



**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:



*"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.**



## 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](http://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
- 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.



**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.*

**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.*

### **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](http://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 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.*

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

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### 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 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.