

# **Q Technology Group Limited**

## **Notice of Annual General Meeting and Explanatory Statement**

**Annual General Meeting to be held at  
Unit 5, 435 Williamstown Road, Port Melbourne 3207 on Tuesday, 25 November 2014  
commencing at 2.00pm (EDST)**

**Q TECHNOLOGY GROUP LIMITED**  
**ABN 27 009 259 876**

This Notice of Annual General Meeting and Explanatory Statement 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

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<b>Directors</b>	Mr Bruce Higgins (Non-Executive Director, Chairman) Mr Douglas Potter (Non-Executive Director) Mr Rob Rosa (CEO, Executive Director)
<b>Secretary</b>	Mr Edmond Tern
<b>Registered Office</b>	Unit 5, 435 Williamstown Road Port Melbourne VIC 3207 Telephone: +61 3 9676 7054 Facsimile: +61 3 9646 2049 Email: <a href="mailto:enquiries@qtechnologygroup.com.au">enquiries@qtechnologygroup.com.au</a> Website: <a href="http://www.qtechnologygroup.com.au">www.qtechnologygroup.com.au</a>
<b>Auditor</b>	RSM Bird Cameron & Partners Level 21, 55 Collins Street Melbourne VIC 3000 Telephone: +61 3 9286 8000
<b>Lawyers</b>	Minter Ellison Rialto Towers 525 Collins Street Melbourne VIC 3000
<b>Share Registry</b>	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067
<b>ASX Codes</b>	QTG (Shares)

# Notice of Annual General Meeting

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The 2014 Annual General Meeting of Q Technology Group Limited, ABN 27 009 259 876, will be held at Unit 5, 435 Williamstown Road Port Melbourne 3207 on Tuesday, 25 November 2014 commencing at 2.00pm (EDST).

## Ordinary Business

### **1 Financial Statements and Reports**

#### **Period 1 July 2013 to 30 June 2014**

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 30 June 2014.

### **2 Resolution 1: Adoption of Remuneration Report (non-binding)**

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

"That, for all purposes, the Remuneration Report set out in the Directors' Report for the year ended 30 June 2014 be adopted."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

### **3 Resolution 2: Re-election of Director**

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

"That, Bruce Higgins, non-executive director who retires from the office of Director by rotation in accordance with Rule 63 of the Company's Constitution, being eligible, and offering himself for re-election, be re-elected as a Director of the Company."

**Recommendation: The Directors (excluding Bruce Higgins) recommend that Shareholders vote in favour of this resolution.**

### **4 Resolution 3: Ratification of previous Option Issue**

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

"That for the purposes of ASX Listing Rule 7.4, the issue of securities by the Company, as more fully described in the Explanatory Notes which accompany the Notice of Meeting, be approved."

**Recommendation: The Directors recommend that Shareholders vote in favour of this resolution.**

## Explanatory Statement

The Explanatory Statement 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:

- if proxy holders vote, they must cast all directed proxies as directed; and
- 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 provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- 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;
- 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
- 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 (EDST) on Sunday, 23 November 2014 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.

**By Order of the Board,**



**Edmond Tern**

Company Secretary  
Q Technology Group Limited  
17 October 2014

## **Explanatory Statement**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2014 Annual General Meeting.

The purpose of this Explanatory Statement 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.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

### **1 Financial Statements and Reports**

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2014 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  
PO Box 132  
Port Melbourne VIC 3207

Or

email: [enquiries@qtechnologygroup.com.au](mailto:enquiries@qtechnologygroup.com.au)

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

## **Explanatory Statement cont'd**

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### **2 Resolution 1: Adoption of Remuneration Report (non-binding)**

The Remuneration Report of the Company for the financial year ended 30 June 2014 is set out in the Director's Report of the Company's 2014 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.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under the Corporations Act 2001, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meeting's (AGM's), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

### **3 Voting exclusion for Resolution 1**

The Company will disregard any votes cast in respect of Resolution 1 by:

- (a) a member of the key management personnel of the company (details of whose remuneration are included in the remuneration report, including each director) (KMP Member), or a closely related party of a KMP Member.

However, the Company need not disregard a vote cast in relation to Resolution 1 cast by a member of KMP or a Closely Related Party of such a member of KMP if it is:

- (a) it is not cast on behalf of a member of KMP or a Closely Related Party of a member of KMP;
- (b) and either:
  - (i) the proxy is appointed in writing and specifies how the proxy is to vote on Resolution 1; or
  - (ii) the proxy is the chairperson of the Meeting and the appointment of the chairperson as the proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

The Chairman intends to vote undirected proxies held by him in favour of each resolution. Please refer to the proxy form accompanying this notice of meeting for more information.

## Explanatory Statement cont'd

### 4 Resolution 2: Re-election of Director

In accordance with clause 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.

Accordingly, Mr Bruce Higgins offers to stand for election as a Director and Shareholder approval is sought for his re-election. Further information about Mr Bruce Higgins is set out in the Company's 2014 Annual Report.

### 5 Resolution 3: Ratification of previous Option Issues

- (a) Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.
- (b) Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 at the time it occurred and the issue of the securities is subsequently approve by ordinary resolution of the members in general meeting.
- (c) Under Resolution 3, the Company seeks from Shareholders approval for, and ratification of, the issues of Options set out below such that, moving forward, the Company has the maximum flexibility to undertake equity raisings without the need for further shareholder approval.
- (d) Details of the Options issued are set out in the table below. If all of the Options are exercised, the number of Shares issued would equal 1.4% of the Company's fully diluted share capital (assuming no further issues of securities by the Company).
- (e) Listing Rule 7.5 requires the following information to be given to Shareholders:

Date of Issue	Allottee	Issue Price	Number of Options Issued	Purpose of the Issue
23 December 2013	Mr Robert Rosa	Nil	2,700,000	Executive incentive plan

- (i) The recipients of the Options are related parties of the Company.
- (ii) The exercise price of the Options is \$0.02 per Share.
- (iii) The final date for exercise of the Options is 23 Dec 2017. Exercise is subject to a vesting hurdle, namely that the volume weighted average sale price (VWAP) of QTG Shares traded on ASX in any 20 day trading period following the first anniversary of the option grant date exceeds the Exercise Price by 50% or more (i.e. the VWAP price exceeds \$0.03).
- (iv) The Options will not be listed. Application will be made to ASX for Official Quotation of the Shares issued on exercise of Options.

## Explanatory Statement cont'd

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- (vi) There are no participating rights or entitlements inherent in the Options - the option holder will not be entitled to participate in new issues of securities offered to the Company's shareholders unless the Options are exercised prior to the record date for that issue.
- (vii) In the event of a reorganisation of the issued capital of the Company, the rights of the option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a re-organisation of capital at the time of the re-organisation.
- (viii) If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.
- (ix) The Options were issued for no consideration. Therefore, no funds were raised from the issue of the Options. If the Options are exercised, the funds raised on exercise will be used for working capital purposes.
- (x) The Options were issued for no consideration. Therefore, no funds were raised from the issue of the Options. If the Options are exercised, the funds raised on exercise will be used for working capital purposes.

The effect of passing Resolution 3 will be to refresh the Company's 15% capacity under ASX Listing Rule 7.1 so that its capacity would be the same as if the Options had not been issued. The Resolution, if passed, will increase the Company's financial flexibility in the future. Currently the Company does not intend to undertake any further issue of securities in the event that approval is received from shareholders in respect of Resolution 3. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so.

Shareholders should note that a failure to approve Resolution 3 does not invalidate the issue of the Options. The sole effect, if Resolution 3 is not passed by Shareholders, is that the Company would, when calculating the maximum number of securities it can issue without shareholder approval, need to deduct the number of Shares into which the Options could be exercised.

### Voting Exclusion for Resolution 3

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue of the Options (i.e. Robert Rosa) and any associate of such person.

However, the Company need not disregard a vote in relation to Resolution 3 if:

- (f) it is cast by a person as proxy for a person who is entitled to vote and it is cast in accordance with the directions on the proxy form; or
- (g) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and it is cast in accordance with the direction on the proxy form to vote as the proxy decides).

The Chairman intends to vote undirected proxies held by him in favour of each resolution. Please refer to the proxy form accompanying this notice of meeting for more information.





# TECHNOLOGY GROUP LIMITED

ABN 27 009 259 876

## Lodge your vote:



### 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](http://www.intermediaryonline.com)

### For all enquiries call:

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

000001 000 QTG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 2.00pm (EDST) Sunday 23 November 2014

### 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

**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](http://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.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**



**Review your securityholding**



**Update your securityholding**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**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 Unit 5, 435 Williamstown Road, Port Melbourne on Tuesday, 25 November 2014 at 2.00pm (EDST) 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 Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 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 Item 2 by marking the appropriate box in step 2 below.

### 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
Item 2	Adoption of Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Director - Mr Bruce Higgins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Ratification of previous Option Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

### 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

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Computershare +