



Rubicor Group Ltd
ACN 110 913 365
Level 15
1 Pacific Highway
North Sydney NSW 2060
T: 02 8404 1380
F: 02 8404 1381
W: www.rubicor.com.au

26 October 2007

Dear Shareholder,

On behalf of the Board of Directors, I have pleasure in enclosing the Notice of Meeting for the Annual General Meeting to be held at the Sheraton on the Park, 161 Elizabeth Street, Sydney on Tuesday, 27 November 2007 from 10:00 am.

If you are able to attend the meeting, please bring the proxy form with you as the bar coding on this form will enable shareholders to be easily registered. Registration will be available from 9:30 am.

At the meeting, Mr Wayman Chapman and I will comment on the Company's performance during the year to 30 June 2007 prior to consideration of the business as detailed in the Notice of Meeting.

A copy of each address will be mailed to all shareholders and will be posted to the Rubicor website.

If you are unable to attend, I encourage you to vote either by using the attached proxy form or lodging your vote on line at www.linkmarketservices.com.au.

A person intending to attend the meeting and vote on shares held in the name of a company must bring an authority from the company, signed by the company in favour of the person attending.

I look forward to seeing you at the meeting.

Yours sincerely

A handwritten signature in black ink that reads 'Rob Aitken'.

Robert Aitken
Chairman

For personal use only



Rubicor Group Limited
 ABN 74 110 913 365

Please return your Proxy forms to:
 Link Market Services Limited
 Level 12, 680 George Street, Sydney NSW 2000
 Locked Bag A14, Sydney South NSW 1235 Australia
 Telephone: 1800 817 266
 (02) 8280 7491
 Facsimile: (02) 9287 0309
 ASX Code: RUB
 Website: www.linkmarketservices.com.au

APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

You can also lodge your vote on-line at
 www.linkmarketservices.com.au

I/We being a member(s) of Rubicor Group Limited the ("Company") and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting** (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am on Tuesday, 27 November 2007, at the Sheraton on the Park, 161 Elizabeth Street, Sydney NSW and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
Resolution 2 Re-election of Robert Aitken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Russel Pillemer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of John Pettigrew	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwth).

Link Market Services Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, either securityholder may sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Sunday, 25 November 2007, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Rubicor Group Limited's share registry as follows:
Rubicor Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website);
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.

Rubicor Group Limited
ABN 74 110 913 365
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Rubicor Group Limited (**Company**) will be held at the Sheraton on the Park, 161 Elizabeth Street, Sydney NSW on 27 November 2007 commencing at 10:00am for the purpose of transacting the business set out in this Notice.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form, form part of this Notice.

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2007.

2. Re-election of Robert Aitken

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

"That Robert Aitken, who retires in accordance with clause 20 of the Company's Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company."

3. Re-election of Russel Pillemer

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

"That Russel Pillemer, who retires in accordance with clause 20 of the Company's Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company."

4. Re-election of John Pettigrew

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

"That John Pettigrew, who retires in accordance with clause 19.5 of the Company's Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company."

5. Remuneration Report

To consider and, if thought fit, to pass the following as non-binding ordinary resolution of the Company:

"That, the Company's Remuneration Report for the financial year ended 30 June 2007 be adopted."

6. Appointment of Auditor

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

For personal use only

"That, for the purposes of section 327B(1)(b) of the Corporations Act, Deloitte Touche Tohmatsu, having consented to act as the Company's auditor, be appointed as the auditor of the Company."

7. Financial Assistance

To consider and, if thought fit, to pass the following as a special resolution of the Company:

"That, in accordance with section 260B of the Corporations Act, the members of the Company, by a special resolution passed at a general meeting of the Company, approve the giving of financial assistance described in the Statement of Material Information for Shareholders set out in Schedule 1 to the Explanatory Statement."

"That the members of the Company approve and ratify the proposed actions of the directors of the Company in doing all things necessary to give effect to the approval of the giving of financial assistance contemplated in the preceding resolution."

By order of the Board

Sharad Loomba
Company Secretary

24 September 2007

This Notice of Annual General Meeting and Explanatory Statement are important and should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser.

For personal use only

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

The Company's shareholders (**Shareholders**) should read the Explanatory Statement accompanying, and forming part of, this Notice of Annual General Meeting for more details on the resolutions to be voted at the Annual General Meeting.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (EST) 23 November 2007 will be entitled to attend and vote at the Meeting as a shareholder. This means that if you are not the registered holder of a relevant share in the Company at that time, you will not be entitled to vote in respect of that share.

HOW TO EXERCISE YOUR RIGHT TO VOTE

You may vote in person, by proxy or by attorney. For example you may vote:

- by attending the Annual General Meeting and voting in person, or if you are a corporate shareholder, by having a corporate representative attend and vote for you; or
- by appointing a proxy to vote for you, by completing the proxy form provided with this Notice of Annual General Meeting.

Voting By Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

If you appoint a proxy and also attend the meeting, the proxy's authority to speak and vote at the meeting will be suspended while you are present at the meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

A proxy form is enclosed with this Notice. To be effective, the signed proxy form and the authority (if any) under which it is signed, or a certified copy of that authority, must be received at the share registry of the Company no later than 10:00am (EST) on 25 November 2007 (being no later than 48 hours before the time for holding the Annual General Meeting). Proxies must be received before that time by one of the following methods:

Online: Log onto www.linkmarketservices.com.au and follow the instructions. You will need to put your Security holder Reference Number (SRN) or Holder Identification Number (HIN), details and postcode.

By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

For personal use only

By facsimile:

In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309

By delivery:

Link Market Services Limited
Level 12, 680 George Street
Sydney South NSW 2000

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

For personal use only

Rubicor Group Limited
ABN 74 110 913 365
EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's 2007 Annual General Meeting.

The purpose of this Explanatory Statement is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

The Financial Report, Directors' Report and the Independent Auditor's Report for the financial year ended 30 June 2007 will be laid before the Meeting.

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

Item 2: Re-election of Robert Aitken

Non-Executive Director B.E. (Chem) (Hons), MBA, FAICD

Robert Aitken retires by rotation and, being eligible, offers himself for re-election as a Director.

Rob is Chairman and a non-executive Director of the Company and a member of the Audit and Risk Management Committee, the Remuneration and Human Resources Committee and Chair of the Nomination and Corporate Governance Committee.

Rob joined the Company in July 2005. Rob has over 25 years experience in senior management roles with manufacturing, industrial marketing and distribution businesses in Australia, Asia, North America and Europe. Most recently this has been as President of Formica Corporation and then Executive General Manager of Southcorp Limited. Rob is also a non-executive Director of Alesco Corporation Limited and Nuplex Industries Limited and Chairman of API Securities Holdings Pty Ltd and Formit Services Pty Ltd.

The Directors, with Robert Aitken abstaining, recommend that shareholders vote in favour of this Resolution.

For personal use only

Item 3: Re-election of Russel Pillemer

Non-Executive Director CA, B Commerce (Hons)

Russel Pillemer retires by rotation and, being eligible, offers himself for re-election as a Director.

Russel is a non-executive Director of the Company and a member of the Audit and Risk Management Committee and the Remuneration and Human Resources Committee. He was one of the initial founders and sponsors of Rubicor and has been a Director of the group since inception.

He is currently the Managing Director of Apex Capital Partners, a boutique private equity and financial advisory firm that he co-founded in 2002. He is also the Executive Chairman of Pengana Capital Limited and Chairman of Centric Wealth Limited.

Russel has 16 years experience in the investment banking industry. From 1994 to 2002, he worked in the Investment Banking Division of Goldman Sachs & Co. in Sydney and New York, where he specialised in mergers and acquisitions and the provision of general strategic advice to a wide range of companies.

He is a member of the Institute of Chartered Accountants in Australia and has a Bachelor of Commerce (Hons) from the University of NSW.

The Directors, with Russel Pillemer abstaining, recommend that shareholders vote in favour of this Resolution.

Item 4: Re-election of John Pettigrew

Non-Executive Director FCPA, FCIS, MAICD

John Pettigrew was appointed to the Board during the financial year ended 30 June 2007 and retires in accordance with clause 19.5 of the Company's constitution and, being eligible, offers himself for re-election as a Director.

John is a non-executive Director of the Company and is a member of the Nomination and Corporate Governance Committee and is Chair of the Audit and Risk Management Committee. John joined the Company in March 2007.

John has extensive experience in senior finance and commercial roles in a number of corporations and industry sectors. Joining Stockland Property Trust Group in 1977 as Chief Financial Officer and becoming Finance Director in 1982, John established Compliance, Audit and Risk Management Committees and led teams to accomplish several successful takeovers. He also had significant roles in structuring and managing listed property trusts, developing the first Australian stapled security and establishing domestic and international unsecured note programs for Stockland.

John is currently also a non-executive Director of Babcock & Brown Japan Property Management Ltd. He is a Fellow of CPA Australia, of Chartered Secretaries Australia, and is a member of the Institute of Directors.

The Directors, with John Pettigrew abstaining, recommend that shareholders vote in favour of this Resolution.

For personal use only

Item 5: Remuneration Report

Section 250R(2) of the Corporations Act 2001 requires the shareholders to vote on an advisory resolution that the Remuneration Report (the Report) be adopted.

The Report:

- explains Rubicor's remuneration policy and the correlation between the remuneration of employees and Rubicor's performance;
- reports the remuneration arrangements for Directors, Key Management Personnel and other Executives; and
- makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating Executives, including Executive Directors.

The Report is available on page 17 in the Company's Annual Report and in the Annual Report section of the website at www.rubicorgroup.com.au

The Directors unanimously recommend that shareholders vote in favour of this Resolution.

Item 6: Appointment of Auditor

As a result of the merger of Horwath Sydney Partnership with Deloitte Touche Tohmatsu, Horwath Sydney Partnership changed its name to DTT NSW and signed the auditor's report for the year ended 30 June 2007 under that name. This recognises that the audit for the financial period had to be completed by the auditor appointed for that financial year. DTT NSW is a continuation of the Horwath Sydney Partnership. The partners of DTT NSW joined the Australian partnership of Deloitte Touche Tohmatsu as and from 1 February 2007.

Under the Corporations Act, the resignation of an auditor is subject to approval by the Australian Securities and Investments Commission and the appointment of a new auditor is subject to approval at an Annual General Meeting. Accordingly DTT NSW (formerly Horwath Sydney Partnership) has sought approval to resign as auditor at the conclusion of the Annual General Meeting and Deloitte Touche Tohmatsu has been nominated and consented to be appointed as auditor, subject to ASIC's approval of DTT NSW's resignation as auditor.

The Directors recommend Shareholders vote in favour of the appointment of Deloitte Touche Tohmastu as auditor.

Item 7: Financial Assistance

Under the Facility Agreement (**Facility Agreement**) dated 18 May 2005 between the Company and Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**) (as amended or amended and restated from time to time), ANZ provides to the Company certain term debt facilities and invoice finance facility.

In July 2007, the Company acquired the entire issued ordinary share capital of Challenge Recruitment Ltd (ABN 82 083 202 939) and its subsidiaries (collectively, the **Challenge Companies**).

Pursuant to the Facility Agreement, it is proposed that each Challenge Company enter into certain security, accession and other documents in relation to the facilities provided by ANZ. In addition, the Company may arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future from time to time. In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to such financing facilities, each Challenge Company may, from time to time be asked to enter into new facilities agreements as an obligor or give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage or

For personal use only

charge or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document.

Each Challenge Company's obligations under each document to which it may be a party are significant. Those obligations could include unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it from time to time and indemnifying ANZ and other parties against any liability or loss or cost incurred by them.

The entering into and performing of obligations under any of the documents by a Challenge Company as referred to above may constitute the giving of financial assistance to the Company in connection with the acquisition by the Company of shares in that Challenge Company or its holding company.

A detailed Statement of Material Information for Shareholders prepared pursuant to Section 260B(4) of the Corporations Act in respect of the proposed provision of financial assistance can be found at Schedule 1.

The Directors recommend Shareholders vote in favour of the giving of financial assistance by each Challenge Company as described above.

For personal use only

Schedule 1 – Statement of Material Information for Shareholders regarding Financial Assistance

Introduction

- (a) This explanatory statement is given to members of the Company for the purpose of section 260B(4) of the *Corporations Act*.
- (b) It contains information known to the Company that is material to deciding how to vote on the resolution set out in the accompanying notice to members. The resolution may involve the giving of financial assistance by companies once they become subsidiaries of the Company.

Acquisition of Challenge Group

In July 2007, the Company acquired the entire issued ordinary share capital of Challenge Recruitment Ltd (ABN 82 083 202 939) (**Challenge**) and its subsidiaries (**Challenge Companies**) including:

- Challenge Logistics Pty Ltd (ABN 89 060 292 051)
- Choice HR Pty Ltd (ABN 70 003 248 584)
- Choice HR (Maitland) Pty Ltd (ABN 88 095 133 403)
- Choice HR (Newcastle) Pty Ltd (ABN 15 094 333 696)
- Choice HR (Logistics) Pty Ltd (ABN 88 069 532 618)
- Choice HR (Penrith) Pty Ltd (ABN 24 100 867 105)
- Choice HR (Liverpool) Pty Ltd (ABN 28 100 867 123)
- Choice HR (Parramatta) Pty Ltd (ABN 96 100 867 098)

Background

Under the Facility Agreement (**Facility Agreement**) dated 18 May 2005 between the Company and Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**) (as amended or amended and restated from time to time), ANZ provides to the Company certain term debt facilities and invoice finance facility (**Invoice Finance Facility**).

Pursuant to the Facility Agreement, it is proposed that:

- (a) each Challenge Company will, if required, execute an assumption deed under which that Challenge Company assumes certain rights and obligations in connection with the Invoice Finance Facility and will assign debts owed to it to the Company in connection with the utilisation of the Invoice Finance Facility;
- (b) each Challenge Company will, if and when required under the Facility Agreement, execute an accession deed under which that Challenge Company becomes an obligor and guarantor under the Facility Agreement;
- (c) each Challenge Company will, if and when required under the Facility Agreement, grant to ANZ fixed and floating charges over all assets and undertaking of that company and any other security required by ANZ;
- (d) each Challenge Company may enter into intercompany finance agreements with the Company whereby the Company may provide financial accommodation to that

For personal use only

Challenge Company or that Challenge Company may lend money to the Company in order for the Company to perform its payment obligations under the Facility Agreement; and

- (e) each Challenge Company may execute, or accede to, a set-off agreement with the Company and ANZ in respect of its accounts held with ANZ.

(together the **ANZ Documents**).

The Company may arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future from time to time. In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to such financing facilities, each Challenge Company may, from time to time:

- (a) execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facility Agreement;
 - (ii) on terms approved by the board or members (or both) of the company at the relevant time;
- (b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and
- (c) execute, or accede to, any document in connection with, or ancillary to, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any restated documents.

These documents, together with the ANZ Documents, are referred to as the **Documents**.

Each Challenge Company's obligations under each Document to which it is a party are significant. Those obligations could include:

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Documents from time to time;
- (b) indemnifying ANZ and other parties against any liability or loss or cost incurred by them the Documents; and
- (c) giving security interests over its assets to secure the obligations of the Company and any applicable subsidiary or related entity of it under the Documents from time to time.

Financial assistance

The entering into and performing of obligations under the Documents may constitute the giving of financial assistance to the Company by a Challenge Company in connection with the acquisition by the Company of shares in that Challenge Company or its holding company.

The approval of the members of the Company is therefore sought pursuant to section 260B(3) of the *Corporations Act*, in respect of each Challenge Company, to the financial assistance described above.

Requirements for shareholder approval

Under section 260A of the *Corporations Act*, a company may financially assist a person to acquire shares in the company or a holding company of the company without shareholder approval only if giving the assistance does not materially prejudice:

- (a) the interests of the company or its shareholders; or
- (b) the company's ability to pay its creditors.

Even if there is such prejudice, the company can financially assist a person to acquire shares in the company or a holding company of the company with shareholder approval. The requirements for approval under section 260B of the *Corporations Act* are:

- (a) The financial assistance must be approved by shareholders by:
 - (i) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
 - (ii) a resolution agreed to, at a general meeting, by all ordinary shareholders.
- (b) If immediately after the acquisition, the company has a holding company that is a domestic corporation but not listed and is not itself a subsidiary of a domestic corporation, the financial assistance must also be approved by a special resolution passed at a general meeting of the holding company.
- (c) If immediately after the acquisition, the company becomes a subsidiary of a listed domestic corporation, the financial assistance must also be approved by a special resolution passed at a general meeting of that corporation.
- (d) A company calling a general meeting must issue a statement setting out all the information known to that company that is material to the decision on how to vote on the resolution, unless it would be unreasonable to require that company to do so because that company has previously disclosed the information to its members.
- (e) Before the notice of a meeting for the purpose of approving the giving of financial assistance is sent to members of a company, the company must lodge with the Australian Securities & Investments Commission (**ASIC**) the notice of the meeting of the members and any document relating to the financial assistance that will accompany that notice.
- (f) The company must lodge with ASIC notice that the assistance has been approved at least 14 days before giving the financial assistance.
- (g) A special resolution passed at a general meeting referred to above must be lodged with ASIC within 14 days after it is passed.

Consequences of non-approval of financial assistance

The Company is obliged under the Facility Agreement to ensure that each Challenge Company provides to ANZ a fixed and floating charge over all of its assets, an accession deed (under which it becomes an obligor and guarantor under the Facility Agreement) and an assumption deed (under which that Challenge Company assumes certain rights and obligations in connection with the Invoice Finance Facility) no later than 21 days after the Company's first annual general meeting.

If a special resolution approving the giving of financial assistance described above is not passed at the Meeting, the Company would be likely to be unable to comply with that

obligation and, as a result, default under the Facility Agreement. The consequences of such default could be materially detrimental to the Company.

Recommendation of directors

The directors recommend that members vote in favour of the resolution.

Notice to ASIC

Copies of the notice to members of the proposed resolution and this explanatory statement were lodged with ASIC before being sent to the members, in accordance with section 260B(5) of the *Corporations Act*.

Disclosure

The Company considers this statement to contain all material information known to it that could reasonably be required by a member in deciding how to vote on the proposed resolution other than information that would be unreasonable to require the Company to disclose because the Company has previously disclosed that information to the member.

Inspection of documents

Copies of the ANZ Documents (in draft or final copy) are available for inspection by members on request to the Company.

For personal use only