

11 February 2007

Company Announcements Office
Australian Stock Exchange Limited

By Electronic Lodgment

Dear Sir,

RE: NOTICE OF EXTRAORDINARY GENERAL MEETING

We enclose copies of the following documents which are today being sent to the company's shareholders in connection with an Extraordinary General Meeting of the company to be held on 14 March 2008:

1. Notice of Extraordinary General Meeting including Explanatory Memorandum
2. Proxy Form

Yours faithfully,



Howard Knapp
Company Secretary



Registered Office:

Unit 7,
29 Bridge Road,
Stanmore, NSW 2048

Telephone (02) 8594 9292
Facsimile (02) 9550 3573

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held at 9:00am on Friday 14 March 2008 at

Unit 8, 29 Bridge Road,
Stanmore, NSW 2048

RETURN DETAILS FOR PROXY FORMS: Computershare Investor Services Pty Limited

| | |
|-----------|---|
| facsimile | +61 (0)3 9473 2118 |
| post | GPO Box 242, Melbourne, VIC 3001 |
| delivery | Level 2, 60 Carrington Street, Sydney, NSW 2000 |

RCG CORPORATION LIMITED

ABN 85 108 096 251

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of members of RCG Corporation Limited (**Company** or **RCG**) will be held at Unit 8, 29 Bridge Road, Stanmore NSW 2048 on Friday 14 March 2008 at 9:00am.

The business set out in this notice is to be transacted at the Meeting. The explanatory memorandum which accompanies and forms part of this notice describes in more detail the matter to be considered. Certain words have defined meanings when used in this notice. A glossary of defined terms is set out at the end of the explanatory memorandum.

AGENDA

Issue of Employee Options to Mr Hilton Brett

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 3,000,000 Employee Options (as defined in the notice convening this meeting) at an exercise price of \$0.30 each to Mr Hilton Brett under the Employee Option Plan, is approved.”

BY ORDER OF THE BOARD



Howard Knapp
Company Secretary
11 February 2008

NOTES:

Voting Exclusion Statement

In accordance with the Listing Rules the Company will disregard any votes cast on the Resolution by Mr Hilton Brett and all Directors and their associates except one who is ineligible to participate in any employee incentive plan.

However, the Company need not disregard a vote if:

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

Voting Entitlements

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Extraordinary General Meeting will be as it appears in the Share Register at 7.00pm (AEST) on Wednesday 12 March 2008.

How to Vote

You may vote by attending the Meeting in person, by proxy or personal representative.

Proxies

To vote by proxy, please complete and sign the proxy form enclosed with this notice of meeting and return it to the share registry of the Company, Computershare Investor Services Pty Limited, either:

- by facsimile on +61 (0)3 9473 2118;
- by post to GPO Box 242, Melbourne, VIC 3001; or
- by delivery to Level 2, 60 Carrington Street, Sydney, NSW,

so that it is received not later than 9:00am on Thursday 13 March 2008. If the proxy is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).

A proxy need not be a member of the Company.

A member entitled to cast two or more votes may appoint two proxies. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion of your voting rights. If you do not specify the proportion or number, each proxy may exercise one half of the votes.

Proxies given by corporate shareholders must be executed in accordance with section 127 of the Corporations Act, their constitutions or by their attorney or duly authorised officer.

Personal Representative

To vote by personal representative, please forward the authority under which the personal representative has been appointed (or a certified copy) to the address set out above for the return of proxy forms so that it is received no later than 9:00am on Wednesday 12 March 2008.

Voting Intentions

Subject to the Listing Rules, the Chairman and any other Directors and officers of the Company intend to vote in favour of the resolution on the agenda in respect of undirected proxy votes where the Chairman and any other Directors and officers are appointed as proxies.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. The Company will require a certificate of appointment of corporate representative executed in accordance with section 127 of the Corporations Act. The certificate must be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting. The Company will retain the certificate.

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared to assist shareholders in considering the resolution set out in the Company's Notice of Extraordinary General Meeting. It is part of, and should be read in conjunction with, the notice.

Regulatory overview of the resolution

Under Listing Rule 10.14, the Company must not permit, among other people, a director of the Company to acquire securities under an employee incentive scheme without the approval of Shareholders. The Employee Option Plan is an employee incentive scheme for the purposes of Listing Rule 10.14. The Resolution seeks approval under this Listing Rule.

The grant of options proposed in the Resolution will not count towards the limit set by Listing Rule 7.1 which provides that the Company must not (subject to certain exceptions) at any time issue or agree to issue equity securities in excess of 15% of the number of fully paid ordinary securities in the Company that were on issue 12 months before that time without the prior approval of Shareholders.

The Resolution - Issue of Employee Options to Mr Hilton Brett

1 Outline of the issue of options

As explained in the notice of meeting for an extraordinary general meeting of the Company held on 30 April 2007, the Company had previously agreed with Mr Brett that in consideration for the services provided by him to the Company for the period up to 31 January 2008, Mr Brett was entitled to Director and Service Options in lieu of any entitlement to a salary or fees (other than director fees which Mr Brett reinvested in the Company by way of exercising his Director Options). Shareholders approved the issue of the options at that time.

During the period of those arrangements, Mr Brett was responsible for the management of the highly successful sale and separation of the King of Knives business and he has been central to the commencement of the Company's acquisition program. As the period to which that arrangement applied has now expired, the Board was keen to retain Mr Brett as part of the management team and has agreed a revised remuneration package with Mr Brett. In particular, in consideration for Mr Brett's further commitment to the Company and to secure his services, the Company has agreed to grant to Mr Brett (subject to Shareholder approval) 3,000,000 Employee Options at an exercise price of \$0.30 each. In addition to the grant of the Employee Options, Mr Brett will be entitled to a remuneration package of \$277,560 which is inclusive of superannuation and a motor vehicle allowance.

The Resolution seeks the approval of Shareholders to the grant of the Employee Options. Further details of the terms of the Employee Options are set out below.

2 Director's recommendation

Due to Mr Hilton Brett's material personal interest in the Resolution, he does not make any recommendation to Shareholders on how to vote.

The Board (other than Mr Brett) recommends that Shareholders vote in favour of the Resolution. The reason for their recommendation is that they believe that granting the Employee Options will, as an important part of Mr Brett's remuneration package, allow the Company to secure the services of Mr Brett and will at the same time provide Mr Brett with a significant equity incentive. None of the Directors, other than Mr Brett, has an interest in the outcome of the Resolution.

Under the ASX Listing Rules, the directors are unable to vote on the Resolution as they are each eligible to participate in the Employee Option Plan.

3 Reasonable remuneration

The Board has obtained independent advice that the grant of the Employee Options to Mr Brett would be reasonable remuneration given the circumstances of the Company and Mr Brett's circumstances (including the responsibilities involved in his office as an executive Director of the Company).

4 The Resolution

The purpose of the Resolution is to seek the approval of Shareholders under Listing Rule 10.14 to the issue of 3,000,000 Employee Options to Mr Hilton Brett. The options will be granted under the terms of the Employee Option Plan adopted by the Board on 10 November 2006, the terms of which are summarised in Annexure A of this explanatory memorandum.

The key terms of the Employee Options proposed to be issued to Mr Hilton Brett are as follows:

- o Each Employee Option will confer the right to subscribe for one Share at an exercise price of \$0.30 per Share at any time within a 5 year period after the date of issue of the option (subject to the vesting hurdles described below having been satisfied).
- o The exercise price represents a 15% premium to the volume weighted average price per Share on ASX over the 5 day period ending 1 February 2008.
- o Each Employee Option will be granted for an option fee of \$0.0447, payable when the option is issued.
- o The Company will provide a loan to Mr Brett for an amount equal to the option fee payable for his Employee Options (being a total amount of \$134,100) on the terms set out in the Employee Option Plan.
- o The Employee Options will be subject to vesting hurdles in that one third of the Employee Options issued (being 1,000,000 Employee Options) will become exercisable on 1 February 2009 and at the end of each of the 2 years after that date if the optionholder remains an employee of the Company group at that time. However, all of the outstanding Employee Options will automatically vest if a takeover or scheme of arrangement of the Company, or similar event, occurs.

The Employee Options will otherwise be issued on the terms prescribed by the Employee Option Plan.

The Employee Options will be issued and allotted within one month after the date of the extraordinary general meeting if this resolution is approved.

The terms of the Employee Option Plan permit all directors of the Company from time to time to participate. At the date of this explanatory statement, the directors of the Company were Mr Ivan Hammerschlag, Mr David Gordon, Mr Michael Cooper, Mr Michael Hirschowitz, Mr Hilton Brett and Mr Stephen Kulmar. Since the date approval was last sought for the issue of securities under the Employee Option Plan (being the extraordinary general meeting held on 19 December 2006), the Company has issued 8,000,000 options to each of Mr Michael Cooper and Mr Michael Hirschowitz under the Employee Option Plan at an exercise price of \$0.12 and at an option fee of \$0.034.

Glossary

ASX means the financial market operated by ASX Limited;

Board means the board of Directors;

Company means RCG Corporation Limited;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the directors of the Company from time to time;

Employee Option means an option over one unissued Share, exercisable at any time within 5 years after the date of issue (subject to any applicable vesting hurdles having been satisfied), on the terms set out in the Employee Option Plan;

Employee Option Plan means the plan for the issue of options to full time, part time and casual employees and directors of the Company, a summary of the terms of which is set out in Annexure A;

Listing Rules means the listing rules of the ASX Limited;

Meeting means the extraordinary general meeting of the Company to be held at 9:00am on Friday 14 March 2008;

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

Shareholder means a person who holds RCG Shares; and

Shares means fully paid ordinary shares in the capital of the Company.

Annexure A – Employee Option Plan

- Each full time, part time and casual employee of the Company group, and each director of the Company, is eligible to participate in the Employee Option Plan.
- Participation in the Employee Option Plan will be determined by the Board. However, under the Listing Rules, any grant of options to a director of the Company under the Employee Option Plan must be approved by Shareholders.
- The exercise price for each Employee Option will be determined by the Board at the time when that option is issued.
- Each Employee Option will expire 5 years after the day upon which it is issued.
- The Board may include in the terms of an Employee Option that specified vesting conditions or performance hurdles may need to be satisfied before the Employee Option can be exercised.
- The Board may determine that an option fee is payable as consideration for the issue of a Employee Option.
- Each Employee Option will confer a normal right to receive bonus shares upon exercise if the Company has conducted a bonus issue prior to the date of exercise, but will not confer any right to participate in a rights issue by the Company before the options are exercised.
- Employee Options will be subject to the normal adjustments prescribed by the Listing Rules if the Company implements a reconstruction of its share capital.
- An Employee Option cannot be dealt with in any way by the optionholder without the prior consent of the Board, other than to participate in a takeover or scheme of arrangement of the Company or any similar event.
- Where the Board determines that an option fee is payable upon the issue of any Employee Option, the Board may offer the participating employee a loan for the amount of that option fee. The terms of any such loan will be as follows:
 - the loan amount may only be used to pay the option fee of the Employee Option;
 - the loan will be interest free;
 - the loan must be repaid as and when the employee disposes of any shares received upon exercise of the Employee Option, or if the employee disposes of the Employee Option in a manner permitted under the plan;
 - the loan is limited recourse, which means that if the net proceeds of sale of options or the shares into which they convert are less than the outstanding balance of the loan, the Company will forgive that shortfall;
 - if a vesting condition or performance hurdle applies to the exercise of an Employee Option, and the Employee Option lapses due to non-satisfaction of that vesting condition or performance hurdle, then the Company will refund the amount of the initial option fee paid for the cancelled Employee Option. The refunded amount will be directed to repay the amount of any loan provided by the Company to the participating employee to the extent it was applied to pay the initial option fee for that lapsed Employee Option; and

- o the Company may demand repayment of the outstanding balance of the loan if the participant ceases to be an employee of the Company group. In that event the participant may elect to repay the loan or relinquish the underlying securities in full repayment of the loan.


RCG Corporation Limited
ABN 85 108 096 251

TO LODGE A PROXY FORM:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Facsimile 61 3 9473 2118

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 855 080
(outside Australia) 61 3 9415 4000

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 9.00AM THURSDAY 13 MARCH 2008**

| | |
|--|---|
|  | YOUR SECURITYHOLDER INFORMATION IS AVAILABLE ONLINE, SIMPLY VISIT: www.investorcentre.com.au |
| <input checked="" type="checkbox"/> Review your securityholding <input checked="" type="checkbox"/> Update your securityholding | YOUR SECURE ONLINE ACCESS INFORMATION SRN/HIN: I1234567890 POST CODE: 3030 ! FOR SECURITY REASONS IT IS IMPORTANT THAT YOU KEEP YOUR SRN/HIN CONFIDENTIAL. |

HOW TO COMPLETE THIS PROXY FORM Please read these notes prior to completion of the voting form.

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. 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 such a direction. If you do not mark any of the boxes on a given item, 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.

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

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document 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 a corporate securityholder or proxy 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 by telephoning the company's share registry or at www.computershare.com.

LODGEMENT OF A PROXY FORM. This form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 24 hours before the commencement of the meeting at 9.00am, Friday 14 March 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of RCG Corporation Limited hereby appoint

Form for appointing the Company Secretary or another individual.

Please leave this box blank if you have selected the Company Secretary. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Company Secretary, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of RCG Corporation Limited to be held at Unit 8, 29 Bridge Road, Stanmore NSW on Friday 14 March 2008 at 9.00am and at any adjournment of that meeting.

STEP 2 ITEM OF BUSINESS

PLEASE NOTE: 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.

Table with 1 row: Approval of issue of Employee Options to Mr Hilton Brett. Columns: For, Against, Abstain.

The Company Secretary intends to vote undirected proxies in favour of the item of business.

SIGN SIGNATURE OF SECURITYHOLDER(S) This section must be completed.

Signatures for Individual or Securityholder 1, Securityholder 2, and Securityholder 3.



I 123456789 IND

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form.