



UCW LIMITED

ACN 108 962 152

**NOTICE OF EXTRAORDINARY GENERAL
MEETING**

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10:00am (AEST)
DATE: 7 September 2015
PLACE: Level 5, 137-139 Bathurst Street
Sydney, NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8072 1400.

CONTENTS PAGE

Notice of Extraordinary General Meeting (setting out the Resolutions)	3
Explanatory Statement (explaining the Resolutions)	7
Glossary	32
Proxy Form	35

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (AEST) on 7 September 2015 at:

Level 5, 137-139 Bathurst Street
Sydney, NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and either:

- (a) deliver the proxy form:
 - (a) by hand to Suite 115, 3 Male Street, Brighton VIC 3186; or
 - (b) by post to UCW Limited, c/- PO Box 231, Brighton VIC 3186; or
- (b) by facsimile to (+61 2) 9283 1970,

so that it is received no later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of UCW Limited (ACN 108 962 152) (**Company or UCW**) will be held at 10:00am (AEST) on 7 September 2015 at Level 5, 137-139 Bathurst Street, Sydney, NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 10:00am (AEST) on 5 September 2015. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Part A: Consolidation and Acquisition of Australian Learning Group Pty Limited

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 2 to 4 (inclusive) being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every four (4) Shares be consolidated into one (1) Share; and*
- (b) every four (4) Options be consolidated into one (1) Option;*

and, where the Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up or down (as the case may be) to the nearest whole security (as the case may be), further details of which are described in the Explanatory Statement”.

NOTE: RESOLUTIONS 2-4 (INCLUSIVE) WILL BE IMPLEMENTED AFTER THE COMPLETION OF THE CONSOLIDATION AS SET OUT IN RESOLUTION 1.

2. RESOLUTION 2 – APPROVAL OF CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1 and 3-4 being passed, for the purposes of ASX Listing Rules 11.1.2, 11.1.3 and for all other purposes, the Company be authorised to make a significant change to the nature and scale of its activities as set out in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 2 by:

- (a) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed;
- (b) the ALG Vendors (or their nominees);
- (c) a person who may participate in the Capital Raising; and
- (d) an associate of any person described in (a) - (c) inclusive.

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

3. RESOLUTION 3 – APPROVAL OF FUTURE ISSUE OF CONSIDERATION SHARES TO MR MATTHEW DAVID SMITH AND MS MARGARET ELIZABETH ARMSTRONG

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1 -2 and 4 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of, on a post-consolidation basis:

- 1) *up to 8,333,333 Shares at a deemed issue price of 6 cents (\$0.06) per Share to Mr Matthew David Smith (or his nominee); and*
- 2) *up to 8,333,333 Shares at a deemed issue price of 6 cents (\$0.06) per Share to Ms Margaret Elizabeth Armstrong (or her nominee),*

*(Mr Smith and Ms Armstrong collectively referred to as **ALG Vendors**)*

as part of the Consideration Shares pursuant to the ALG Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by:

- (a) the ALG Vendors (or their nominees);
- (b) a person who may participate in the Capital Raising;
- (c) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (d) an associate of any person described in (a) - (c) inclusive.

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

Part B: Capital Raising to raise up to \$10 million

4. RESOLUTION 4 – APPROVAL OF FUTURE ISSUE OF NEW SHARES PURSUANT TO CAPITAL RAISING

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1-3 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of, on a post-consolidation basis, up to 166,666,667 New Shares at an issue price of 6 cents (\$0.06) per New Share to raise up to \$10,000,000, to investors who have been invited to subscribe for New Shares under a Prospectus to be issued by the Company, and otherwise on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by:

- (a) a person who may participate in the Capital Raising;
- (b) the ALG Vendors (or their nominees);
- (c) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (d) an associate of any person described in (a) - (c) inclusive.

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at 10:00am (AEST) on 7 September 2015 at Level 5, 137-139 Bathurst Street, Sydney, NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Extraordinary General Meeting are set out below.

Part A: Consolidation and Acquisition of Australian Learning Group Pty Limited

Consolidation of existing issued capital of the Company

Prior to reinstatement to the Official List of the ASX, the Company will undertake a 1 for 4 consolidation (**Consolidation**).

Shareholders should note the use of post-Consolidation figures throughout this Notice of Meeting. Whilst the terms of the Proposed Transaction, which have been previously disclosed to the ASX, have been in pre-Consolidation figures, in terms of the practical timing of events, all Securities in connection with the Proposed Transaction will be issued on a post-Consolidation basis.

Shareholder approval for the Consolidation is being sought under Resolution 1 of this Notice of Meeting.

Proposed acquisition of ALG by the Company

Background

On 17 June 2015, the Company announced that it had signed a binding Share Sale and Purchase Agreement (**ALG SPA**) to acquire 100% of the issued capital in Australian Learning Group Pty Ltd (ACN 112 741 723) (**ALG**), subject to a number of conditions precedent being satisfied (**ALG Acquisition**). ALG is a leading provider of accredited education to the international and domestic student market in the areas of Fitness, Sport and Recreation Management and Massage.

The ALG Acquisition will be referred to as the **Proposed Transaction** in this Notice of Meeting.

Rational for the Proposed Transaction

Since recapitalisation and reinstatement to the Official List of the ASX on 11 May 2015, the Board of UCW has continued to assess the prospects of its business of online and direct sales distribution of apparel.

It has also considered alternative opportunities and considers that the Proposed Transaction will provide the Company with a platform to develop a high-growth and positive cash-flow generating business. Accordingly the Board proposes to pursue an alternate strategy in the education sector, subject to shareholder approval of the change.

The Board intends to continue to evaluate whether it can extract value from the Company's current assets including its large customer base. All remaining assets associated with the former business will, to the extent possible, be either utilised as part of the Company's new business, joint ventured, sold, or otherwise abandoned.

The Vocational Education and Training Sector

Subject to shareholder approval, the Company intends to revise its corporate strategy to focus on the education sector and in particular the vocational education and training (VET) sector. The Board has extensive experience in education and believes the timing is opportune for the Company to enter the market, which has the following characteristics:

- \$9.6 billion revenue market, growing at 2.1% per annum.
- Fragmented with approximately 5,000 providers.
- Highly regulated with a framework of legislative requirements.
- Government policies in place to support increased vocational enrolments with bipartisan support.
- Privatisation underway with private providers doubling their share of enrolments during the period 2008 to 2012.
- Domestic enrolments supported by introduction of minimum qualification requirements in many markets, existing workforce participants up-skilling and cross-skilling to enhance employability and the acceptance of VET qualifications as a pathway to higher education courses.
- International student enrolments supported by the low A\$ and streamlined visa processing. Australia is a top 5 global destination for international students and education is Australia's largest service export.
- Competition driving up quality and together with increasing compliance costs, making it harder for niche players with limited access to investment capital to compete, creating consolidation opportunities.

The Company's strategy within the education market is to acquire campus-based businesses with international and/or domestic students enrolling into high demand or niche accredited courses, that it can add value to and grow through strategies including product expansion, geographic expansion and the addition of different delivery modes such as online.

Experience of the UCW Board in the education sector

The UCW board has extensive experience in the education sector.

Mr Adam Davis, Executive Chairman

Adam Davis has extensive experience in the education sector, having founded and then acted as Chief Executive Officer and Managing Director of ASX-listed Tribeca Learning Limited. The company was acquired in 2006 by Kaplan, Inc., a division of NYSE-listed The Graham Holdings Company (formerly The Washington Post Company), to form the foundation of its Australian operations.

Under Adam's stewardship, Tribeca Learning acquired and integrated numerous education businesses servicing the Australian financial services sector, consolidating a fragmented market and creating the leading national provider. Tribeca Learning offered a broad range of accredited courses and continuing education programs and its customers included most of the major financial institutions in Australia.

Adam holds a Bachelor of Applied Finance degree from Macquarie University.

Mr Peter Mobbs, Non-Executive Director

Peter is an experienced and respected leader in education with 13 years' experience in the sector. He is currently CEO of online vocational provider, Ivy College. In previous roles, Peter was the Director of Operations, Career Education within Study Group - a global education provider - and held the role of Managing Director, Martin College, also a Study Group business.

In earlier years Peter established Australia's leading private real estate education business, Agency Training Australia, which in 2006 was acquired by Kaplan Inc., a division of NYSE-listed Graham Holdings Company (formerly The Washington Post Company). Peter became Kaplan's General Manager, Product Development and Delivery for the stock broking, insurance, accounting, real estate and financial services industries. As a member of Kaplan's senior executive team Peter was involved in acquisitions, integrations and new product development.

Prior to entering the education sector Peter worked as a lawyer in both the U.K. and Australia in the areas of commercial litigation and tax. While working as a lawyer Peter also gained extensive experience in training and compliance. He holds degrees in both commerce and law, a Graduate Diploma in Legal Practice, Certificate IV in Workplace Training and Assessment and is admitted to practise in the Supreme Court of NSW. He is a member of the Law Society of NSW and the Australian Institute of Company Directors.

Australian Learning Group Pty Ltd (ALG) Background

Founded in 2005, ALG is a leading provider of accredited education to the international and domestic student market in the areas of Fitness, Sport and Recreation Management and Massage.

ALG is a Registered Training Organisation (**RTO**) and a national Commonwealth Register of Institutions and Courses for Overseas Students (**CRICOS**) provider. It operates through two colleges, the Australian College of Sport & Fitness and the NSW School of Massage, and offers Certificate III, Certificate IV and Diploma level courses. It has campuses in Sydney, Melbourne, Brisbane and Perth.

ALG principally services the international student market with an approved international student capacity of 1,375 students across its four campuses. Students are sourced through a wide network of 400 agents, the majority from low-risk assessment countries making it easier for students to meet visa requirements. ALG also services the domestic student market with the same course set offered via distance education and on-campus study options.

Revenue is derived from student fees and there are no government funding or VET-FEE HELP arrangements currently in place. ALG has a strong compliance history and consequently a low-risk rating from the Australian Skills Quality Authority (**ASQA**), the national regulator of the VET sector.

The business has historically achieved circa 20% per annum (CAGR) revenue growth over the past 3 years¹. The Board believes that further growth can be achieved through fulfilment of its recently increased campus capacity, ongoing campus expansion, the introduction of new complementary courses and an increased focus on the domestic market.

ALG Executive Team

ALG is led by an experienced executive team that will remain with the company post completion of the Proposed Transaction:

Matthew David Smith, Chief Executive Officer

Matthew is the co-founder and sole director of ALG. Since ALG's inception, Matthew's primary responsibilities have concerned ALG's strategic direction and business development, which has included new business modelling, product development and key partnership development. Matthew has 10 years' experience in international marketing and business consulting across Europe, US and Australia, and has developed core strengths in marketing, customer acquisition and strategic business development.

Matthew holds a Bachelor of Commerce degree from the University of New South Wales and has attained several qualifications within the VET industry which include: TAA, Certificate IV in Fitness, and Certificate IV in Massage.

Following the completion of the Proposed Transaction, the Company and ALG will enter into a new employment contract with Matthew on similar terms as his current engagement, whereby he will be employed by ALG for a period of not less than 2 years.

Margaret Elizabeth Armstrong, Director of Studies

Margaret is the co-founder and Director of Studies of ALG. Since ALG's inception Margaret's primary responsibilities have concerned course development, compliance and teacher performance management. Margaret has 10 years' experience in international marketing and corporate communications across Europe and Australia. Margaret has worked with companies including IBM, AAPT and Cable & Wireless Communications. In addition, Margaret has worked as a secondary teacher for 4 years, teaching Economics and Business Studies, where she notably was responsible for introducing VET in the high school's program.

¹ The information contained herein has been provided by the ALG Vendors to UCW. The Directors of UCW have not independently audited or verified the accuracy of the information and do not accept any responsibility for its inaccuracy, misstatement or any omission of any nature whatsoever in relation thereto.

Margaret holds a Bachelor of Economic degree from the University of New South Wales and has also attained a Graduate Diploma in Secondary Education from Macquarie University.

Following the completion of the Proposed Transaction, the Company and ALG will enter into a new employment contract with Margaret on similar terms as her current engagement, whereby she will be employed by ALG for a period of not less than 2 years.

Andreas Lippa, General Manager and Director of Sales

Andreas is the General Manager and the Director of International Sales of ALG. Andreas has been an employee of ALG since 2009 and his primary responsibilities have concerned the management of international student sales via education agent networks, and also providing support to the CEO with respect to general management and daily business operations. Andreas has 15 years' experience in the hospitality industry, in various sales and marketing related roles for high-end hospitality groups including the Marriott Group.

In addition, following the completion of the Proposed Transaction, the Company and ALG will enter into a new employment contract with Andreas on the similar terms as his current engagement.

ALG Financial Performance

ALG unaudited accounts (\$000s)²	Year Ended 30-Jun-13 (actual)	Year Ended 30-Jun-14 (actual)	Year Ended 30-Jun-15 (forecast)
<u>Revenue</u>	4,580	5,504	6,558
<u>Gross Margin</u>	2,970	3,696	4,320
<u>EBITDA *</u>	<u>1,094</u>	<u>1,469</u>	<u>1,580</u>
<u>Accounting Adjustments**</u>	-116	10	-143
<u>Adjusted EBITDA</u>	<u>978</u>	<u>1,479</u>	<u>1,437</u>

* EBITDA has been normalised for commercial lease and royalty transactions with the owners and is the basis of determining the purchase price

** Indicative revenue recognition accounting adjustments to account for unearned income on an accrual basis

The Company is currently in the process of reviewing and auditing the financial statements of ALG, and has not completed this review. Therefore a pro-forma statement of financial position cannot be disclosed at this time and will be released to the market in due course following completion of the audit.

The Board believes ALG to be an excellent initial asset for UCW in the education market given its established leading position with several growth levers already in place, including the opening of the Brisbane campus in 2015 and an increase in capacity of international students in the Sydney and Melbourne campuses (total additional capacity of 480 students).

² The information contained herein has been provided by the ALG Vendors to UCW. The Directors of UCW have not independently audited or verified the accuracy of the information and do not accept any responsibility for its inaccuracy, misstatement or any omission of any nature whatsoever in relation thereto.

In addition, the depreciation of the A\$ makes ALG's offering more compelling for international students, and the expansion into the domestic market is supported by Government policies in the VET sector (including VET-FEE HELP).

Material Terms of the ALG SPA

On 17 June 2015, the Company announced that it had entered into a SPA with the ALG Vendors, to acquire 100% of ALG, which includes all the intellectual property, employees, customer contracts and business operations of ALG.

The ALG Vendors consist of the following shareholders:

Table 1 – ALG Vendors

ALG Vendor	Description
Mr Matthew David Smith	Mr Matthew David Smith, Director of ALG (owns 1 B-Class Share) It is proposed that Mr Smith will remain as the Chief Executive Officer of ALG for a minimum of 2 years from completion of the Proposed Transaction. Mr Smith will not join the Board of UCW.
Ms Margaret Elizabeth Armstrong	Ms Margaret Elizabeth Armstrong (owns 1 A-Class Share) It is proposed that Ms Armstrong will remain as Director of Studies of ALG for a minimum of 2 years from completion of the Proposed Transaction. Ms Armstrong will not join the Board of UCW.

In consideration for acquiring 100% of the issued capital of ALG, the Company has agreed to pay 5 times ALG's normalised FY16 EBITDA³ (Earnings Before Interest, Tax, Depreciation and Amortisation), subject to a minimum purchase price of \$8.5m and a maximum purchase price of \$11m (**Purchase Price**).

The Purchase Price is broken down into two components, being the upfront completion payment of \$5m (**Completion Payment**) and the deferred earn out amount of up to \$6m (**Earn Out Amount**).

The Completion Payment is payable to the ALG Vendors at the completion of the acquisition as follows:

- \$1 million (i.e. 20% of the Completion Payment) via the issue of ordinary shares in UCW (**Consideration Shares**) at the Capital Raising price; and
- \$4 million in cash (**Initial Cash Payment**) funded from the Capital Raising.

The Earn Out Amount, up to a maximum of \$6m, is payable to the ALG Vendors following release of the Company's FY16 audited accounts on the following terms:

- A minimum of \$3.5 million is payable in cash (**Deferred Cash Payment**); and
- The ALG Vendors and UCW may each, at their discretion, elect for up to 50% of the remaining Earn Out Amount (after paying the first \$3.5 million in cash) to be paid either in cash or by the issue of shares in UCW (**Deferred Shares**). The Deferred Shares elected by the ALG Vendors will be issued at a 5% discount to the 30-day VWAP and the Deferred Shares elected by UCW will be issued at a 15% discount to

³ Normalised EBITDA calculated using same accounting principles as currently used by ALG (including cash basis for revenue recognition).

the 30-day VWAP. As such, up to 41.6% of the Earn Out Amount may be payable in shares in UCW.

Subject to any ASX imposed escrow requirements, the Consideration Shares will be voluntarily escrowed for 24 months from issue and the Deferred Shares will be voluntarily escrowed for 12 months from issue.

The Earn Out Amount must be determined by the Company within 20 Business Days after the Company releases its audited financial results for the 12 month period ending 30 June 2016.

In the event that the Company defaults on the payment of the Earn Out Amount after 110 Business Days after the Company and the ALG Vendors agree the Earn Out Amount, the Company will be required to return the shares in ALG or the business of ALG to the ALG Vendors for a nominal amount.

In certain limited circumstances, such as UCW having an insolvency event, UCW may be required to pay the maximum Earn Out Amount of \$6m to the ALG Vendors in cash within 5 Business Days.

If Actual Working Capital based on the completion balance sheet is equal to or greater than \$360,000, then the difference will be treated as an increase in the Purchase Price, or if actual working capital is less than \$360,000, then the difference will be treated as a decrease in the Purchase Price.

Other material terms of the ALG SPA are as follows:

Conditions precedent

Completion under the ALG SPA is subject to a number of conditions precedent being satisfied (or waived, as applicable), as follows:

- (a) The ALG Vendors and/or the Company (as appropriate) obtaining any approvals required by ASQA or CRICOS and any approvals required from the Company's Shareholders, ASIC or the ASX.
- (b) The Company completing a Capital Raising of at least \$4,000,000.
- (c) The ALG Vendors confirming that there is no actual or threatened revocation, termination or suspension of any authorisation issued by ASQA, or in relation to CRICOS, including any likely material restriction (including any material reduction in ALG's capacity to offer its courses to students) or likely adverse variation.

Conduct prior to completion

There are standard restrictions on the conduct of the Company and ALG between execution of the ALG SPA and completion of the ALG Acquisition, including but not limited to managing and conducting its business in an ordinary course and not entering into any material contracts without the Company's consent in writing.

Warranties and indemnities

The ALG SPA is subject to a broad range of warranties and indemnities, provided by the ALG Vendors. These are standard and normal for a transaction of this nature.

The Company has agreed to provide standard commercial warranties to the ALG Vendors, limited to title, capacity and authority, solvency, its constitution and material claims.

Termination

The following are termination events prior to completion:

- (a) the ALG Vendors breach a material term of the ALG SPA; or
- (b) any of the ALG Vendors' warranties is or becomes false, misleading or incorrect in any material respect when made or regarded.

Break Fee

The ALG Vendors will be entitled to a break fee of \$100,000 if by the Sunset Date:

- (a) the Company fails to attain the relevant approvals from its shareholders, ASIC or ASX; or
- (b) the condition in the ALG SPA, that the Company completes a capital raising of at least \$4,000,000 to fund the Proposed Transaction, is not satisfied or waived.

The Company will have to pay the Break Fee (plus any applicable GST) to the ALG Vendors within 10 Business Days of receiving a written demand.

Restraint

There are standard restraints on the conduct of each of the ALG Vendors for a period of up to 3 years from completion.

Effect of the Completion Payment

Under the terms of the ALG SPA, the Completion Payment will be allocated amongst the ALG Vendors as follows:

Table 2 – Completion Payment (i.e. excluding Earn Out Amount)

Proposed new Shareholder	Initial Cash Payment^(a)	Maximum Consideration Shares^(b)	% of UCW (No Capital Raising and undiluted)^(c)	% of UCW undiluted^(d) 5M	% of UCW undiluted^(e) 10M	% of UCW fully diluted^(f) 10M
Mrs Margaret Elizabeth Armstrong	\$2m	8,333,333	8.3%	4.5%	3.1%	2.9%
Mr Matthew David Smith	\$2m	8,333,333	8.3%	4.5%	3.1%	2.9%
Total	\$4m	16,666,666	16.6%	9.0%	6.2%	5.8%

Notes:

^(a) Initial Cash Payment at completion of \$4,000,000 to be funded from the Capital Raising.

^(b) All Consideration Shares on a post-consolidation basis will be subject to voluntary escrow for 2 years. Based on \$1m of UCW shares at completion, assuming a Capital Raising price of 6 cents.

^(c) Following completion of the Proposed Transaction, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 100,986,672 fully paid ordinary shares of the Company

(post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares).

^(d) Following completion of the Proposed Transaction, Capital Raising (\$5m raised at 6 cents per Share) and undiluted. These percentages are based on a total sum of 184,320,005 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 83,333,333 (full subscription of New Shares).

^(e) Following completion of the Proposed Transaction, Capital Raising (\$10m raised at 6 cents per Share) and undiluted. These percentages are based on a total sum of 267,653,339 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 166,666,667 (full subscription of New Shares).

^(f) Following completion of the Proposed Transaction, Capital Raising (\$10m raised at 6 cents per Share) and fully diluted. These percentages are based on a total sum of 286,403,339 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 166,666,667 (full subscription of New Shares) + 18,750,000 (Exercise of all existing options).

Neither Mr Smith nor Ms Armstrong are to join the Board of the Company following completion, therefore, the issue of Consideration Shares is not a related party share issue.

Parts B: Capital Raising to raise up to \$10 million

Capital raising to fund the Proposed Transaction

As part of the Proposed Transaction, the Company will seek to raise a minimum of \$5 million and a maximum of \$10 million via a prospectus (**Prospectus**) to fund the cash components of the ALG Acquisition. The raising of funds under the Prospectus will be referred to herein as the **Capital Raising**.

Any remaining funds under the Capital Raising will be applied by the Company towards expenses related to the Capital Raising, other professional fees and disbursements incurred as part of the Proposed Transaction, for general working capital, to fund part/all of the Earn Out Amount to the Vendors or for further potential acquisitions in the education sector.

Shareholder approval for the issue of the fully paid ordinary shares pursuant to the Capital Raising is being sought under Resolution 4 of this Notice of Meeting. Further details of the Capital Raising is set out in the Explanatory Statement for Resolution 4 (Part B).

Indicative Timetable

If all Resolutions under this Notice of Meeting are passed, the Company anticipates that the Company will undertake the Capital Raising and the application for re-instatement to ASX as follows:

Action	Date
Notice of meeting dispatched to shareholders	6 August 2015
Prospectus lodged with ASIC / ASX and opening of the offer	31 August 2015
Extraordinary general meeting of shareholders	7 September 2015
Company suspended**	7 September 2015
Company tells ASX that Shareholders have approved the Consolidation	7 September 2015
Trading in the reorganised securities on a deferred settlement basis would ordinarily start	9 September 2015
Last day to register transfers on a pre-reorganisation basis	11 September 2015
First day for Company to send notice to each Shareholder of the change in their details of holdings	14 September 2015
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	14 September 2015
Close of capital raising offer	14 September 2015
Reinstatement application approved by ASX	16 September 2015
Issue Date. Deferred settlement market ends	18 September 2015
Issue and allotment of shares	21 September 2015
Completion of the transaction	21 September 2015
Recommencement of trading on ASX	23 September 2015

** The Company's Securities will continue to remain suspended from the Official List of the ASX until such time as the Proposed Transaction has been completed and the Company has complied with all pre-quotations requirements of ASX. Accordingly, there will be no trading in the Company's Securities until the Company has been reinstated to the Official List of the ASX.

Summary of Reasons for Resolutions under this Notice of Meeting

Table 3 – Resolutions under this Notice of Meeting

Consequences from Completion of Proposed Transaction	Details	Resolution under this Notice of Meeting
Consolidation of Capital	A 1 for 4 consolidation will be undertaken by the Company prior to reinstatement to the Official List of the ASX.	Resolution 1
Approval of change to nature and scale of activities	ALG operates in the VET sector. In the event that the Proposed Transaction completes, the Company will change its main undertaking and also change the scale of its activities.	Resolution 2
Approval of future issue of Consideration Shares to Mr Matthew David Smith and Ms Margaret Elizabeth Armstrong	As part of the Proposed Transaction, Consideration Shares will be issued to the ALG Vendors (or their nominees), in exchange for their respective shareholdings in ALG. This Resolution seeks Shareholder approval for the issue of Consideration Shares to the ALG Vendors (or their nominees), who are not related parties of the Company.	Resolution 3
Approval of future issue of New Shares pursuant to Capital Raising	Issue of up to 166,666,667 New Shares in the Company at 6 cents (\$0.06) per New Share to investors invited by the Company to subscribe for New Shares under a Prospectus, to raise up to \$10m before the costs of the offer.	Resolution 4

RESOLUTION 1 – CONSOLIDATION OF CAPITAL

This Resolution seeks Shareholder approval to consolidate the total number of existing Securities on issue in the event that all the Resolutions under this Notice of Meeting is passed by Shareholders, on a one (1) for four (4) basis (**Consolidation**).

If the Consolidation is approved by Shareholders of the Company, the number of existing:

- (a) Shares on issue will be reduced from 337,280,024 to 84,320,006; and
- (b) Options on issue will be reduced from 75,000,000 to 18,750,000.

Legal Requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also require that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

Fractional Entitlements

Not all Securityholders of the Company will hold a number of Shares and/or Options and/or other convertible Securities (as the case may be) that can be evenly divided by 4. Where a fractional entitlement occurs, the Company will round that fraction up or down (as the case may be) to the nearest whole Security.

Taxation

It is not considered that any taxation implications will exist for Securityholders of the Company that will arise directly from the Consolidation. However, Securityholders of the Company are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual or collective taxation implications arising from the Consolidation.

Holding Statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to Securityholders of the Company.

It is the responsibility of each and every affected Securityholder of the Company to check the number of Securities held prior to disposal or exercise (as the case may be).

Consolidation Effect on Existing Options

The effect which the Consolidation will have on the Company's Options is set out in Table 4.

Table 4

Pre-Consolidation Option terms	Pre-Consolidation numbers	Post-Consolidation Option terms	Post-Consolidation numbers
Unlisted Options, exercisable at \$0.01 per Option by 30 June 2018.	75,000,000	Unlisted Options, exercisable at \$0.04 per Option by 30 June 2018.	18,750,000
Total	75,000,000		18,750,000

RESOLUTION 2 – APPROVAL OF CHANGE TO NATURE AND SCALE OF ACTIVITIES

Information Required by ASX Listing Rule 11.1.2

Overview and Information of Proposed Transaction

Pursuant to the Proposed Transaction, the Company seeks to acquire 100% of the issued capital of ALG, a leading provider of accredited education to the international and domestic student market in the areas of Fitness, Sport and Recreation Management and Massage.

Further details of the ALG businesses are set out in Part A of the Explanatory Statement in this Notice of Meeting.

In the event that the Proposed Transaction completes, there will be a significant change:

- to the nature of the Company's main undertaking, from distribution of apparel to that of the provision of education; and
- to the Company's consolidated total assets, equity interests, revenue and profit and hence the scale of the Company's activities.

Therefore, the practical effect of completing the Proposed Transaction is that a significant change will take place with respect to the nature and scale of the Company's activities.

In the event that the Proposed Transaction does not complete, the Company will continue to consider how best to leverage its existing assets, and also continue to consider the possible acquisition and development of other investments.

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On the basis that approval pursuant to Resolution 2 is obtained, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Compliance with the admission requirements involves, amongst other things, the following:

- (a) having a structure and operations that are appropriate for a listed entity;
- (b) issuing a prospectus or information memorandum;
- (c) complying with the minimum spread requirements;
- (d) complying with the ASX's profit test or assets test;
- (e) complying with Chapter 9 of the ASX Listing Rules in relation to any "restricted securities" as determined by the ASX;
- (f) having the entity's quoted securities (except options) issued or sold for at least 20 cents in cash;
- (g) having any options the entity has issued exercisable for at least 20 cents in cash; and
- (h) satisfying ASX that each director or proposed director, at the date of admission, is of good fame and character.

The Company notes that with respect to the re-compliance condition in paragraph (f) above, the Company has sought a waiver from ASX. This will allow the Company to re-list without having to issue securities at a minimum price of 20 cents per Share.

Shareholders should be aware that following the Extraordinary General Meeting, the Company's Securities will be suspended by the ASX until it has re-complied with Chapters 1 and 2 of the ASX Listing Rules. It is the Company's intention to meet these requirements as soon as practicable after the Meeting pursuant to this Notice of Meeting is held, and following the completion of the Capital Raising.

Advantages of Change to Nature and Scale of Activities of the Company

The Board believes that the Proposed Transaction will offer a number of advantages to Shareholders of the Company, which can be described as follows:

- (a) *Opportunity to acquire leading VET business:* Completion of the Proposed Transaction will allow the Company to enter the VET sector, grow the ALG business, develop new product and service offerings and look for other complementary acquisition opportunities in the education market.
- (b) *Acquisition of quality recognised businesses:* ALG was founded in 2005. Since then, its two colleges have grown to become highly regarded and successful in their respective fields.
- (c) *Experienced UCW Board and ALG executives with interests aligned with Shareholders:* The founders of ALG, who have been instrumental in ALG's growth, will remain with ALG as senior executives for a period of not less than 2 years and continue to be involved in the day-to-day management of ALG. The ALG Vendors will be receiving Consideration Shares and potentially Deferred Shares as part of the Proposed Transaction, hence they will be shareholders of the Company.

As previously disclosed, current UCW Directors Mr Adam Davis and Mr Peter Mobbs have extensive experience in the education sector. The UCW Board also has a broad cross section of experience, which will allow the Company to seek out further acquisitions and other investment opportunities to achieve greater scale in its operations.

- (d) *Scalability of its operations:* The Proposed Transaction brings scale to UCW through the inclusion of the operating activities of ALG. ALG's business has active operations which will provide meaningful operational and financial contribution to the Company compared to the Company's existing activities. It is the Board's current strategy that these operations form the base upon which it can continue to attract other suitable and synergistic acquisition opportunities, particularly those in the education sector, which may further enhance the Company's size.
- (e) *Greater market capitalisation and trading liquidity in the Company's shares:* By virtue of the proposed issuance of capital associated with the Proposed Transaction and Capital Raising there will be substantially more shares on issue in the Company and a larger market capitalisation for the Company. This provides potential for increased trading in the Company's shares alongside potential for greater interest by the investment community, improved access to equity capital markets and increased liquidity in the Company's shares.
- (f) *Profitable business:* ALG is a profitable and cashflow positive business. It has recorded revenue growth of circa 20% per annum (CAGR) over the past 3 years. There is potential to achieve further growth through filling its recently increased capacity, ongoing campus expansion, the introduction of new complementary courses and an increased focus on the domestic market.

Disadvantages of Change to Nature and Scale of Activities of the Company

The Board believes that the Proposed Transaction offers a number of disadvantages to Shareholders of the Company, which can be described as follows:

- (a) *Change to Nature and Scale of Activities of the Company:* The manner in which the change to the nature and scale of the Company's activities is being achieved may not be consistent with the objective of all Shareholders of the Company.
- (b) *Dilution of existing Shareholdings in the Company:* If the Proposed Transaction completes and Shareholder approval is obtained by the Company under this Notice of Meeting for all the Resolutions, the issue of the Consideration Shares to the ALG Vendors (or their nominees) and the proposed Capital Raising, will have a significant dilutionary effect on existing shareholdings of the current Shareholders of the Company.
- (c) *Possibility of unrealised potential for future growth:* Whilst the ALG business has demonstrated strong growth since its inception, there is no guarantee that the potential for future growth in the education and training sector will ever be realised by ALG under ownership of the Company. Therefore, the potential of the Proposed Transaction to add significant value to the Company may never be realised by its Shareholders.
- (d) *Re-compliance with Chapters 1 and 2 of the ASX Listing Rules:* As noted previously, if Shareholder approval is obtained for all Resolutions under this Notice of Meeting, the Company will be suspended from the Official List of the ASX, and as soon as practical thereafter, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that the Company will successfully re-comply with the requirements (including successfully completing the Capital Raising) or that the ASX will re-admit to quotation the Securities of the Company upon passing of all the Resolutions.
- (e) *Increased exposure to wider array of risks:* There are many risks associated with the proposed change to nature and scale of activities of the Company. Some of these are explored in greater detail below.

Risks of the Ongoing Business

- (a) *Industry risks and changes in the regulatory environment:* the VET sector is highly regulated and operation within it is dependent on maintaining certain accreditations. A failure to meet relevant compliance requirements may result in ALG losing its accreditations. ALG may need to engage an expert consultant to review its ongoing regulatory and compliance aspects.

In addition, changes to laws and regulations which apply to ALG from time to time could materially and adversely impact upon the operating and financial performance and cash flows of the Company.

- (b) *Risks associated with commercial contracts:* There is a risk that key material commercial contracts may impact ALG when they expire or are terminated. Consequently, this may affect ALG's financial position and prospects as they may not have appropriate mechanisms in place following the expiration of such contracts.
- (c) *Risks associated with Earn Out Amount and ALG Vendors:* There is a risk that the ALG Vendors may achieve the maximum Purchase Price without producing

sustainable growth in profitability of the ALG business. Furthermore, following the end of the 2 year employment period with ALG, the ALG Vendors may wish not to remain with ALG. Consequently, there is a risk that ALG may not manage a suitable handover of responsibilities to new management.

- (d) *Future acquisitions:* As part of the Proposed Transaction, the Company intends to look for additional acquisition opportunities within the education sector. There is a risk that identifying and completing other acquisitions, and their possible integration, will not be successful or may prove costly for the Company.
- (e) *Independent contractors and agents:* ALG employs a significant number of independent contractors and may have difficulty engaging appropriately skilled contractors to deliver its services. ALG also largely sources its international students via a broad range of agents in return for a commission. The ongoing support of those agents on attractive terms cannot be guaranteed.
- (f) *Economic and government:* There is a risk that the price of UCW's Shares may be affected by changes in local and world economic conditions, currency fluctuations, interest rates, taxation rates, government legislation or intervention, inflation or inflationary expectations, natural disasters, social upheaval or conflict in Australia or overseas, and other factors beyond the control of the Company. The VET industry operates in a highly regulated sector and its progress may be impacted by economic and government regulation.
- (g) *Protection of intellectual property:* Whilst the Company (including ALG) will remain diligent in its effort to protect its intellectual property to the fullest extent, there is no guarantee that disputes will not arise in the future that could prove costly for the Company.
- (h) *Capital Raising:* In order for the Proposed Transaction to complete, the Board has determined that a minimum amount of \$5 million will need to be raised pursuant to the Prospectus. If this minimum subscription is not achieved, there is a risk that the Proposed Transaction will not complete.
- (i) *Future capital needs:* Further funding may be required to advance the business, pay the Earn Out Amount and meet the objectives of the ALG businesses in the future. There can be no assurance that alternative funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the financial condition of the Company and consequently, the value of its Shares. It may also result in a default on the payment of the Earn Out Amount.

In the event that the Company defaults on the payment of the Earn Out Amount after 110 Business Days after the Company and the ALG Vendors agree the Earn Out Amount, the Company will be required to return the shares in ALG or the business of ALG to the ALG Vendors for a nominal amount. In addition, in certain limited circumstances, such as UCW having an insolvency event, UCW may be required to pay the maximum Earn Out Amount of \$6m to the ALG Vendors in cash within 5 Business Days.

- (j) *Reliance on key management:* The responsibility of overseeing the day to day operations and the strategic management of the Company (including ALG) is substantially dependent upon its management and its key personnel. Whilst these key personnel will be entering into new employment contracts with ALG (wherever applicable), there can be no assurance given that there will be no detrimental impact on the Company if one or a number of these key personnel cease their employment or

involvement with ALG or the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. The ability to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.

- (k) *Reliance on key technology systems:* The dependency on core technology such as student management systems is required to manage student data and report such data to the government. Failure of core systems and inadequate disaster recovery may lead to enrolment cancellations, revenue loss and compliance breaches which may lead to the loss of ALG's accreditation.
- (l) *Share market conditions:* The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Applicants should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (m) *Non-completion of the ALG Acquisition:* There are number of conditions precedent in the ALG SPA. There is a risk that if all of the conditions precedent are not satisfied and/or waived (as the case may be), this would result in the Proposed Transaction not completing.
- (n) *Insurance:* The Company may not be adequately insured in relation to its operations.

ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must obtain the approval of its Shareholders and it must set out in detail the terms of the Proposed Transaction.

<u>If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.</u>
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Directors' recommendation

The Board considers that it is in the best interests of the Company that it completes the Proposed Transaction, and accordingly recommends that Shareholders vote in favour of Resolution 2.

Forward looking statements

The forward looking statements in this Notice of Meeting are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Board of Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Notice of Meeting. These risks include but are not limited to, the risks referred to above. Forward looking statements include those containing words such as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions.

RESOLUTION 3 – APPROVAL OF FUTURE ISSUE OF CONSIDERATION SHARES TO MR MATTHEW DAVID SMITH AND MS MAGARET ELIZABETH ARMSTRONG

The Company seeks approval for the issue and allotment, on a post-consolidation basis, of up to 16,666,666 fully paid ordinary shares in the Company, as part of the Consideration Shares pursuant to the ALG Acquisition, to Mr Matthew David Smith & Ms Margaret Elizabeth Armstrong (or their nominees).

Neither Mr Smith nor Ms Armstrong are considered to be a related party for the purposes of the Corporations Act and ASX Listing Rules, as they will not be joining the UCW Board post completion of the Proposed Transaction. The projected shareholding of Mr Smith and Ms Armstrong (or their nominee) and the dilutionary effect it will have on existing Shareholders is set out in Table 4 and the Table below.

Table 5 – Potential Shareholding in the Company post Completion (i.e. excluding Earn Out Amount)

Proposed new Shareholder	Maximum No. of UCW Consideration Shares^(a)	% of UCW (No Capital Raising and undiluted)^(b)	% of UCW (\$5 Million Capital Raising complete and undiluted)^(c)	% of UCW (\$5 Million Capital Raising complete and fully diluted)^(d)	% of UCW (\$10 Million Capital Raising complete and undiluted)^(e)	% of UCW (\$10 Million Capital Raising complete and fully diluted)^(f)
Mr Mathew David Smith and Ms Margaret Elizabeth Armstrong (or their nominees)	16,666,666	16.5%	9%	8.2%	6.2%	5.8%

Notes:

(a) All ALG Consideration Shares will be subject to voluntary escrow and possibly ASX escrow.

(b) Following completion of the Proposed Transaction, but prior to completion of Capital Raising and undiluted. This percentage is based on a total sum of 100,986,672 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares).

(c) Following completion of the Proposed Transaction, Capital Raising (\$5M raised at 6 cents per Share) and undiluted. This percentage is based on a total sum of 184,320,005 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 83,333,333 (New Shares).

(d) Following completion of the Proposed Transaction, Capital Raising (\$5M raised at 6 cents per Share) and fully diluted. This percentage is based on a total sum of 203,070,005 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 83,333,333 (full subscription of New Shares) + 18,750,000 (Exercise of all existing options).

(e) Following completion of the Proposed Transaction, Capital Raising (\$10M raised at 6 cents per Share) and undiluted. This percentage is based on a total sum of 267,653,339 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,667 (ALG Consideration Shares) + 166,666,667 (full subscription of New Shares).

^(f) Following completion of the Proposed Transaction, Capital Raising (\$10M raised at 6 cents per Share) and fully diluted. This percentage is based on a total sum of 286,403,339 fully paid ordinary shares of the Company (post-consolidation), which have been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (ALG Consideration Shares) + 166,666,667 (full subscription of New Shares) + 18,750,000 (Exercise of all existing options).

As outlined in Part A of the Explanatory Statement, in addition to the Consideration Shares noted above, Mr Mathew David Smith (or his nominee) and Ms Margaret Elizabeth Armstrong (or her nominee) will receive:

- The Initial Cash Payment of \$4 million funded from the Capital Raising;
- A Deferred Cash Payment of not less than \$3.5 million; and
- Subject to the quantum of the Earn Out Amount, cash or shares of up to \$2.5 million. The ALG Vendors and the Company may each, at their discretion, elect for up to 50% of the remaining Earn Out Amount (after paying the first \$3.5 million in cash) or be paid either in cash or by the issue of shares in UCW (**Deferred Shares**). The Deferred Shares elected by the ALG Vendors will be issued at a 5% discount to the 30-day VWAP and the Deferred Shares elected by UCW will be issued at a 15% discount to the 30-day VWAP. Any issue of Deferred Shares will be subject to UCW shareholder approval at that time.

The effect of this Resolution is for Shareholders to approve the issue of the Consideration Shares to Mr David Smith (or his nominee) and Ms Margaret Elizabeth Armstrong (or her nominee) and for the issue of these Consideration Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these Consideration Shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to the issue of the Consideration Shares to the ALG Vendors (or their nominees) is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of Consideration Shares to be issued is 16,666,666.
- (b) These Consideration Shares will be issued within three months of shareholder approval (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These Consideration Shares are deemed to have an issue price of the same price at which the Capital Raising is undertaken.
- (d) The allottees are Mr Matthew David Smith (or his nominee) and Ms Margaret Elizabeth Armstrong (or her nominee), who are receiving the Consideration Shares as part of the ALG Acquisition. Neither Mr Smith nor Ms Armstrong are related parties of the Company for the purposes of the Corporations Act and the ASX Listing Rules.
- (e) These Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Consideration Shares are being issued to enable the Company to acquire 100% of the issued share capital of ALG pursuant to the ALG Acquisition.
- (g) The Consideration Shares will be escrowed for the period from the Completion Date until the expiry of 2 years from the Completion Date.

Part B: Capital Raising to raise up to \$10 Million

Background

As part of the Company's strategy to develop a high-growth and positive cash-flow generating business, the Company proposes to acquire 100% of the issued capital in ALG.

As part of the Proposed Transaction, in the event that Shareholder approval is obtained for all the Resolutions under this Notice of Meeting, the Company will seek to raise a minimum of \$5m and a maximum of \$10m via a Prospectus to fund the cash components of the ALG Acquisition.

Any remaining funds under the Capital Raising will be applied by the Company towards expenses related to the Capital Raising, other professional fees and disbursements incurred as part of the Proposed Transaction, for general working capital, to fund part/all of the Earn Out Amount to the Vendors, or for further potential acquisitions in the education and training sector.

Table 6 – Details of Offer

Type of Offer	Terms of Offer
New Shares Offer	For the offer of up to 166,666,667 Shares (New Shares) at an issue price of 6 cents (\$0.06) per New Share, to investors who are invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising, to raise a maximum of \$10,000,000.

Shareholder approval for the issue of New Shares is considered in Resolution 4 under this Notice of Meeting.

The pro-forma capital structure of the Company will depend on the level of subscription achieved by the Company under a Prospectus. In the event that the Prospectus is fully subscribed, the projected share capital of the Company will be as follows:

Table 7 – Pro-forma capital structure

Capital Structure	Shares (\$5M Raised)	Shares (\$10M Raised)
Total number of Shares upon completion of Proposed Transaction ^(a)	100,986,672	100,986,672
New Shares Offer (a minimum of \$5 million and a maximum of \$10 million raised at an issue price of 6 cents per New Share)	83,333,333	166,666,667
<u>Total number of Shares on issue^(b)</u>	<u>184,320,005</u>	<u>267,653,339</u>

Notes:

- (a) Following completion of the Proposed Transaction and undiluted, on a post-consolidation basis. This figure has been calculated as follows: 84,320,006 (current share capital) + 16,666,666 (Consideration Shares).
- (b) This excludes the current 18,750,000 options (post-consolidation) on issue.

Use of Funds

It is proposed that the funds raised will be utilised as follows:

Table 8 – Use of Funds Table (\$5 Million and \$10 Million)

Description	Total (\$5M)	Total (\$10M)
Initial Cash Payment to ALG Vendors	4,000,000	4,000,000
Transaction expenses and costs of the Capital Raising	500,000	750,000
General working capital, future acquisition funding and/or partial/full balance of Earn Out Amount due to the ALG Vendors	500,000	5,250,000
<u>Total</u>	<u>5,000,000</u>	<u>10,000,000</u>

In addition, UCW has approximately \$1 million in cash on hand which will be applied to general working capital.

RESOLUTION 4 – APPROVAL FOR FUTURE ISSUE OF NEW SHARES PURSUANT TO CAPITAL RAISING

This Resolution seeks Shareholder approval to issue and allot up to 166,666,667 New Shares to investors who are invited to subscribe for New Shares in the Company, at an issue price of 6 cents (\$0.06) per New Share (post consolidation), to raise a minimum of \$5,000,000 and a maximum of \$10,000,000 under the Prospectus pursuant to the Capital Raising.

The effect of this Resolution is for Shareholders to approve the issue of these New Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these New Shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to these New Shares is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of New Shares to be issued is 166,666,667.
- (b) These New Shares will be issued within 3 months of receiving shareholder approval (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These New Shares will be offered at an issue price of 6 cents (\$0.06) per New Share.
- (d) The allottees are investors invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising.
- (e) These New Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) Funds raised pursuant to this Resolution will primarily be used by the Company towards the cash components of the ALG Acquisition. Any remaining funds under the Capital Raising will be applied by the Company towards expenses related to the Capital Raising, other professional fees and disbursements incurred as part of the Proposed Transaction, for general working capital, or for further potential acquisitions in the education and training sector.

ENQUIRIES

Shareholders are asked to contact the Company Secretary, on (+61 2) 8072 1400 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

Actual Working Capital means the working capital of the Company as at 5:00 pm on the date of completion.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ALG means Australian Learning Group Pty Limited (ACN 112 741 723) of Level 1, 225 Clarence Street, Sydney NSW 2000.

ALG Acquisition means the proposed acquisition of 100% of the issued capital in ALG, as announced by the Company on 17 June 2015.

ALG SPA means the Share Sale and Purchase Agreement between the Company and the ALG Vendors, the execution of which was announced by the Company on 17 June 2015.

ALG Vendors means Mr Matthew David Smith and Ms Margaret Elizabeth Armstrong, the shareholders of ALG, as identified in the ALG SPA.

ASIC means Australian Securities and Investment Commission.

ASQA means Australian Skills Quality Authority.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Capital Raising means the New Shares Offer, which will be conducted via the Prospectus, under which the Company will raise a minimum of \$5,000,000 and a maximum of \$10,000,000.

Company or **UCW** means UCW Limited (ACN 108 962 152) of Level 5, 137-139 Bathurst Street, Sydney NSW 2000.

Completion Payment means the Consideration Shares and the cash payment of \$4,000,000 to the ALG Vendors, pursuant to the terms of the ALG SPA, to acquire 100% of the issued capital in ALG.

Consideration Shares means \$1,000,000 of shares in the Company, with the shares being issued at the same price as the Capital Raising, thereby being up to 16,666,666 fully paid ordinary shares in the Company (on a post Consolidation basis), which will form part of the ALG Consideration, to acquire 100% of the issued capital in ALG.

Consolidation means the consolidation of the number of securities on issue in the Company on a four (4) to one (1) basis.

Corporations Act means the *Corporations Act* 2001 (Cth) as amended or replaced from time to time.

CRICOS means the Commonwealth Register of Institutions and Courses for Overseas Students.

Deferred Shares means the portion of the Earn Out Amount, payable to the ALG Vendors following the release of the Company's FY16 audited accounts which may be paid by the issue of shares in UCW.

Director means a current director of the Company.

Dollar or "\$" means Australian dollars.

Earn Out Amount means the amount determined in accordance with clause 10 and Schedule 11 of the SPA.

Earn Out Period means the 12 month period ending 30 June 2016.

EBITDA means Earnings Before Interest, Tax, Depreciation and Amortisation.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Extraordinary General Meeting or **Meeting** means the meeting of the Company's members convened by this Notice of Meeting.

Minimum Escrow Restrictions means the minimum escrow periods by which the ALG Vendors have agreed to be bound by, subject to any further restrictions imposed by ASX.

New Shares means up to 166,666,667 Shares at an issue price of 6 cents (\$0.06) per Share that will be offered as part of the New Shares Offer, which will be conducted under the Prospectus.

New Shares Offer means the offer of New Shares to investors who are invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising, to raise up to a maximum of \$10,000,000.

Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting dated 6 August 2015 including the Explanatory Statement.

Option means an option in the capital of the Company.

Proposed Transaction means the ALG Acquisition.

Prospectus means the prospectus that will be issued by the Company to conduct the Capital Raising, pursuant to terms of the ALG SPA.

Proxy Form means the proxy form attached to this Notice of Meeting.

Purchase Price means a minimum purchase price of \$8.5m and a maximum a maximum purchase price of \$11m which the Company has agreed to pay in consideration for acquiring 100% of the issued capital of ALG, based on 5 times ALG's normalised FY16 EBITDA.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

RTO means Registered Training Organisation.

SPA means the ALG SPA.

Securities mean Shares and/or Options (as the context requires).

Securityholder means a holder of a Share or Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Sunset Date means 30 November 2015.

VET means vocational education and training sector.

VWAP means volume weighted average price.

UCW Limited
ACN 108 962 152

Proxy Form

STEP 1: APPOINT A PROXY TO VOTE ON YOUR BEHALF

Full name of security holder(s):.....

Address:.....

I/We being a member/s of UCW Limited (ACN 108 962 152) ("**Company**") and entitled to attend and vote at the meeting of the Company to be held at 10:00am (AEST) on 7 September 2015 appoint:

the Chairman of the meeting.

OR

(mark box)

(mark box)

.....
(Full name of proxy or the office of the proxy)

or if the person or body corporate named above fails to attend the Extraordinary General Meeting, or if no person/body corporate is named, the Chairman of the Extraordinary General Meeting as my/our proxy to attend that meeting and vote on my/our behalf at that Extraordinary General Meeting and any adjournment or postponement of that Extraordinary General Meeting in accordance with the following directions (or if no directions have been given, as the proxy sees fit). If two proxies are appointed, the proportion of voting rights this proxy represent is%.

STEP 2: VOTING DIRECTIONS ON ALL RESOLUTIONS

You may direct your proxy (which may be the Chairman, if so appointed) on how to vote on Resolutions 1 to 4 (inclusive) by marking one of the boxes with an "X" for each Resolution. If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that particular Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of this Extraordinary General Meeting intends to vote undirected proxies IN FAVOUR ("FOR") of all Resolutions.

I/We direct that my proxy vote in the following manner (please mark relevant boxes with (X) to indicate your directions):

Resolution	For	Against	Abstain*
1 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Future Issue of Consideration Shares to Mr Matthew David Smith and Ms Margaret Elizabeth Armstrong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Future Issue of New Shares Pursuant to Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Please note if you mark **abstain**, you are directing your proxy not to vote on that Resolution.

STEP 3: SIGNATURE OF SECURITYHOLDER(S)

	Individual or Securityholder 1	Securityholder 2	Securityholder 3

	Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Date:	/ /	/ /	/ /

In addition to signing this Proxy Form, please provide the following information in case we need to contact you:

Contact name	Contact daytime telephone
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STEP 4: LODGING YOUR PROXY FORM

You must lodge your Proxy Form at least 48 hours before the commencement of the Meeting.
Please read carefully and follow the instructions overleaf.

How to complete this Proxy Form

For your proxy vote to be effective, your completed Proxy Form must be received at least 48 hours before the commencement of the Meeting.

Step 1: Appointing a proxy

If you are entitled to attend and vote at the meeting, you may appoint a proxy to attend the meeting and vote on your behalf. A proxy can be an individual or a body corporate and need not be a securityholder. You may select the Chairman of the meeting as your proxy.

Appointing a second proxy: You can appoint up to two proxies. If you appoint two proxies, you must specify the proportion or number of votes each proxy may exercise. If no percentage is specified, each proxy may exercise half of your votes. Fractions of votes will be disregarded. A separate Proxy Form must be used for each proxy.

Default to the Chairman of the meeting: Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote those proxies as directed.

Additional Proxy Forms: You can obtain additional Proxy Forms by telephoning the Company or you may copy this Form. Please lodge both Proxy Forms together.

Step 2: Voting directions

You may direct your proxy how to vote by placing a mark (✖) in one of the boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you mark the "Abstain" box for an item, you are directing your proxy not to vote on that item. If you mark more than one box for an item, your vote on that item will be invalid.

Voting a portion of your holding: You may indicate that only a portion of your voting rights are to be voted on any item by inserting a percentage or the number of securities you wish to vote in the appropriate box or boxes. The total of votes cast, or the percentage for or against, an item must not exceed your voting entitlement or 100%.

No directions: If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses.

Step 3: Signing instructions

Individual: The Proxy Form must be signed by the securityholder personally or by Power of Attorney (see below).

Joint holding: The Proxy Form must be signed by each of the joint securityholders personally or by Power of Attorney (see below).

Power of Attorney: To sign under Power of Attorney, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged that document, please attach a certified copy of the Power of Attorney to this Proxy Form when you return it.

Companies: For a corporate securityholder, if the company has a sole director who is also the sole company secretary, that person must sign this Proxy Form. If the company does not have a company secretary (under section 204A of the Corporations Act 2001 ("Act")), its sole director must sign this Proxy Form. Otherwise, a director must sign jointly with either another director or a company secretary in accordance with section 127 of Act. Please indicate the office held by signing in the appropriate place.

Corporate representative: If a representative of a corporate securityholder or proxy is to attend the meeting, the appropriate *Certificate of appointment of Corporate Representative* must be produced before the meeting. A form of the certificate may be obtained by telephoning the Company.

Step 4: Lodging your Proxy Form

This Proxy Form must be received by the Company at least 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be effective for the meeting. You can return this Proxy Form (and any Power of Attorney under which it is signed):

- **by post** to UCW Limited, c/- PO Box 231, Brighton VIC 3186;
- **by facsimile** to (+61 2) 9283 1970; or
- **by hand delivery** to Suite 115, 3 Male Street, Brighton VIC 3186.

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