

Q Technology Group Limited

Notice of Annual General Meeting and Explanatory Memorandum

**Annual General Meeting to be held at
Suite 503, 23 Hunter Street, Sydney 2000 on Monday, 3 February 2020
commencing at 12.00pm AEDT**

Q TECHNOLOGY GROUP LIMITED

ABN 27 009 259 876

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Corporate Directory

Directors

Mr Douglas Potter (Non-Executive Director, Chairman)
Mr Rob Rosa (Non-Executive Director)
Mr Edmond Tern (Non-Executive Director)
Mr Howard Whitesmith (Managing Director)

Secretary

Mr Andrew Phillips

Registered Office

Suite 503, 23 Hunter Street
Sydney NSW 2000
Telephone: +61 3 9676 7054
Email: enquiries@qtechnologygroup.com.au
Website: www.qtechnologygroup.com.au

Auditor

RSM Bird Cameron & Partners
Level 21, 55 Collins Street
Melbourne VIC 3000
Telephone: +61 3 9286 8000

Lawyers

CBW Partners
1/159 Dorcas Street
South Melbourne VIC 3205
Telephone: +61 3 8646 3833

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

ASX Code

QTG (Shares)

Notice of Annual General Meeting

Notice is hereby given that the 2019 Annual General Meeting (**AGM** or **Annual General Meeting** or **Meeting**) of Shareholders of Q Technology Group Limited (ABN 27 009 259 876) (ASX: QTG) (**QTG** or the **Company**), will be held Suite 503, 23 Hunter Street, Sydney 2000 on Monday, 3 February 2020 commencing at 12.00pm (AEDT) for the purpose of transacting the following business.

The Explanatory Memorandum and Proxy Form accompanying this Notice of Annual General Meeting are hereby incorporated in and comprise part of this Notice of Annual General Meeting.

AGENDA

1 FINANCIAL STATEMENTS, DIRECTORS' REPORT AND AUDITOR'S REPORT

Period 1 July 2018 to 30 June 2019

To receive and consider the financial statements, the Directors' Report, and the Independent Auditor's Report for the Company for the financial year ended 30 June 2019.

Note: There is no requirement for Shareholders to approve these reports.

2 RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following **non-binding resolution**:

"That, for the purposes of section 250R (2) of the Corporations Act 2001(Cth) and for all other purposes, the Remuneration Report as included in the Directors' Report of the Annual Report of the Company for the financial year ended 30 June 2019 be adopted."

The vote on this Resolution 1 is advisory only and does not bind the Company or the Directors.

Voting Exclusion Statement

In accordance with Section 250(R) of the *Corporations Act 2001* (Cth), a vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 (as set out above), and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman of the Meeting, and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and

- (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote all available proxies **in favour** of Resolution 1.

3 RESOLUTION 2: RE-ELECTION OF DIRECTORS

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

“That Mr Douglas Potter, who retires in accordance with ASX Listing Rule 14.4, and Rule 53 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Recommendation: The Directors (other than the relevant Director in relation to his own re-election) unanimously recommend that Shareholders vote **in favour** of Resolution 2.

Notes to Notice of Meeting

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and forms part of this Notice of Annual General Meeting.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes (disregarding fractions).

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Proxy appointments (and any necessary supporting document) must be received by the Company no later than **48 hours before the commencement of the Meeting**. Proxies received after this deadline will **not** be effective for the scheduled meeting. Instructions for the lodging proxies are on the proxy form.

Under the *Corporations Act 2001* (Cth):

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the chairperson of the AGM, who must vote the proxies as directed.

Section 250BB of the *Corporations Act 2001* (Cth) provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- (b) if the proxy has two or more appointments that specify different ways to vote on a resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the chairperson of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chairperson of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining the entitlement of Shareholders to vote at the meeting.

The Company’s Directors have determined that, for the purposes of determining voting entitlements at the Annual General Meeting, only those persons registered as holding Shares at 7.00pm (AEDT)

on Thursday, 30 January 2020 shall be entitled to vote at the meeting. This means that if you are not the registered holder of a Share at that time you will not be entitled to attend and vote in respect of that Share at the Meeting.

Voting Exclusion

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a 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 Annual General 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.

Undirected Proxies and Voting Restrictions

Where permitted, the Chairman of the Annual General Meeting will vote undirected proxies in favour of all the Resolutions. This will be on the basis that the Proxy Form expressly authorises the Chairman to vote undirected proxies even if the resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

If you appoint a Director (other than the Chairman of the meeting), or any of the Company's other Key Management Personnel or a Closely Related Party of that person, as your proxy and do not direct your proxy how to vote on Resolution 1 the proxy will not be permitted to vote as your proxy on this resolution. Accordingly, if you want your vote to be counted on this Resolution you should direct your proxy how to vote in respect of this Resolution.

Corporate representation

A corporation which is a member, or which has been appointed a proxy, may appoint an individual to act as a representative to vote at the Annual General Meeting. The appointment must comply with section 250D of the *Corporations Act 2001* (Cth). The representative should bring to the Annual General Meeting evidence of his or her appointment unless it has previously been provided to the Share Registry.

By Order of the Board,

Andrew Phillips

Company Secretary

Q Technology Group Limited

18 December 2019

Explanatory Memorandum

This Explanatory Memorandum accompanies and forms part of the Q Technology Group Limited (ABN 27 009 259 876) (ASX: QTG) (**QTG** or the **Company**) Notice of Annual General Meeting to be held at Suite 503, 23 Hunter Street, Sydney NSW 2000 on Monday, 3 February 2020 commencing at 12.00pm (AEDT).

The purpose of this Explanatory Memorandum is to provide Shareholders with information relevant to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

The Company notes that the AGM is not being held within the time period prescribed in section 250N(2) of the *Corporations Act 2001* (Cth). The Company applied to ASIC under section 250P(1) of the *Corporations Act 2001* (Cth) for an extension to the date of the AGM, however ASIC was not minded to grant relief and the application was subsequently withdrawn. Given this, the Company has made arrangements to hold its AGM as soon as possible, in accordance with ASIC's advice.

This Explanatory Memorandum should be read together with the Notice of Annual General Meeting.

BUSINESS

1 FINANCIAL STATEMENTS, DIRECTORS' REPORT AND AUDITOR'S REPORT

1.1 Background

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 June 2019 will be laid before the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the Auditor's Report and the conduct of the audit may be submitted no later than 5 business days before the meeting date to:

Q Technology Group Limited

Suite 503

23 Hunter Street

Sydney, NSW 2000

The auditor will also be allowed a reasonable opportunity to answer written questions at the Annual General Meeting submitted to the auditor.

2 RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING)

2.1 Background

Pursuant to section 250R(2) of the *Corporations Act 2001* (Cth), at the Annual General Meeting, the Company must propose a resolution that the Remuneration Report be adopted.

The Remuneration Report for the financial year ended 30 June 2019 is contained in the Company's 2019 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

The purpose of Resolution 1 is to lay before the Shareholders, the Company's Remuneration Report so that Shareholders may ask questions about, or make comments on, the management of the Company in accordance with the requirements of the *Corporations Act 2001* (Cth), and vote on a non-binding resolution to adopt the Remuneration Report for the financial year ended 30 June 2019.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Section 250R (3) of the *Corporations Act 2001* (Cth) provides that **Resolution 1 is advisory only and does not bind the Directors of the Company.**

However, the *Corporations Act 2001* (Cth) has been amended by the *Corporations Amendment (Improving Accountability on Director of the Company and Executive Remuneration) Act 2011* (**Director and Executive Remuneration Act**) which received Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the *Corporations Act 2001* (Cth), giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a further resolution (the 'spill resolution') on whether another meeting (known as a 'spill meeting') should be held (within 90 days) at which all Directors (other than the Managing Director and any directors appointed since the applicable Directors' Report was approved by the Board) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the spill resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of that second annual general meeting to consider the composition of the Board.

The Company's 2017 and 2018 Remuneration Reports did not receive a "no" vote of 25% or more when they were tabled at the respective annual general meetings.

The Chairman of the Annual General Meeting, in accordance with section 250SA of the *Corporations Act 2001* (Cth), will give Shareholders a reasonable opportunity at the Meeting to ask questions about, and make comments on, the Remuneration Report and the Company's remuneration arrangements.

2.2 Voting Exclusion Statement (Resolution 1)

For the purpose of the voting exclusion statement:

- (a) **Key Management Personnel** of the Company and its subsidiaries are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries either directly or indirectly. The Key Management Personnel of the Company and its subsidiaries during the year ended 30 June 2019 are listed in the Annual Financial Report of the Company.
- (b) A **Closely Related Party** of a member of the Key Management Personnel for the Company and its subsidiaries means:
 - (i) a spouse or child of the member;
 - (ii) a child of the member's spouse;
 - (iii) a dependant of the member or of the member's spouse;
 - (iv) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - (v) a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a Shareholder to attend and vote at the Meeting under a power of attorney, on the basis that references to persons attending and voting are read as references to persons attending and voting and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

2.3 Directors Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as described in the Remuneration Report, the Directors unanimously recommend that Shareholders vote **in favour** of Resolution 1.

The Chairman intends to vote all undirected proxies **in favour** of Resolution 1. Please refer to the Proxy Form accompanying this Notice of Meeting for more information.

3 RESOLUTION 2: RE-ELECTION OF DIRECTORS

3.1 Background

In accordance with ASX Listing Rule 14.4, and section 53 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

The following is the background of the Director who is seeking re-election:

Mr Douglas Potter

Douglas Potter served as non-executive director of QTG since 2009 and was nominated as Chairman on 16 December 2014.

Douglas Potter is the Managing Director of Helmsman Funds Management Limited responsible for fund raising as well as originating, managing and exiting investments.

Douglas has experience as a director on a number of private companies including not for profit boards.

Douglas holds a Bachelor of Economics from University of Sydney and has completed an Advanced Insolvency Course through the Insolvency Practitioners Association of Australia. He is a member of Chartered Accountants Australia and New Zealand and the Australian Private Equity & Venture Capital Association.

3.2 Directors Recommendation

The Directors (other than the relevant Director in relation to his own re-election) unanimously recommend that members vote **in favour** of Resolution 2.

The Chairman intends to vote all undirected proxies **in favour** of Resolution 2.

Glossary

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars

AEDT means Australian Eastern Daylight Saving Time, being the time in Melbourne, Victoria, Australia.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

ASIC means Australian Securities and Investments Commission.

Associate has the same meaning as in the Corporation Act.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules and Listing Rules means the listing rules of the ASX.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report on the Financial Report.

Board means the Directors of the Company as at the date of this Notice of Meeting.

Chair and Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum to the Notice of Meeting.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel or KMP means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2019.

Managing Director means the Managing Director of the Company.

Notice or Notice of Meeting means this notice of Annual General Meeting.

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

Q Technology Group and Company means Q Technology Group Limited (ABN 27 009 259 876).

Remuneration Report means the remuneration report contained in the Company's 2019 Annual Report.

Resolution means a resolution contained in this Notice of Meeting.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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

Shareholder means a shareholder of the Company.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.



TECHNOLOGY GROUP LIMITED

ABN 27 009 259 876



QTG

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

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00pm (AEDT)** Saturday 1 February 2020.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

☐

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.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Q Technology Group Limited hereby appoint

☐

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 Q Technology Group Limited to be held at Suite 503, 23 Hunter Street, Sydney, NSW 2000 on Monday, 3 February 2020 at 12:00pm (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 Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2.

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.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report (Non-Binding)	☐	☐	☐
Resolution 2	Re-election of Director - Mr Douglas Potter	☐	☐	☐

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

QTG

999999A



Computershare

