

RCG CORPORATION

ABN 85 108 096 251

NOTICE OF ANNUAL GENERAL MEETING

To be held at 10:00am
on Wednesday, 25 November 2015

at Level 4, 60 Carrington Street
Sydney, NSW 2000

RCG Corporation Limited

Registered office:
719 Elizabeth Street
Waterloo, NSW 2017

Phone (02) 8310-0000
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RCG CORPORATION LIMITED

ABN 85 108 096 251

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2015 Annual General Meeting of members of RCG Corporation Limited ("**Company**" or "**RCG**") will be held at the offices of the Company's share registry, Computershare Investor Services Pty Limited, at Level 4, 60 Carrington Street, Sydney NSW 2000 on Wednesday, 25 November 2015 at 10:00am ("**Meeting**").

The following business will be transacted at the Meeting. The explanatory statement which accompanies and forms part of this notice of meeting ("**Notice**") describes in more detail the matters to be considered.

In accordance with the Corporations Act 2001 (Cth) ("**Corporations Act**"), a hard copy of the Company's annual report is provided to shareholders that have specifically requested to receive one. The Company's annual report is available online, from the date of this notice, at <http://rcgcorp.com.au/for-investors/annual-reports/>.

AGENDA

ORDINARY BUSINESS

Item 1: Financial Statements

To receive and consider the financial report of the Company, together with the directors' report and auditor's report, for the period ended 28 June 2015.

Item 2: Remuneration Report

To consider and, if thought fit, pass the following **ordinary resolution**:

"That the remuneration report as set out in the Annual Report of the Company for the year ended 28 June 2015 be adopted."

Item 3: Re-election of Directors

- 3.1 To consider and, if thought fit, pass the following **ordinary resolution**:

"That Mr Ivan Hammerschlag, who retires in accordance with rule 22.1 of the Company's constitution, and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

- 3.2 To consider and, if thought fit, pass the following **ordinary resolution**:

"That Mr Michael Cooper who retires in accordance with the ASX Listing Rules and rule 22.2 of the Company's constitution, and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

SPECIAL BUSINESS

Item 4: Increase the maximum aggregate amount of non-executive directors' fees

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

"That, in accordance with ASX Listing Rule 10.17 and for all other purposes, the total aggregate amount of directors' fees that may be paid to the Company's non-executive directors in any financial year be increased by \$500,000, from \$350,000 to \$850,000."

BY ORDER OF THE BOARD



Michael Hirschowitz
Company Secretary
23 October 2015

NOTES:

Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 7.00pm (AEDT) on Monday, 23 November 2015.

Voting Exclusions

Items 2 and 4 - Corporations Act

In accordance with the Corporations Act, the following persons may not vote on Items 2 and 4, and the Company will disregard any votes cast on Items 2 and 4 by or on behalf of, any member of the Company's key management personnel or any closely related party of a member of the Company's key management personnel, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on a proxy form. This restriction will not apply to the Chairman of the Meeting if the proxy appointment expressly authorises the Chairman of the Meeting to exercise proxies even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel. The Company's key management personnel are those individuals named as such in the Company's Annual Report and whose remuneration appears in the Remuneration Report.

Item 4 - ASX Listing Rules

In accordance with the ASX Listing Rules, the Company will also disregard any votes cast on Item 4 by the directors of the Company and any of their associates. However, the Company need not disregard a vote on Item 4 if:

- it is cast by a director or any associate of the director 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 the direction on the proxy form to vote as the proxy decides.

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 and return it to the share registry of the Company, Computershare Investor Services Pty Limited, either:

- online www.investorvote.com.au;
- by facsimile on +6 13 9473 2555;
- by post to GPO Box 242, Melbourne, VIC 3001; or
- by delivery to Level 4, 60 Carrington Street, Sydney, NSW,

so that it is received not later than 10.00am (AEDT) on Monday, 23 November 2015. 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 10.00am (AEDT) on Monday, 23 November 2015.

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.

Voting intentions and undirected proxies

Subject to any voting restrictions and exclusions, where the Chairman of the Meeting is appointed as proxy, he intends to vote all undirected proxy votes in favour of Items 2, 3 and 4 even though Items 2 and 4 are connected directly or indirectly with the remuneration of a member of the KMP, which includes the chairman. In exceptional circumstances, the Chairman of the Meeting may change his voting intentions on any resolution, in which case an ASX announcement will be made.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders in considering the resolutions set out in the Notice. It is part of, and should be read in conjunction with, the Notice.

GENERAL BUSINESS

Item 1 - Financial Statements

The Corporations Act requires the Annual Financial Report of the Company, which includes the financial statements, Directors' Report, Directors' Declaration, and the Independent Audit Report, to be laid before the Meeting. A vote of members on the reports is not required by the Corporations Act or the Company's constitution.

Members will be given a reasonable opportunity to ask questions or make comments on the reports at the Meeting.

THE RESOLUTIONS

Item 2 – Remuneration Report

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report can be found on page 8 of the Company's Annual Report, which if it does not accompany this Notice, can be found on the Company's website at <http://rcgcorp.com.au/for-investors/annual-reports/>.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting and then again at the 2016 Annual General Meeting, the Company will be required to put to shareholders a resolution at the 2016 Annual General Meeting proposing the calling of an extraordinary general meeting to consider the election of directors of the Company ("**spill resolution**").

If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting ("**spill meeting**") within 90 days of the 2016 Annual General Meeting. All of the Directors who were in office when the 2016 Directors' Report was considered at the 2016 Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

In summary, the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of Directors and senior managers of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance conditions applicable to the remuneration of Directors and senior managers of the Company; and
- sets out remuneration details for each Director, including the value of any options granted to those persons.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report proposed by the resolution in Item 2.

Item 3 - Re-election of Directors

Background

ASX Listing Rule 14.5 imposes a requirement on the Company to hold an election of directors each year. ASX Listing Rule 14.4 provides that a director (excluding the managing director) of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Rule 22.1 of the Company's constitution requires one-third (or the next lowest whole number) of the Directors (excluding the Managing Director) to retire at the annual general meeting of the Company. Any Directors who retire in accordance with rule 22.1 of the Company's constitution are eligible for re-election at the annual general meeting. Rule 22.2 of the Company's constitution requires each Director (excluding the Managing Director) to retire from office no later than at the third annual general meeting of the Company following their last election or appointment by a general meeting. Any Directors who retire in accordance with rule 22.2 of the Company's constitution are eligible for re-election.

Item 3.1 - Re-election of Mr Ivan Hammerschlag

Mr Ivan Hammerschlag retires in accordance with rule 22.1 of the Company's constitution and offers himself for re-election.

Ivan has had over 30 years of specialist retail experience, including as CEO and shareholder in Freedom Furniture prior to its IPO. He has also chaired, managed and invested in a number of other successful retail and other businesses and is currently the Non-Executive Chairman of Smartpay Holdings Limited. Ivan has been Chairman of RCG since October 2006.

The Directors (with Mr Hammerschlag abstaining) recommend that shareholders vote in favour of the re-election of Mr Ivan Hammerschlag as a director proposed by the resolution in Item 3 and intend to vote any shares which they currently hold in favour of this resolution.

Item 3.2 - Re-election of Mr Michael Cooper

Mr Michael Cooper retires in accordance with the ASX Listing Rules and rule 22.2 of the Company's constitution and offers himself for re-election.

Michael has been with The Athlete's Foot since 1988, fulfilling a number of operational roles including management of store operations and the merchandising function. Michael was appointed Managing Director of The Athlete's Foot in March 2002. In addition to this, he has overall responsibility for RCG's Podium Sports and Merrell retail businesses.

The Directors (with Mr Cooper abstaining) recommend that shareholders vote in favour of the re-election of Mr Michael Cooper as a director proposed by the resolution in Item 3 and intend to vote any shares which they currently hold in favour of this resolution.

SPECIAL BUSINESS

Item 4 – Increase the maximum aggregate amount of non-executive directors' fees

Background

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of its shareholders.

RCG has not sought shareholder approval to increase the annual aggregate amount of non-executive directors' fees since the Company's IPO in 2004.

In accordance with ASX Listing Rule 10.17, shareholder approval is sought to increase the total aggregate amount of directors' fees that may be paid to all of the Company's non-executive directors in any financial year ("Fee Pool") by \$500,000, from \$350,000 to \$850,000 per annum.

In respect of the 2015 financial year, the total aggregate amount of directors' fees that was paid to all of the Company's non-executive directors was \$307,000. In respect of the 2016 financial year, but subject to

shareholders approving the resolution in this Item 4, the total aggregate amount of directors' fees that may be paid to all of the Company's non-executive directors is not expected to exceed \$450,000. Notwithstanding this, the Company is proposing to increase the Fee Pool to \$850,000 in order to ensure that the Company has the continued ability and flexibility in the future to pay competitive fees and attract and retain high calibre non-executive directors (and for the additional reasons set out below).

If shareholders approve Item 4:

- the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive directors in any financial year will be \$850,000; and
- the specific amount of the Fee Pool that may be paid to each non-executive director of the Company will be, in accordance with clause 21.5.1 of the Company's constitution, determined by the Directors.

Reasons for the proposed increase in the Fee Pool

The Directors are seeking shareholder approval to increase the Fee Pool for the following reasons:

- to ensure that the Fee Pool can accommodate the payment of fees to the new non-executive directors appointed to the Board following the acquisition of Accent Group Limited in May 2015;
- to ensure that the Company's non-executive directors are fairly and adequately remunerated having regard to market rates in respect of the remuneration of non-executive directors of other comparable companies; and
- to ensure that the Company maintains the ability and flexibility in the future to pay competitive fees and attract and retain high calibre non-executive directors.

RCG non-executive remuneration

The Company's approach to non-executive remuneration is to set fees that reflect the time commitment and responsibilities involved and that enable the Company to retain a high quality team of non-executive directors, having regard to market rates in respect of the remuneration of non-executive directors of other comparable companies.

On an annual basis the Company's Remuneration Committee (which, in respect of the 2016 financial year, will be the Remuneration and Nominations Committee) considers the fees payable to non-executive directors. When considering the level of fees, the Remuneration Committee undertakes a survey of the market and accesses independent advice as well as drawing on the knowledge and experience of its members. The Remuneration Committee makes recommendations on non-executive director fees to the Board.

The Company has not issued any securities to a non-executive director under ASX Listing Rule 10.11 or 10.14 with shareholder approval at any time within the preceding 3 years from the date of this Notice.

Details of fees paid to non-executive directors for the financial year ended 28 June 2015 are included in the Remuneration Report.

With non-executive directors noting their interests in the matter, the Board unanimously recommends that shareholders approve the increase in the maximum aggregate non-executive director fees proposed by the resolution in Item 4.

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (AEDT) Monday, 23 November 2015**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing 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 percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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

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the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. 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 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 directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of members of RCG Corporation Limited to be held at Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney NSW 2000 on Wednesday, 25 November 2015 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 4 (except where I/we have indicated a different voting intention below) even though Items 2 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 4 by marking the appropriate box in step 2 below.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

STEP 2 Items of Business



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

ORDINARY BUSINESS

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.1 Re-election of Mr Ivan Hammerschlag as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Re-election of Mr Michael Cooper as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

4 Increase the maximum aggregate amount of non-executive directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /