Policy.

Our approach to Executive Pay is included on pages 77-81 of our Annual Report and Accounts. You'll find our Annual Report and Accounts at co-operative.coop/annualresults

Motions 4-7

These are also motions to be passed as Ordinary Resolutions but they are binding. They only need a simple majority to be passed.

These Motions relate to re-electing Independent Non-Executive Directors and electing those who have been appointed during the year.



Re-electing and electing our Independent Non-Executive Directors (INEDs)

4

To re-elect Allan Leighton as an Independent Non-Executive Director.

5

To re-elect Sir Christopher Kelly as an Independent Non-Executive Director.

6

To elect Rahul Powar as an Independent Non-Executive Director.

? Who are INEDs?

They're Directors who are independent of the Executive team appointed by the Board and elected by members. They're not involved in the day-to-day running of the business, but they have a key role in ensuring our Co-op is well run.

Appointing our Auditors

7

To re-appoint Ernst and Young LLP as our auditors and authorise the Risk and Audit Committee to fix their remuneration.

Motions 8-11

These are Motions to be passed as Ordinary Resolutions and are advisory. They only need a simple majority to be passed.

Joint Board and Council Motion - Political Donations

8

To seek approval to incur political expenditure, including donations and/or subscriptions to political parties, not exceeding £750,000 in total for the year commencing 1 January 2020.

Joint Board and Council Motion - Safer Colleagues, Safer Communities

9

This AGM notes with great concern the unprecedented levels of violent, weaponised attacks on Co-op colleagues in stores throughout the UK. This level of violence reflects that in wider society which has been so tragically highlighted in recent months.

We welcome the campaigning position taken in December 2018 by our Co-op through the *Safer Colleagues, Safer Communities* and the commitment to both protect colleagues and address the root causes of crime in society.

We ask members to support our Board in the actions it is taking to maintain and strengthen this position specifically to:

- maintain levels of investment in technology and security measures to keep colleagues safe which has seen £70m invested in the previous three years; and

- build on increased support to community groups who tackle the root causes of violent crime to help individuals in those communities to reach their full potential.

Motion from Council – Increasing our Commitment to Fairtrade

10

This AGM is proud to acknowledge that due to our members' commitment to Fairtrade, our Co-op continues to outperform the market in sales and lead on our Fairtrade range. We applaud our Co-op's decision to sign up to the International Fair Trade Charter at a time when some retailers are reducing their commitment to Fairtrade.

At this critical and highly challenging time in the history of the Fairtrade movement, we recognise that a fairer distribution of wealth globally will also strengthen communities in the UK where members live and our Co-op trades.

Working with Fairtrade groups and our members, this AGM wishes to further strengthen support for Fairtrade Producers.

This AGM calls upon the Board to:

- Campaign and communicate about the Fairtrade difference, helping shoppers appreciate 'Gold standard' certification like the Fairtrade mark and continue to support the world's Fair Trade bodies to unify standards and maximise producer benefits.
- Increase visibility of Fairtrade products in our shops and promote

them year round, coupled with Fairtrade stories and product messages, so that busy shoppers can quickly and easily choose Fairtrade.

- Whilst maintaining Co-op's welcome commitment to the existing 7 core Fairtrade categories, review the possibilities for strengthening and extending the range thus allowing customers to increase their support for Fairtrade producers.
- Fully explore how best members can support and contribute, through financial and non-financial means, to the growth of co-operative Fairtrade projects through their Co-op, recognising that we are all part of a global community as well as local, regional and national communities.
- Make our Co-op website the "go to digital hub" to find local, national and internationally available Fair Trade products and businesses, that we are unable to stock, thus growing resilience and product diversity in Fairtrade producer communities. Promote this to those members already buying Fairtrade from their Co-op, as well as to non-members.
- Fully report our financial support of Fairtrade, including the value of Fairtrade and its impact on producer communities, in a transparent way allowing a better understanding of different retailers' claims in comparison to our own.

Motion from Council – Responsible Sourcing

11

This AGM notes that the world is experiencing a climate crisis, that food and agriculture represents a large percentage of Green House Gas (GHG) emissions and is a leading cause of biodiversity loss globally. Furthermore, the stability of food supply chains, and the livelihoods of farmers and growers are under threat by increasingly erratic weather patterns, caused by climate change and also challenges of biodiversity loss, soil health and water supply.

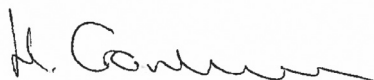
This AGM supports the Future of Food 2030 framework launched in September 2018 and applauds the achievement of meeting our GHG target 3 years early and the progress made on responsible sourcing to date.

To ensure a natural environment we are proud to pass on to future generations, this AGM calls upon the Board to accelerate action to mitigate and reduce the impacts of the Co-op on the natural world.

This AGM calls upon the Board to:

- Pursue ambitious science based plans for direct and indirect carbon and GHG emission reduction.
- Publish plans for the responsible sourcing of key ingredients and resources used across the Co-op.
- Promote and develop digital tools that measure the environmental and ecological footprints of our Co-op products.
- Work with respected partners on key projects to restore nature in agricultural supply chains.
- Support the call on international governments for a 'Global Deal for Nature and People' to reverse nature's decline by 2030.

On the day, we will also let you know who you voted to be our two Member Nominated Directors.



Helen Grantham

Group Secretary

15 April 2019

The technical bit

Voting on each of the motions is by poll.

A poll means that:

- Each Individual Member has one vote on each motion, whether they vote in person or appoint a Voting Representative;
- Each Independent Society Member (ISM) has weighted votes on each motion. The weighting is decided under Part 2 of our Purchases Regulations which are available at **co-operative.coop/agm**

Your Voting Representative must be an Individual Member (who can be the Chair of the Meeting, or a Council member) and you must instruct them how to vote on each motion. ISMs can appoint another ISM Corporate Representative as their Voting Representative.

More Information on our Motions:

The majority of motions proposed this year relate to the standard business we consider each year – our annual report and accounts, remuneration report, director re-election, auditor appointment and political donations.

Motion 3 – Changes to our Executive Pay Policy

You are being asked to consider an additional motion this year to approve our Executive Pay Policy for a further three years. This can be found on pages 77-81 of our Annual Report and Accounts (co-operative.coop/annualresults). The Pay Policy in its entirety was last voted on by members at the 2016 AGM.

In 2017, members voted to support the Remuneration Committee's plans to simplify the incentive arrangements for the Executive by adjusting the balance and design of the annual and long-term incentives provided the total quantum that could be received for annual and long-term incentives did not exceed the amount available under the present arrangements.

In addition, in 2018, members supported a change to the maximum amount payable to our Chief Executive for performance related pay. This change was proposed after a review of what is paid under our bonus plan compared to similar organisations showed that our Chief Executive's total package was a lot lower than the market rate. Rather than increase base pay, your Committee believed it was better to increase the part of pay which links to performance.

While technically not binding, in the event of a vote against motion 3, the Board has committed to consult with the Council Remuneration Working Group on amendments to the Pay Policy with a view to bringing an amended version forward for another vote at the 2020 AGM. In the meantime, the existing Pay Policy would remain in force until it is amended.

Motion 8 – Political Donations

We follow best practice and any decisions on the principles of political donations is put to a vote at the AGM. We are a founding-member and funder of the Co-operative Party, and have member representation on the Party's National Executive Committee. The Co-operative Party was created in 1917 to defend and further the cause of co-operation in the UK, ensuring that co-operators are elected and the Co-operative Movement's voice is heard in Parliament and at all levels of government.

As a subscribing member of the Co-operative Party, last year we agreed funding of £625,600 for 2019 – this level of funding has remained unchanged from the previous year. If this motion is not passed, we will give notice to the Co-operative Party that we will withdraw as a subscribing member; however, we will honour our existing commitment to give them a minimum of 12 months' notice to terminate our membership and will provide funding until the end of 2020 to allow them time to think about the Party's future. If this motion is passed, we will continue to be a subscribing member, and will also be

able to make additional small donations to other political parties, campaigns and organisations which support co-operative values and principles, with total expenditure not exceeding £750,000.

Motion 9 - Safer Colleagues, Safer Communities

Levels of violence directed against shop workers are at unprecedented levels with recent USDAW surveys suggesting 250 shop workers face violence and abuse every day. At the Co-op we see this on a daily basis and also see the increasing use of weapons like knives, axes and guns in those incidents. Of course, this level of violence reflects the increasing problem of violence, particularly knife crime, in communities up and down the country.

At the Co-op our most important duty is to ensure our colleagues can work in a safe environment every day but we also recognise that colleagues and members also live in communities scarred by violence and crime. Therefore, in December 2018 the Co-op announced its latest campaign - Safer Colleagues, Safer Communities - to both keep colleagues safe at work and to help tackle the root causes of crime in communities. You can find further detail of the campaign in our [Safer Colleagues, Safer Communities](#) report.

Motion 10 - Increasing our Commitment to Fairtrade

In 2019 we celebrate 25 years of the Fairtrade Mark in the UK. Throughout this time the Co-op and our members have been pivotal in supporting the movement.

At the Co-op we believe that the principles of Fairtrade chime with our own; paying a fair price, a social premium, and ensuring producer voice is embedded in decisions. These speak to the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity.

We are proud of our Fairtrade firsts, including being the first retailer to stock Fairtrade products in every one of our stores and launching the first Fairtrade own brand product helping to truly mainstream Fairtrade. We have also supported the wider Fair Trade movement by working with Traidcraft to bring Fairtrade products to our shelves where the Mark is not available.

Despite the life changing impact Fairtrade has had over the last 25 years the need to continue is as strong as ever. Around 2 billion people globally are dependent on smallholder agriculture and represent the majority of people living in poverty around the globe. The ability to trade on fair terms and receive a fair price remains the best way for these communities to lift themselves and their families out of poverty.

In our Future of Food 2030 we lay out our commitment to ensuring that 'Everyone that produces Co-op food will get a fair deal' and Fairtrade remains a core way for us to do this.

Motion 11 – Responsible Sourcing

Climate Change and the impact of humanity on the planet represents the global challenge of this generation.

We note the concerns of the United Nations Intergovernmental Panel on Climate Change, which state that in order to mitigate against disastrous climate change global GHG emissions should be cut in half by 2030, and the statement from the World Wildlife Fund (WWF) that “We are the first generation to know we are destroying the planet, and the last one that can do anything about it.” We acknowledge the natural environment and a sustainable future for people are intrinsically interlinked.

For our Co-op, how we source the resources and ingredients we use is one of the defining legacies we will leave for future generations. We have a great heritage around the responsible sourcing of key ingredients; from a market leading FSC position in wood products and coffins, to use of British protein, sustainably sourced palm oil and responsibly sourced fish in our food products.

Electing your Independent Non-Executive Directors

This year, we are asking you to re-elect Allan Leighton and Sir Christopher Kelly as Independent Non-Executive Directors. We are also asking you to elect Rahul Power as an Independent Non-Executive Director.

All Directors have met the eligibility criteria under our Rules.



Allan Leighton

Independent Non-Executive Director and Chair

Appointed as an Independent Non-Executive Director on 19 February 2015 and is also our Chair.

Skills and Experience

Allan has held a series of high-profile roles, including chief executive of Asda from 1996 to 2000 and non-executive chairman of Royal Mail from 2002 to 2009. Allan is currently chairman of Entertainment One Ltd, Canal and River Trust, Element Technology and Allbright, the all womens club and a NED of the Restaurant Group Plc.

Why I love being a Director of our Co-op

We are part of a movement that does business in a better way - it's as simple as that. Our focus is clear: to serve our members and the communities where we do business. We have put our Co-op back at the heart of communities and our ambition to build on that is firmly embedded in the plans we are developing.

Our Co-op has always been special to me since the days my father ran our local Co-op store, and it is an honour for me to chair this amazing business. Inspiring young people to make the most of their lives is something that means a lot to me. I will again donate my fee as a director and chair to the Co-op Foundation, which does fantastic work helping the young make a positive contribution to our communities.



Sir Christopher Kelly

Independent Non-Executive Director

Appointed as an Independent Non-Executive Director on 14 November 2014 and is also our Senior Independent Director.

Skills and Experience

Chris chaired Co-op's independent review, which considered the events leading up to the re-capitalisation plan for The Co-operative Bank plc in 2013. He currently chairs the Kings Fund (the health and social care think tank), the Oversight Board of the Office for Budget Responsibility and is a trustee of the Canal and River Trust. Previous roles include: chairing the Committee on Standards in Public Life, the Responsible Gambling Strategy Board, the Financial Ombudsman Service, and the NSPCC. For many years, he was a senior public servant, mostly in HM Treasury but latterly as permanent secretary of the Department of Health.

Why I love being a Director of our Co-op

Our Co-op has done a tremendous job rebuilding itself in recent years. Our strength comes from the belief of our members in the good that an organisation like ours can do when it is well-governed and well-led. I've been privileged to have played my part in our Co-op's rebuilding. It would be a great honour to continue serving on our Board and make a contribution to our future success as we move into the next, exciting phase.



Rahul Powar

Independent Non-Executive Director

Appointed as an Independent Non-Executive Director on 23 July 2018.

Skills and Experience

Rahul is the founder and chief executive of Redsift, an organisation that provides an open platform to deliver products that prevent cyber-attacks. Prior to Redsift, he founded Apsmart, which was acquired by Thomson Reuters Corporation in 2012. At Thomson Reuters, he served as the head of advanced products and innovation.

In a previous life, he was part of the founding team and the principal technical architect of Shazam. Before the launch of the iTunes AppStore, he envisioned and created the first Shazam iPhone app.

Why I love being a Director of our Co-op

Our Co-op has a clear, ethically-driven purpose that differentiates us from our competitors, which has always resonated with me. We want to innovate and use digital as a force for good, and I believe my experience in this area can help us to create more value for our members and our communities and get our goods and services in front of the next generation of members. Since joining the Board last July, I've gained a real sense of what this organisation can do and the impact it has; I'd be honoured to continue helping to develop a Co-op for the future.

Electing your Member Nominated Directors

What is a Member Nominated Director (MND)?

MNDs make sure our members' voice is heard at the highest level. Just like the Executive and Independent Non-Executive Directors, they sit on the Board, but the difference is that they're chosen directly by you.

How many MNDs are we voting for?

This year, you are voting for two MNDs and you can choose from three candidates.

The two current MNDs whose terms of office are coming to end in May 2019 are Paul Chandler and Gareth Thomas. They are both standing for re-election. You can also vote for Sarah McCarthy-Fry.

The value of our MNDs

All our Directors need to demonstrate a strong commitment to Co-operative values and principles. They must also have a strong commercial background and have proven skills and capabilities.

The Board together determines the strategy of our Co-op and the MNDs play a key part in this, ensuring that the interests of members are at the heart of everything we do.

Terms of Office

The terms of office for the two MND positions is three years.

Details of the candidates are listed on the next pages. They have been listed in random order.



Paul Chandler

Occupation

Co-op Member Nominated Director

Co-operative businesses traded with in the last 12 months

Food, Electrical, Insurance and Bank

After four years as one of your directors, I'm proud of the revitalisation of our Co-op.

As former chief executive of Traidcraft, the Fairtrade pioneers, I bring passion for fair and ethical business, sustainability and social justice - with strong commercial and financial experience too.

We've made great progress but there's lots more to be done to improve our services and promote our Co-op model and values to benefit members, customers and colleagues, strengthen communities and care for the planet.



Gareth Thomas

Occupation

Co-op Member Nominated Director

Co-operative businesses traded with in the last 12 months

Food, Electrical and Insurance

As a current MND, I've engaged fully in Board discussions - bringing leadership experience from my former role as retail director of the UK's biggest employee-owned business (John Lewis).

I've learnt through listening to Co-op colleagues and members, visiting stores, Academy schools and other co-operatives, and by participating in every Members' Council meeting.

I've championed the importance of colleagues as a priority, and through them, enhancing all aspects of member experience.

We can do more together. Please vote for me.



Sarah McCarthy-Fry

Occupation

Finance Director

Co-operative businesses traded with in the last 12 months

Food and Electrical

During 25 years as a committed co-operator, I have championed Co-op values and principles at the highest level of government and at community level.

As a finance director in an international enterprise, I understand competitive commercial markets and can bring fresh ideas and thinking to the Board, steering the success of our business into the future.

Passionate about our Co-op business model, I am certain that we can continue to maintain a successful business whilst upholding our special Co-op values.

CELEBRATING
175
YEARS

1844  2019

Access for all

Manchester Central is equipped to welcome members with special access requirements. There will be an induction loop in the main hall, a sign language interpreter and assistance dogs are welcome. If you have any other requirements, please let us know in advance.

We can provide publications in large print, audio and other formats

If you require a copy of these documents in any other format or if you have difficulty accessing the additional information online, please email us at agm@coop.co.uk, call us on **0800 023 4708** or write to us at **Co-op Membership, Department 10703, 1 Angel Square, Manchester M60 0AG**