

---

**Q Limited**  
**ACN 083 160 909**

**Notice of General Meeting**

---

**A General Meeting of the Company will be held  
at Suite 904, 37 Bligh Street, Sydney on 17 December 2014  
at 10.30 am (Sydney time) (General Meeting)**

*This Notice of General Meeting 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 prior to voting.*

*Hall Chadwick has prepared the Independent Expert's Report and has provided an opinion that it believes the Transaction is fair and reasonable to the Shareholders not associated with the Vendors. It is recommended that all Shareholders read the Independent Expert's Report in full.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 02 9233 3308.*

# Q Limited

## Notice of General Meeting

**Notice is hereby given** that a General Meeting of Shareholders of Q Limited (**Company**) will be held at Suite 904, 37 Bligh Street, Sydney on 17 December 2014 at 10.30 am (Sydney Time) (**General Meeting**).

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice of General Meeting.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## Agenda

### Resolution 1 - Consolidation of Share Capital

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated through the conversion of every 40 Shares into 1 Share and that any resulting fractions of a Share be rounded up to the nearest whole number of Shares (such that the existing 158,585,934 Shares on issue be consolidated to approximately 3,964,648 Shares).”*

### Resolution 2 - Issue of Shares to raise capital

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 5,000,000 Shares as set out in the Explanatory Memorandum is approved”.*

The reference in this Resolution to 5,000,000 Shares is a reference to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person whose votes on any of Resolutions 4-12 (inclusive) must be disregarded and any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any of the Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

## **Resolution 3 – Change of Company Name**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

*“That, subject to and conditional on the passing of all Resolutions, the name of the Company be changed to Crowd Mobile Limited”.*

This Resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, attorney or representative, by members who are entitled to vote on the resolution, are voted in favour.

## **Resolution 4 – Change in Nature and Scale of the Company’s Activities**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, the acquisition of all of the issued shares in the Crowd Mobile Group Companies and the proposed significant change in the nature and scale of the Company’s activities as set out in the Explanatory Memorandum is approved.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person whose votes on any of Resolutions 2 and 5-12 must be disregarded and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

## **Resolution 5 - Issue of Shares to the Carosa Vendors**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 10.11, section 611 item 7 of the Corporations Act and for all other purposes, the issue and allotment of:*

- (a) *up to 27,495,000 Consideration Shares;*
- (b) *up to 1,801,369 Conversion Shares; and*
- (c) *up to 13,000,000 Performance Shares*

*to the Carosa Vendors on the terms and conditions set out in the Explanatory Memorandum is approved.”*

The references in this Resolution to Consideration Shares, Conversion Shares and Performance Shares are references to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Carosa Vendors and any of their respective Associates, any person whose votes on any of Resolutions 2, 4 and 6-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 6 - Issue of Shares to DSAH**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to and conditional on the passing of all Resolutions for the purposes of section 611 item 7 of the Corporations Act, ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of:*

- (a) *up to 30,550,000 Consideration Shares; and*
- (b) *up to 801,369 Conversion Shares to DSAH on the terms and conditions set out in the Explanatory Memorandum is approved."*

The references in this Resolution to Consideration Shares and Conversion Shares are references to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by DSAH and any of its respective Associates, any person whose votes on any of Resolutions 2, 4 and 6-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 7 - Issue of Shares to the Other Vendors**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 3,055,000 Consideration Shares to the Other Vendors on the terms and conditions set out in the Explanatory Memorandum is approved."*

The references in this Resolution to Consideration Shares are references to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Other Vendors and any of their respective Associates, any person whose votes on any of Resolutions 2, 4-6 and 8-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 8 - Issue of Shares to the Selldown Share Buyers**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 30,550,000 Consideration Shares to the Selldown Shares Buyers on the terms and conditions set out in the Explanatory Memorandum is approved."*

The references in this Resolution to Consideration Shares are references to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Selldown Shares Buyers and any of their respective Associates, any person whose votes on any of Resolutions 2, 4-7 and 9-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 9 - Issue of Shares to DJ Carmichael**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 4,000,000 Shares to DJ Carmichael Pty Ltd as set out in the Explanatory Memorandum is approved."*

The reference in this Resolution to 4,000,000 Shares is a reference to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by DJ Carmichael Pty Ltd and any Associate of DJ Carmichael Pty Ltd, any person whose votes on any of Resolutions 2, 4-8 and 10-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 10(a) - Issue of Shares to Jeffrey Beaumont**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the issue and allotment of up to 350,000 Shares to Jeffrey Beaumont as set out in the Explanatory Memorandum is approved.”*

The reference in this Resolution to 350,000 Shares is a reference to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Jeffrey Beaumont, any person whose votes on any of Resolutions 2, 4-9, 10(b), 10(c) and 11-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 10(b) - Issue of Shares to Frank Guigni**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the issue and allotment of up to 350,000 Shares to Frank Guigni as set out in the Explanatory Memorandum is approved.”*

The reference in this Resolution to 350,000 Shares is a reference to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Frank Guigni, any person whose votes on any of Resolutions 2, 4-9, 10(a), 10(c) and 11-12 must be disregarded and any other person

who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 10(c) - Issue of Shares to Richard Ochojski**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the issue and allotment of up to 350,000 Shares to Richard Ochojski as set out in the Explanatory Memorandum is approved.”*

The reference in this Resolution to 350,000 Shares is a reference to that number of Shares after the Share Consolidation occurs pursuant to Resolution 1.

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Richard Ochojski, person whose votes on any of Resolutions 2, 4-9, 10(a), 10(b) and 11-12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

### **Resolution 11 – Approval of Performance Rights Plan**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 7.2 (Exception 9), approval be and is hereby given to the Company issuing securities under the Performance Rights Plan as an exception to Listing Rule 7.2 on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Domenic Carosa, any person whose votes on any of Resolutions 2, 4-10 and 12 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) 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.

## **Resolution 12 - Issue of Performance Share Rights to Carosa**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to and conditional on the passing of all Resolutions for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue and allotment of up to 13,000,000 Performance Share Rights to Domenic Carosa on the terms and conditions set out in the Explanatory Memorandum is approved."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Domenic Carosa and any of his Associates, any person whose votes on any of Resolutions 2 and 4-11 must be disregarded and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

## **Resolution 13 – Removal of Auditor**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That Deloitte Touche Tohmatsu, the current auditor of the Company, be removed as the auditor of the Company effective at the close of the Meeting".*

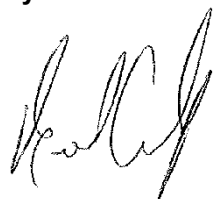
## **Resolution 14 –Appointment of Auditor**

---

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to the passing of Resolution 13, RSM Bird Cameron Partners, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the meeting and the Directors be authorised to agree the remuneration".*

### **By order of the Board**



Brett Crowley  
Company Secretary  
Dated: 12 November 2014



## Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders of the Company on, 16 December 2014 at 7.00pm (Sydney time).

## **Voting in Person**

---

To vote in person, attend the General Meeting at the time, date and place set out on page 1.

## **Voting by Proxy**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

# Explanatory Memorandum

## 1. Introduction

---

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at Suite 904, 37 Bligh Street, Sydney on 17 December 2014 at 10.30 am (Sydney time).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Transaction Summary and relevant considerations for Shareholders
Section 3:	Action to be taken by Shareholders
Section 4:	Interdependence of Resolutions
Section 5:	Resolution 1 – Consolidation of share capital
Section 6:	Resolution 2 – Issue of Shares to raise capital
Section 7:	Resolution 3 – Change of Company Name
Section 8:	Resolution 4 – Change in the Nature and Scale of Activities of the Company
Section 9 to 13:	Resolution 5 – Issue of Shares to the Carosa Vendors and DSAH
Section 9 to 13	Resolution 6 – Issue of Shares to the Carosa Vendors and DSAH
Section 14	Resolution 7 – Issue of Shares to the Other Vendors
Section 15	Resolution 8 – Issue of Shares to the Selldown Shares Buyers
Section 16	Resolution 9 – Issue of Shares to DJ Carmichael Pty Ltd
Section 17:	Resolution 10 – Issue of Shares to Directors
Section 18:	Resolution 11 - Approval of Performance Rights Plan
Section 18	Resolution 12 – Issue of Performance Rights to Domenic Carosa
Schedule 19	Resolutions 13 and 14 – Removal and appointment of auditor
Schedule 1:	Definitions
Annexure A:	Independent Expert's Report
Annexure B:	Performance Rights Plan – Terms and Conditions

## 2. Transaction Summary and Relevant Considerations for Shareholders

---

### 2.1 Purchase Agreement

On 20 October 2014, Q entered into a share sale and purchase agreement (**Purchase Agreement**) with the Vendors in relation to the acquisition of all of the issued shares in 10 companies (**Crowd Mobile Group Companies**) which make up the Crowd Mobile Group (**Crowd Mobile**).

Crowd Mobile is global mobile entertainment and micro job company. Further information on Crowd Mobile's business operations is set out in Section 2.15 below and Section 6 of the Independent Expert's Report in Annexure A to this Explanatory Memorandum.

Financial information for Q and Crowd Mobile Group is set out in the Independent Expert's Report.

Under the Purchase Agreement, Q will acquire 100% of the issued shares in the Crowd Mobile Group Companies. The consideration for the purchase consists wholly of the issue of Shares. Prior to the issue of the Shares, (subject to the approval of Shareholders) a consolidation of the existing Shares will take place to reduce the number of Shares on issue from 158,585,934 to approximately 3,964,648. The consideration for the acquisition will be the issue of 61,100,000 Shares (**Consideration Shares**) at an issue price of 20c per Share on completion of the Purchase Agreement.

Completion of the Purchase Agreement is subject to the satisfaction or waiver in accordance with the Purchase Agreement of various conditions precedent. They include:

- (a) all the Resolutions being passed at the General Meeting;
- (b) completion of the capital raising under the Offer (see Section 2.6 for further details);
- (c) Q obtaining all necessary regulatory approvals required in connection with the Transaction, including confirmation by ASX that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (see Section 8 for further details); and
- (d) completion of the transfer of up to 50% of the Sale Shares from the Vendors having occurred under the Selldown Agreement.

The Purchase Agreement includes:

- (a) an acknowledgement by the Vendors and Q that ASX may require that some or all of the Consideration Shares to be issued to them be classified as ASX Restricted Securities for such escrow period as ASX specifies; and
- (b) an undertaking by the Vendors that they will enter into a restriction agreement in the form of Appendix 9A of the ASX Listing Rules in respect of the Consideration Shares to be issued to them which are classified as ASX Restricted Securities for such escrow period as ASX specifies.

The Company has been advised by the ASX that it will not require any of the Consideration Shares or the Conversion Shares to be classified as Restricted Securities pursuant to the Listing Rules.

The Vendors have agreed to a voluntary escrow of the Consideration Shares to be issued to them for 12 months from their issue date— see Section 2.5 for further details. The voluntary escrow will not apply to any Selldown Shares.

Subject to the satisfaction or waiver of the conditions precedent (other than those which cannot be waived), it is presently anticipated that Completion will occur on or around 6 January 2015.

## 2.2 Selldown Shares

Under the Purchase Agreement, Q has acknowledged that the Vendors may enter into agreements (Selldown Agreements) with unrelated entities (**Selldown Shares Buyers**). Under the Selldown Agreements, the Vendors agree to transfer to the Selldown Shares Buyers up to 50% of the Sale Shares prior to Completion.

If the Vendors enter into the Selldown Agreements, the same number of Consideration Shares will be issued by Q pursuant to the Purchase Agreement on Completion. However, the number of Consideration Shares issued to the Vendors will be less than the amounts shown in the table in section 10. Instead, those Consideration Shares which would otherwise have been issued to the Vendors will be issued to the Selldown Shares Buyers.

## 2.3 Performance Share Rights

The Purchase Agreement requires Q to establish a Performance Share Rights Plan for the executives of Crowd Mobile after acquisition of Crowd Mobile. The Performance Share Rights will be issued in four tranches which will convert to ordinary shares in Q on the satisfaction of the following Performance Conditions:

- (i) 3,250,000 (post-consolidation) Class A Performance Rights – Crowd Mobile achieving EBITDA of \$4,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the Acquisition;
- (ii) 3,250,000 (post-consolidation) Class B Performance Rights – Crowd Mobile achieving revenue of \$15,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the Acquisition;
- (iii) 3,250,000 (post-consolidation) Class C Performance Rights – on Crowd Mobile achieving App downloads of 500,000 within 4 years of completion of the Acquisition; and
- (iv) 3,250,000 (post-consolidation) Class D Performance Rights – on Crowd Mobile rolling out 50 Apps within 4 years of completion of the Acquisition. As indicated above, the maximum number of Performance Shares that can be issued to the Vendors is 30 million.

## 2.4 Conversion of Debt to Shares (“Conversion Shares”)

The Carosa Vendors and DSAH have directly or indirectly acquired or subscribed for the following debt securities issued by Q which, subject to shareholder approval, permit the debt to be repaid by the issue of a total of 1,602,738 Shares:

- (a) Note 1. Principal amount of \$68,754 repayable by the issue of 769,405 Shares; and
- (b) Note 2. Principal amount of \$100,000 repayable by the issue of 833,333 Shares.

The Carosa Vendors have indirectly subscribed for the following debt securities issued by Q which, subject to shareholder approval, permit the debt to be repaid by the issue of a total of 1,000,000 Shares:

- (c) Note 3. Principal amount of \$200,000 repayable by the issue of 1,000,000 Shares.

The Conversion Shares are not subject to the Selldown Shares arrangements described in section 2.2 above.

## 2.5 Restricted Securities

As mentioned in Section 2.1, the Purchase Agreement includes:

- (a) an acknowledgement by the Vendors and Q that ASX may require that some or all of the Consideration Shares to be issued to them be classified as ASX Restricted Securities for such escrow period as ASX specifies; and
- (b) an undertaking by each Vendor that it will enter into a restriction agreement in the form of Appendix 9A of the ASX Listing Rules in respect of the Consideration Shares to be issued to it which are classified as ASX Restricted Securities for such escrow period as ASX specifies.

The Company has been advised by the ASX that it will not require any of the Consideration Shares or the Conversion Shares to be classified as Restricted Securities pursuant to the Listing Rules.

The Vendors have agreed to enter into a voluntary restriction agreement with the Company in relation to up to 100% of the Consideration Shares which are issued to them at Completion (**Voluntary Restricted Securities**). As the voluntary restriction agreement will only apply to Consideration Shares issued to the Vendors, the voluntary escrow will not apply to any shares issued to the Selldown Share Buyers.

Under these voluntary restriction agreements, the Vendors agree, subject to certain limited exceptions, not to deal in their Voluntary Restricted Securities for a period of 12 months from their issue date (less any of their Consideration Shares which are ASX Restricted Securities for an escrow period equal to or greater than 12 months from their issue date).

The purpose of this voluntary escrow arrangement is to align the interests of the Vendors with all other Shareholders and to promote an orderly market for the Shares following completion of the Transaction.

The total number of Consideration Shares to be issued to each Vendor at Completion is set out in column 2 of the table in Section 10.

The restriction on "dealing" is broadly defined and includes, among other things, disposing of, or agreeing or offering to dispose of, any of the Voluntary Restricted Securities or any legal, beneficial or economic interest in any of the Restricted Voluntary Securities or creating, or agreeing or offering to create, any security interest in any of the Voluntary Restricted Securities during the abovementioned escrow periods.

During the escrow periods, the Vendors may deal in any of their Voluntary Restricted Securities if the dealing arises solely as a result of:

- acceptance of a bona fide takeover offer for all of the Shares made under Chapter 6 of the Corporations Act, provided that the holders of at least half of the non-escrowed Shares have accepted the takeover offer;
- the transfer or cancellation of Shares as part of a scheme of arrangement relating to the Company under Part 5.1 of the Corporations Act; or
- a dealing required by applicable law (including an order of a court of competent jurisdiction).

The voluntary restriction agreements will **not** restrict the voting or dividend rights attaching to the Voluntary Restricted Securities nor the right to receive or participate in other forms of distributions or issues of equity interests made by the Company, including in-specie distributions, capital returns and entitlement issues, attaching to the Voluntary Restricted Securities.

ASIC has modified section 609 of the Corporations Act so that the Company will not have a relevant interest in the Voluntary Restricted Securities for the purposes of the takeover provisions in Chapter 6 of the Corporations Act merely because it will have power to control the disposal of the Voluntary Restricted Securities under the voluntary restriction agreements. This modification does not apply to the substantial holding requirements in Chapter 6C of the Corporations Act.

Under the escrow conditions attaching to ASX Restricted Securities, during the applicable escrow periods a Permitted Security Interest may not be created in the ASX Restricted Securities and the holder of them will not be entitled to participate in any return of capital made by the Company.

## 2.6 Capital Raising

In order to assist the funding of the development and expansion of Q after the acquisition of Crowd Mobile, an offer of not more than 5 million Shares at an issue price of 20c per Share under a prospectus (**Offer**) is proposed to raise a minimum of \$500,000 and a maximum of \$1 million (before issue costs). Further details of this capital raising, including the proposed use of the funds raised, are set out in Section 6.

## 2.7 Change of Name

As the Crowd Mobile business will be the main undertaking of the Company after Completion, it is proposed that the name of the Company be changed to Crowd Mobile Limited (see Section 7 for further details).

## 2.8 DJ Carmichael Shares

The Company has entered into a corporate advisory agreement (**DJC Corporate Advisory Agreement**) with DJ Carmichael (**DJC**) under which DJC has agreed to provide various services to the Company, principally comprising assistance in the negotiation of the terms of the Acquisition, the management of the Acquisition and the marketing and management of the Offer.

The fees payable by Q to DJC for the provision of its services under the DJC Corporate Advisory Agreement include a completion fee of \$800,000 (plus GST) which will be paid or satisfied at Completion by the issue of 4,000,000 Shares at an issue price of 20c per Share (**DJC Shares**). Further details of the DJC Corporate Advisory Agreement are set out in Section 16.

## 2.9 Capital structure following the proposed issue of Shares (post consolidation)

The following table shows the effect on the issued share capital of Q after completion of the Transaction based on the alternative scenarios indicated:

<b>Effect on issued Shares</b>	<b>No. of Shares</b>
Shares currently on issue (pre-consolidation)	<b>158,185,934</b>
Balance after consolidation of current Shares	3,964,648
Consideration Shares to be issued after the General Meeting	61,100,000
Conversion Shares to be issued to Carosa Vendors and DSAH after the General Meeting	2,602,738
Maximum number of Offer Shares to be issued pursuant to Resolution 2	5,000,000
DJC Shares to be issued pursuant to Resolution 9	4,000,000
Directors Shares to be issued pursuant to Resolution 10	1,050,000
<b>Balance after issue of the maximum number of Consideration, Conversion, Offer, DJC and Directors' Shares</b>	<b>77,717,386</b>
Maximum number of Performance Shares which could be issued to the Carosa Vendors	13,000,000
<b>Balance after issue of the Consideration, Conversion, Offer, DJC, Directors' and Performance Shares</b>	<b>90,717,386</b>

## 2.10 Collective Shareholdings and voting control of the Vendors

The following table shows the collective Shareholdings and voting power of the Vendors after completion of the Transaction based on the alternative scenarios indicated:

	<b>Number of Shares on issue after Share Consolidation</b>	<b>Total number of Shares on issue after issue of the Consideration Shares, the Conversion Shares, the DJC shares, the Directors' shares and the minimum number of Offer Shares</b>	<b>Total number of Shares on issue after issue of the Consideration Shares, the Conversion Shares, the DJC shares, the Directors' shares and the maximum number of Offer Shares</b>
Total number of issued Shares	3,964,648	64,363,668	64,363,668
Voting power of Vendors	16.67%	82.82%	85.57%

## 2.11 Historical and Pro- Forma Balance Sheets

Set out in the table below are summary historical Consolidated Balance Sheets for Q and the Crowd Mobile Group respectively as at 30 June 2014 and summary Pro Forma Consolidated Balance Sheet for the Company assuming the acquisition of Crowd Mobile Group and completion of the Offer occurred on 30 June 2014. These financial statements have been reviewed by Hall Chadwick.

	Pro-forma Consolidated Balance Sheet	Pro-forma Consolidated Balance Sheet Minimum Capital Raising \$500,000	Pro-forma Consolidated Balance Sheet Maximum Capital Raising \$1,000,000
<b>CURRENT ASSETS</b>			
Cash assets	983,315	1,224,968	1,724,387
Trade and Other Receivables	601,744	601,744	601,744
Accrued income	801,999	801,999	801,999
Other	197,305	197,305	197,305
<b>Total</b>	<b>2,584,363</b>	<b>2,826,016</b>	<b>3,325,435</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	121,202	121,202	121,202
Intangibles	1,320,742	1,320,742	1,320,742
Other non-current assets	156,829	156,829	156,829
<b>Total</b>	<b>1,598,773</b>	<b>1,598,773</b>	<b>1,598,773</b>
<b>TOTAL ASSETS</b>	<b>4,183,136</b>	<b>4,424,789</b>	<b>4,924,208</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	3,251,692	3,251,692	3,251,692
Current tax liabilities	245,373	245,373	245,373
Borrowings	30,127	30,127	30,127
<b>Total</b>	<b>3,527,192</b>	<b>3,527,192</b>	<b>3,527,192</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	2,152	2,152	2,152
<b>Total</b>	<b>2,152</b>	<b>2,152</b>	<b>2,152</b>
<b>TOTAL LIABILITIES</b>	<b>3,529,344</b>	<b>3,529,344</b>	<b>3,529,344</b>
<b>NET ASSETS</b>	<b>653,792</b>	<b>895,445</b>	<b>1,394,864</b>
<b>EQUITY</b>			
Contributed equity	3,344,989	3,778,377	4,272,154
Treasury Shares	-	-	-
Reserves (Share-based payments)	-	-	-
Accumulated losses	-2,691,197	-2,882,932	-2,877,290
<b>TOTAL EQUITY</b>	<b>653,792</b>	<b>895,445</b>	<b>1,394,864</b>

## 2.12 Rationale for the Crowd Mobile Acquisition

In May 2013, the Company's assets comprised a number of residual assets from its businesses which it no longer carried on. None of these investments produced income for the Company and the Board considered they were unlikely to create Shareholder value in the foreseeable future.

Accordingly, the Board decided to explore new business opportunities. For the reasons outlined in Section 2.13 below, the Board considers that the Crowd Mobile Acquisition represents a significant investment opportunity for the Company and its Shareholders which has the potential to increase Shareholder value.

## 2.13 Advantages of the Crowd Mobile Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions relating to the approval and implementation of the Transaction:

- (a) the Crowd Mobile Acquisition represents a significant investment opportunity for the Company to diversify its interests;



- (b) the Company will acquire a profitable new business which has the potential to increase Shareholder value and provide the Company with a viable future business;
- (c) the Company will increase its scale and become a significant player in the global app market operating in 6 countries;
- (d) the Transaction includes a significant capital raising that will provide the necessary working capital to facilitate the continued growth of the merged operations of the Company and Crowd Mobile;
- (e) the Board considers that the current board and management team of Crowd Mobile possess the experience and skills required to successfully expand the Company;
- (f) the Company has limited capital and income producing assets to continue without the Crowd Mobile Acquisition and associated capital raising and will have difficulty in creating significant long-term value for Shareholders in its current state; and
- (g) the Transaction will increase the market capitalisation of the Company and should increase the liquidity of the Shares. The voluntary escrow arrangements relating to a proportion of the Shares to be issued to the Vendors outlined in Section 2.5 may impact liquidity – see the liquidity and realisation risk factor outlined in Section 2.15 below.

#### **2.14 Disadvantages of the Crowd Mobile Acquisition**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1-10 (inclusive) relating to the approval and implementation of the Transaction:

- (a) the Crowd Mobile Acquisition will result in a change in the nature and scale of the Company's activities, which may not be consistent with the objectives of all Shareholders;
- (b) following completion of the Crowd Mobile Acquisition, the Vendors will collectively be the largest Shareholders of the Company and they will have the ability to significantly influence or control the Company (see Sections 2.10 and 10 for further details);
- (c) the Crowd Mobile Acquisition and the associated issue of Shares under the Offer will have a significant dilutionary effect on the shareholdings of the Shareholders;
- (d) the Transaction may potentially reduce the likelihood of a takeover bid being made for the Company as a result of the controlling interest that the Carosa Vendors and DSAH will have after Completion;
- (e) more Shares on issue in the Company may result in greater volatility of trading in the Shares; and
- (f) there are inherent risks associated with the Crowd Mobile Acquisition. Some of these risks are outlined in Section 2.15 below.

#### **2.15 About Crowd Mobile**

- (a) **Background**  
Crowd Mobile began operations in Australia in 2005. The Company extended its service to the UK in 2008 and Continental Europe in 2013. The Company was acquired by the current owners in 2009. Its head office is in Richmond, Victoria, and the business operates in Australia, New Zealand, United Kingdom, Ireland, Germany, Italy, France, Belgium, The Netherlands and Switzerland.

- (b) **Business Model**  
Crowd Mobile has created a large number of products for mobile phones and tablets. Using the Crowd Mobile service, a customer asks a question and receives an answer from the Crowd Mobile micro job platform. On asking a question, the customer is charged a fee. The fee is collected through the customer's account with its telecommunications provider or their Apple App Store or Google Play Store account. In FY2014, Crowd Mobile charged for more than 3.4 million questions.
- (c) **Products**  
Crowd Mobile develops products that engage its customers through providing them instant and customized feedback to their questions. The core business model of Crowd Mobile is answering user questions through a cloud-based platform which is connected to a micro job workforce (jobs that take less than five minutes) from researchers around the world. The nature of the questions range from helpful advice to specific information and gossip about oneself or friends.
- (d) **Market**  
Crowd Mobile targets a generation that is socially engaged and interacts through their mobile phones and tablet devices to connect with others and receive relevant information in a timely manner. Crowd Mobile answered over 3.4 million questions in FY14 and has a database of 51 million questions and answers.
- (e) **Services**  
Crowd Mobile operates a number of services under various brands including:
- Bongo Thinks: Customers can upload a photo/ selfie to Bongo Thinks and have Bongo let them know what he thinks about them;
  - Passion for Fashion: provides instant fashion advice from industry experts;
  - What Would Jesus Do: a solution to express customers' thoughts and gain insightful feedback from fellow Christians;
  - Bongo: an entertainment service with presence in Australian and Western European markets;
  - Buddy: actively digs up gossip on people in the United Kingdom and Australia;
  - 63336: a popular infotainment brand in the United Kingdom and Ireland;
  - SMS Guru: an entertainment solution in Germany; and
  - SMS Fun: a mobile social network allowing friends and family to connect with free SMS's worldwide.
- (f) **Operations**  
Crowd Mobile's headquarters is in Richmond, Victoria with its team spread across Australia and parts of Europe. The company will open up a European office later this year in Budapest, Hungary where it is currently building up an app development team to develop current and future app based products.

Currently the company has more than 500 researchers connected to a platform where incoming questions can be answered 24/7. Crowd Mobile's operators are based in Australia and Western Europe, work from home and get paid on a per question basis. In addition, country managers and team leaders ensure the service is continually monitored in terms of quality and compliance 24 hours a day.

The major contract partners for Crowd Mobile are telecommunications aggregators who supply connectivity with telecommunication companies in each country. The main Telco aggregators used by Crowd Mobile include IMI Mobile, Oxygen8, and SMS Central. Crowd Mobile is paid from mobile carriers including Telstra, Optus, Vodafone, Virgin, Apple and Google.

## (g) Technology – Cloud Based Micro Job Platform

The backbone of Crowd Mobile is its question answering platform, the Crowd Mobile's Cloud based micro job platform. The Crowd mobile platform is a highly scalable, cloud based platform that enables the receipt of questions from different mediums, including SMS, Web and Apps, and route it to the right group of trained researchers to answer.

## 2.16 Risk Factors

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of the key investments risks that the Company is exposed to if the Crowd Mobile Acquisition proceeds are set out below.

- **Competition.** Crowd Mobile operates in the digital lifestyle products retail industry is competitive. New players can enter the industry which will increase competitive pressure faced by existing operators. There are few barriers to prevent new competitors from entering the industry. Mobile phone carriers can utilise their existing infrastructure and offer a similar service to Crowd Mobile.

Increased competition from new and existing competitors may have an adverse effect on the operating and financial performance and/or financial position of Crowd Mobile.

- **Loss of revenue from key clients.** Crowd Mobile relies upon relationships with aggregators and carriers in all markets it operates. These companies bill Crowd Mobile's customers through their billing mechanism and pass on a share of the revenue to Crowd Mobile. It is possible that revenues are being withheld due to disputes and the relationship with Crowd Mobile terminated.

Crowd Mobile's app business is reliant on contracts with the Apple App Store and the Google Play Store where apps are being approved and distributed. A key to the success is the continued ability to get access to these platforms in order to be able to launch mobile products and services (such as apps) for distribution to and access by customers. A risk is that this access is restricted or not achievable.

- **Early termination of customer contracts and other contractual risks.** Crowd Mobile's business model is reliant on a limited number of key relationships with major carriers and aggregators. A failure to have these relationships renewed or having them renewed on less favourable terms could have a negative impact on Crowd Mobile's financial position.
- **Product development risk and delays.** Crowd Mobile must continue to be innovative and develop new software for new services. Any software project is at risk of subject to potential delays or cost overruns. Service providers might cause delays in the integration of new Crowd Mobile services into their own systems.
- **Maintenance of reputation and brand name.** Crowd Mobile provides platforms for user generated content (texts, photos, videos, etc.). Although Crowd Mobile has in place moderation systems and procedures, there remains the risk that particular user generated content or the activities of users may cause damage to Crowd Mobile's reputation. This may limit Crowd Mobile's growth and ability to forge new partnerships with carriers and aggregators.
- **Industry risk.** The level of activity in the industry can be cyclical and sensitive to a number of factors beyond the control of Crowd Mobile. In addition, Crowd Mobile may not be able to predict the timing, extent or duration of the activity cycles in the industry. Consequently, no assurance can be given regarding future demand/or price sensitivity. Any sustained decline in worldwide demand could detrimentally affect Crowd Mobile's future growth and profitability profile.

- **Re-Quotation of Shares on ASX**

As the Crowd Mobile Acquisition constitutes a significant change in the nature and scale of the Company's activities, the Company must re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX. Trading in the Shares will be suspended on the ASX from the day of the General Meeting until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules. (see Section 8 for further details). There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

- **Contractual risk – Purchase Agreement.** As noted in Section 2.1, completion of the Crowd Mobile Acquisition is subject to the satisfaction of various conditions precedent, including confirmation by ASX that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

If the Crowd Mobile Acquisition is not completed, Q will incur third party costs relating to advisors and other costs, without any material benefit being achieved.

- **Economic conditions.** The financial performance and value of the Company may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, exchange rate fluctuations and acts of terrorism.

## 2.17 **Future of the Company if the Transaction is not approved by Shareholders**

If Resolutions 1 – 12 are not passed and the Transaction does not proceed:

- (a) the Company will have limited cash resources and growth opportunities;
- (b) the Shares may be suspended from quotation on the ASX; and
- (c) the Board will need to explore alternatives to expand the Company and increase Shareholder value.

## 2.18 **Recommendations of the Directors**

Based on the information available, including that contained in this Explanatory Memorandum and the Independent Expert's Report and the advantages and disadvantages outlined above, all of the Directors consider that the Crowd Mobile Acquisition is in the best interests of the Company and its Shareholders and recommend that Shareholders vote in favour of Resolutions 1- 12.

## 2.19 **Independent Expert's Report**

The Independent Expert, Hall Chadwick, has concluded that the proposed Transaction is fair and reasonable to the non-associated Shareholders – see Section 12 for further details.

The Board strongly recommends that you read the Independent Expert's Report in full, a copy of which is in Annexure A to this Explanatory Memorandum.

## 2.20 Costs of the Transaction

It is estimated that approximately \$1,098,717 (based on the Minimum Subscription to raise \$500,000 before costs) and approximately \$1,249,202 (based on the Maximum Subscription to raise \$1 million before costs) in expenses will be incurred or payable by the Company in respect of legal, accounting, Independent Expert's fees, commissions, printing, ASIC and ASX fees and other miscellaneous costs in connection with the Transaction. The total estimated costs are set out in the table below:

	Minimum Subscription \$	Maximum Subscription \$
Corporate advisory fees – DJC Shares	800,000	800,000
Broker/Manager commissions/management fees	150,000	300,000
Investigating Accountant and Independent Expert's Fees	40,000	40,000
Legal fees	30,000	30,000
Printing and distribution	10,000	10,000
ASIC fees	2,270	2,270
ASX fees	66,447	66,938
<b>Total</b>	<b>1,098,717</b>	<b>1,249,202</b>

## 3. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

## 4. Interdependence of Resolutions

All Resolutions relate to the Crowd Mobile Acquisition. Accordingly, all Resolutions are interdependent on each of the other Resolutions being passed. Unless all Resolutions are passed, it will be deemed that none of the Resolutions have been passed.

## 5. Resolution 1 - Consolidation of share capital

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number. ASX Listing Rule 7.20 provides that if any entity proposes to reorganise its capital, it must advise shareholders of certain matters. These matters are set out below.

As at the date of this Notice, the Company has 158,585,934 Shares on issue. If the maximum number of Shares which could be issued in connection with the Transaction were to be issued without this Resolution 1 being passed, there would be in excess of 3,500,000,000 Shares on issue. This large number of Shares imposes a number of disadvantages on the Company, including administrative cost and inconvenience and a negative perception associated with a potentially low share price, precluding investment from institutional investors who may be limited by their charters or mandates.

In addition, the consolidation will assist the Company in re-complying with the admission requirements in Chapters 1 and 2 of the ASX Listing Rules – see Section 8 for further details.

The Directors believe that a consolidation of the Shares would assist in eliminating or mitigating these disadvantages and would create a more efficient capital structure and enable a more appropriate share price for a listed entity of the Company's size.

If approved, the consolidation will reduce the Shares on issue from 102,185,934 Shares to approximately 3,964,648. As the consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual Shareholder in the Company.

### **Rounding**

Where any Shareholders have a holding which is not a multiple of 40 and would otherwise result in a fractional entitlement post consolidation, the fractional entitlement will be rounded up to the next whole number of Shares.

### **Holding Statements**

From the date of the consolidation, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-consolidation basis. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to disposal.

Following the implementation of all Resolutions, the capital structure of the Company will be as set out in the table in Section 2.9.

Unless indicated otherwise, any further reference to “Shares” in this Explanatory Memorandum is a reference to Shares as if this Resolution has been passed and the Shares of the Company have been consolidated on a 1 for 40 basis.

### **Timetable**

The indicative timetable for the Share Consolidation is set out below. This indicative timetable is subject to change without notice.

General Meeting to consider the Resolutions	17 December 2014
Notification to ASX of results of General Meeting	17 December 2014
Trading in Shares on a post consolidated deferred settlement basis would ordinarily occur*	22 December 2014
Share Consolidation record date	29 December 2014
Issue date	5 January 2015

\* As part of the process for re-compliance with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules, the Shares will be suspended from trading on the ASX from the day of the General Meeting (assuming all Resolutions are passed) so deferred settlement trading will not occur.

## 6. Resolution 2 - Issue of Shares to raise capital

---

### 6.1 Issue of shares

A condition precedent to Completion is that the Company raise up to \$1 million (before costs) from the issue of not more than 5 million new Shares (**Offer Shares**).

The Offer Shares are to be issued at 20c per Share under a prospectus to be issued by the Company (**Prospectus**).

The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires Q to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

ASX Listing Rule 7.1 provides that the Company must not issue, or agree to issue, equity securities (which includes Shares and options) in any 12 month period which amount to more than 15% of its Shares on issue at the commencement of that 12 month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or Shareholder approval is obtained (**15%/12 months rule**).

The Offer Shares to be issued under the Prospectus will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of the Offer Shares.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 5,000,000 Shares will be issued.
- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will be issued and allotted within 3 months after the date of the General Meeting.
- (c) The Shares are to be issued at 20c per Share.
- (d) The Shares will be issued to subscribers under the Prospectus. None of the subscribers will be a related party of the Company.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) The funds raised by the issue of the Offer Shares will be used to meet the requirements of the ASX and re-comply with Chapters 1 and 2 of the ASX Listing Rules, working capital, complete the Crowd Mobile Acquisition and meet the European expansion costs. This will include recruitment, advertising, IT infrastructure and payment technology costs.

### 6.2 Use of funds

The Company intends to apply funds raised from the issue of the Offer Shares, together with existing cash reserves, following re-quotation on ASX as follows<sup>1</sup>:

	<b>Minimum Subscription \$500,000 (\$)</b>	<b>Maximum Subscription \$1,000,000 (\$)</b>
<b>Funds Available</b>		
Existing cash reserves of Q	120,000	120,000
Existing cash reserves of Crowd Mobile	200,000	200,000
Funds raised from the Offer	500,000	1,000,000
<b>TOTAL</b>	<b>820,000</b>	<b>1,320,000</b>
<b>Allocation of funds</b>		
Cash expenses associated with the Offer	298,717	449,202
European expansion costs	421,283	770,798
Working capital and administration costs <sup>5</sup>	100,000	100,000
<b>TOTAL</b>	<b>820,000</b>	<b>1,320,000</b>

## **7. Resolution 3 – Change of Company Name**

The Directors consider it prudent to change the Company name from “Q Limited” to “Crowd Mobile Limited” to reflect the name of the acquired business.

If all the Resolutions are passed, the Company will lodge a copy of Resolution 3 with ASIC shortly after Completion and the change of name will take effect from the date ASIC alters the Company's registration details.

## **8. Resolution 4 – Change in the Nature and Scale of Activities of the Company**

As a result of the Crowd Mobile Acquisition, the nature and scale of the Company's activities will change significantly and the Crowd Mobile business will become the main undertaking of the Company.

Sections 6 of the Independent Expert's Report contain a description of the Crowd Mobile Group's business operations.

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the Acquisition, it requires the Company to:

- (a) obtain the approval of Shareholders; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval under Resolution 4 for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

In addition, as part of the process for re-compliance with the admission requirements, trading in the Company's Shares on the ASX will be suspended from the day of the General Meeting (assuming all Resolutions are passed) until ASX is satisfied that the requirements in Chapters 1 and 2 of the ASX Listing Rules have been met. Some of the key requirements of Chapters 1 and 2 are:

- (a) a prospectus must be issued and lodged with ASIC;



- (b) the Company must satisfy the shareholder spread requirements relating to the minimum number of shareholders in the Company and the minimum value of the shareholdings of those shareholders; and
- (c) the Company must satisfy the "profits test" or "assets test" as set out in ASX Listing Rule 1.3.

In order to meet these requirements, the Company will be issuing the Prospectus (see Resolution 2). The Company is also proposing to consolidate its capital (see Resolution 1).

## **9. Resolution 5 and 6 – Issue of Shares to the Carosa Vendors and DSAH**

The issue of Shares pursuant to these Resolutions is conditional on ASX confirming that the Company has recompiled with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires Q to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

### **Why is Shareholder Approval Required?**

Resolutions 5 and 6 seeks Shareholder approval under item 7 of section 611 of the Corporations Act to permit:

- (a) the voting power in the Company of each of the Carosa Vendors and DSAH to increase from below 20% to more than 20% upon the issue of the Consideration Shares, the Conversion Shares and the Performance Shares which they are, or may become, entitled to receive under the Purchase Agreement and the Performance Rights Plan (as explained in Section 2); and
- (b) the voting power in the Company of Domenic Carosa (who controls each of the Carosa Vendors) and Danny Wallis (who controls DSAH) to increase from below 20% to more than 20% upon the issue of the Consideration Shares, the Conversion Shares and the Performance Shares which the Carosa Vendors and DSAH are, or may become, entitled to receive under the Purchase Agreement (as explained in Section 2).

Item 7 of section 611 of the Corporations Act provides an exception to the "takeover" prohibition in section 606(1) of the Corporations Act described in section 15.1 of this Explanatory Memorandum, under which a person may acquire a relevant interest in a company's voting shares with shareholder approval.

The Vendors comprise the Carosa Vendors and DSAH listed in Part A of the table below and the Other Vendors listed in Part B of the table.

Each of the Carosa Vendors are controlled by Domenic Carosa. Accordingly, they are "associates" of each other under the Corporations Act (see Section 13.1(f)(i)(c)). This means that the voting power in the Company of each of the Carosa Vendors and Domenic Carosa must be aggregated with the voting power of each of the other Carosa Vendors when they acquire a relevant interest in the Shares issued to them.

DSAH is controlled by Danny Wallis. Accordingly, they are "associates" of each other under the Corporations Act (see Section 13.1(f)(i)(c)). This means that the voting power in the Company of each of DSAH and Danny Wallis must be aggregated with the voting power of each other when they acquire a relevant interest in the Shares issued to them.

Domenic Carosa and the Carosa Vendors are not "associates" of DSAH or Danny Wallis under the Corporations Act (see Section 13.1(f)(i)(c)).

The table in Section 10 below sets out:

- (a) the number of Consideration Shares and Conversion Shares to be issued to each of the Vendors;
- (b) the individual voting power of each Vendor (and of the Carosa Vendors and DSAH and the Other Vendors collectively) after the issue of the Consideration Shares, the Conversion Shares, the DJC shares, the Directors' Shares and the maximum number of Offer Shares respectively (collectively the **Completion Shares**) at Completion;
- (c) the maximum number of Performance Shares Rights which may be issued to the Carosa Vendors; and
- (d) the individual voting power of each Vendor (and of the Carosa Vendors and DSAH and the Other Vendors collectively) after the issue of the maximum number of Performance Shares.

The individual and collective voting power of the Vendors set out in the table are based on the assumptions and subject to variation as indicated in the footnotes to it.

The table assumes that all Performance Shares are issued to Domenic Carosa or the Carosa Vendors. The table also assumes that no Selldown Agreements are entered into as described in Section 2.2. The collective voting power of the Vendors will be reduced by the amount of any Consideration Shares issued to Selldown Shares Buyers.

Based on these assumptions, the voting power of the Carosa Vendors and DSAH following the issue of the maximum number of Consideration Shares and Conversion Shares will be 79.47% and will increase to 82.47% following the issue of the maximum number of Performance Shares (assuming all Performance Shares are issued to the Carosa Vendors, no further Shares are issued and they do not acquire a relevant interest in any other Shares after Completion).

The Independent Expert has concluded that the Transaction is fair and reasonable to the Shareholders not associated with the Vendors.

Under ASX Listing Rule 7.2, exception 16, Shareholder approval to the issue of Shares under the 15%/12 month rule in ASX Listing Rule 7.1 is not required where Shareholder approval is obtained under item 7 of section 611 of the Corporations Act.

## **10. The Vendors and their voting power**

---

The following table sets out details of the Vendors and their individual and collective voting power in the Company based on the assumptions and subject to variation as indicated in the footnotes to it.

As noted in Section 9, Domenic Carosa will have the same voting power as the Carosa Vendors and Danny Wallis will have the same voting power as DSAH.

Name of Vendor	Number of Consideration Shares and Conversion Shares to be issued	Voting power after issue of the Consideration Shares, the Conversion Shares, the DJC Shares, the maximum number of Offer Shares and the Directors' Shares (see the table in Section 2.8)	Maximum Number of Performance Shares to be issued	Voting power after issue of the Shares in column 3 and the maximum number of Performance Shares
<b>Part A - Carosa Vendors and DSAH</b>				
Carosa Vendors	29,957,299**	38.55%***	13,000,000	47.35%
DSAH	31,351,369****	40.34%	0	34.55%
<b>Subtotal</b>	<b>60,647,738</b>	<b>78.89%</b>	<b>13,000,000*</b>	<b>81.90%</b>
<b>Part B - Other Vendors</b>				
Mia Bella Interiors Pty Ltd ACN 132 196 582	171,080	0.22%	0	0.19%
MsAnna.com Pty Ltd ACN 093 191 694	2,883,920	3.71%	0	3.18%
<b>Subtotal</b>	<b>3,055,000</b>	<b>3.93%</b>	<b>0</b>	<b>3.37%</b>
<b>Total</b>	<b>63,702,738</b>	<b>82.32%</b>	<b>13,000,000*</b>	<b>85.46%</b>

\* For illustrative purposes only, it is assumed that all of the performance shares are issued to the Carosa Vendors only.

\*\* Includes 27,495,000 Consideration Shares and 1,801,369 Conversion Shares

\*\*\* Includes 585,930 ordinary Shares held at date of NOM

\*\*\*\* Includes 30,550,000 Consideration Shares and 801,369 Conversion Shares

## 11. Impact on Q

### 11.1 Change in Voting Power

The voting power of Carosa Vendors in the Company at the date of this Notice is 19.99%. The voting power of DSAH in the Company at the date of this Notice is Nil. It will change as follows:

- (a) Voting power will be increased as a result of the issue to them of the Consideration Shares, the Conversion Shares and the Performance Shares;
- (b) Voting power will be decreased as a result of the:
  - (i) disposal of any of the Shares by the Carosa Vendors and DSAH;
  - (ii) issue of the Offer Shares;
  - (iii) issue of the DJ Carmichael Shares; and
  - (iv) the issue of the Directors' Shares; and
  - (v) the issue of Performance Shares to executives other than those associated with either of the Carosa Vendors or DSAH.

## 11.2 Intentions of Carosa Vendors and DSAH regarding the future of Q

- (a) The Carosa Vendors and DSAH have informed the Company that they will focus solely on the running and expansion of the operations of Crowd Mobile. Those operations are set out in detail in Section 6 of the Independent Expert's Report.
- (b) The Carosa Vendors and DSAH have indicated that their intentions mentioned in this section are based on the facts and information regarding the Company and the general business environment which are known to them as at the date of this Notice. Any future decisions will be reached by the Carosa Vendors and DSAH based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, the Carosa Vendors and DSAH intentions could change accordingly.

## 11.3 Board Structure

It is intended that there will be changes to the Board following the issue of the new Shares. Upon and subject to Completion, it is proposed that the Board will comprise Frank Guigni (an existing Director), Domenic Carosa, Theo Hnarakis and Hans de Back. Short profiles of each of the proposed new Directors are set out below.

### **Theo Hnarakis (Non-Executive Chairman)**

Mr Theo Hnarakis graduated from The University of South Australia with a Bachelor of Accounting and has held senior roles with News Corporation, Boral Group, the PMP Communications group and Melbourne IT. Mr Hnarakis is also an IT Fund for Kids Ambassador for the Starlight Children's Foundation. He was most recently the Managing Director and Chief Executive Officer at Melbourne IT.

### **Hans de Back (Non-Executive Director)**

Mr de Back holds a master degree in corporate law from Amsterdam University and has extensive international experience having worked with globally active companies throughout Europe, North & South America, the Middle East and Asia Pacific. Mr de Back is currently the Managing Partner at Incubasia Ventures, which is an unlisted investor and incubator working with innovative and scalable technology companies.

**Domenic Carosa (CEO and Executive Director)** Domenic Carosa is Chairman of Dominet Digital Corporation Pty Ltd, an internet investment group and Chairman/CEO of global mobile entertainment company CrowdMobile.com. Domenic was previously the co-founder and Group CEO of ASX-listed Destra Corporation Ltd (ASX: DES), which was the largest independent media and entertainment company in Australia with revenues of over A\$100 million. He stepped aside from Destra in April 2008. With over 20 years' experience in business and technology, Domenic has built a reputation as a leader in the internet space by building one of Australia's largest independent digital music websites – MP3.com.au – in the late 90's, and building from scratch Australia's second largest virtual web hosting/domain company which he sold for A\$25 million in 2005-06. Domenic is past Chairman of the Internet Industry Association (IIA) and holds a Masters of Entrepreneurship & Innovation (MEI) from Swinburne University.

## 12. Independent Expert's Report

---

All of the Directors resolved to appoint Hall Chadwick as an independent expert and commissioned it to prepare a report to provide an opinion as to whether or not the Transaction is fair and reasonable to the Shareholders not associated with the Vendors.

What is fair and reasonable must be judged by the independent expert in all the circumstances of the Transaction. This requires taking into account the likely advantages to Shareholders if the Transaction is approved and comparing them with the disadvantages to them if the Transaction is not approved.

Hall Chadwick has concluded that the proposed Transaction is fair and reasonable to the non-associated Shareholders.

The Board strongly recommends that you read the Independent Expert's Report in full, a copy of which is in Annexure A to this Explanatory Memorandum.

### 13. Corporations Act, Listing Rules and Regulatory Information

---

#### 13.1 Section 611 Corporations Act

- (a) Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of the Company if, because of the acquisition, that person's or another person's voting power in the Company increases from:
  - (i) 20% or below to more than 20%; or
  - (ii) a starting point that is above 20% and below 90%.
- (b) The voting power of a person in the Company is determined by reference to section 610 of the Corporations Act. A person's voting power in the Company is the total of the votes attaching to the Shares in the Company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest.
- (c) Under section 608 of the Corporations Act a person will have a relevant interest in Shares if:
  - (i) the person is the registered holder of the Shares;
  - (ii) the person has the power to exercise or control the exercise of votes or disposal of the Shares; or
  - (iii) the person has over 20% of the voting power in a company that has a relevant interest in Shares, then the person has a relevant interest in said Shares.
- (d) Under section 608 of the Corporations Act, a person will have a relevant interest in Shares if:
  - (i) the person is the registered holder of the Shares;
  - (ii) the person has the power to exercise or control the exercise of votes or disposal of the Shares; or
  - (iii) the person has over 20% of the voting power in a company that has a relevant interest in Shares, then the person has a relevant interest in those Shares.
- (e) For the purpose of determining who is an associate you need to consider section 12 of the Corporations Act. Any reference in chapters 6 to 6C of the Corporations Act to an associate is as that term is defined in section 12. The definition of 'associate' in section 12 is exclusive. If a person is an associate under section 11, 13 or 15 of the Corporations Act then it does not apply to chapters 6 to 6C. A person is only an associate for the purpose of chapter 6 to 6C if he is an associate under section 12.
- (f) A person (**first person**) will be an associate of the other person (**second person**) if:
  - (i) the first person is a body corporate and the second person is:
    - (A) a body corporate the first person controls;

- (B) a body corporate that controls the first person: or
  - (C) a body corporate that is controlled by an entity that controls the first person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Board or the conduct of the affairs of Q; and
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the affairs of Q.
- (g) The Corporations Act defines 'control' and 'relevant agreement' very broadly as follows:
  - (i) Under section 50AAA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company. In determining the capacity you need to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the financial or operating policies of the Company.
  - (ii) Under section 9 of the Corporations Act relevant agreement means an agreement, arrangement or understanding:
    - (A) whether formal or informal or partly informal and partly informal;
    - (B) whether written or oral or partly written and partly oral; and
    - (C) whether or not having legal or equitable force and whether or not based on legal or equitable rights.
- (h) Associates are determined as a matter of fact. For example where a person controls or influences the Board or the conduct of the Company's business affairs, or acts in concert with a person in relation to the entity's business affairs.
- (i) Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which Shareholders may approve an issue of Shares to a person which results in that person's or another person's voting power in the Company increasing from:
  - (i) 20% or below to more than 20%; or
  - (ii) a starting point that is above 20% and below 90%.
- (j) To comply with the requirements of the Corporations Act (as contained in ASIC Regulatory Guide 74), the Company provides the information in this Section 13 in relation to Resolution 5.

### 13.2 **Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74**

The information that Shareholders require under item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74 is as follows:

- (a) *The identity of the allottee and any person who will have a relevant interest in the Shares to be allotted.*

Refer to the table in Section 10 for the identity of the allottees and any person who will have a relevant interest in the Shares to be allotted. Domenic Carosa will have a

relevant interest in the Shares to be allotted to the Carosa Vendors. Danny Wallis will have a relevant interest in the Shares to be allotted to DSAH. See Section 9 for further details.

- (b) *Full particulars (including the number and percentage) of the Shares in which the Carosa Vendors and DSAH have or will have a relevant interest immediately before and after the issue of Shares.*

Refer to the table in Section 10 for full particulars (including the number and percentage) of the Shares in which the Carosa Vendors and DSAH have or will have a relevant interest immediately before and after the issue of Shares and to Section 11.2 for factors which may change the voting power of the Carosa Vendors and DSAH in the Company.

- (c) *The identity, associations (with the Vendors or any of their associates) and qualifications of any person who is intended to become a director if Shareholders agree to the acquisition.*

Refer to Section 11.3.

- (d) *The intentions of the Carosa Vendors and DSAH regarding the future of the Company if Shareholders agree to the allotment of Shares to the Carosa Vendors and DSAH.*

Refer to Section 11.2 for the intentions of the Carosa/Wallis Vendors in relation to Q.

- (e) *Particulars of the terms of the proposed allotment of Shares and any contract or proposed contract between the Carosa Vendors and DSAH and the Company or any of their associates which is conditional upon, or directly or indirectly dependent on, Shareholders' agreement to the allotment of Shares to the Carosa Vendors and DSAH.*

Other than the matters referred to in Resolution 5 and Resolution 6, there are no contracts or proposed contracts between the Carosa Vendors and DSAH and the Company or any of their associates which are conditional upon, or directly or indirectly dependent on, Shareholders' agreement to the allotment of Shares to the Carosa Vendors and DSAH

- (f) *When the allotment of Shares to the Carosa Vendors and DSAH is to be made.*

Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Consideration Shares and the Conversion Shares will be issued to the Carosa Vendors, no later than one month after the General Meeting.

Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Consideration Shares and the Conversion Shares will be issued to DSAH no later than three months after the General Meeting.

The Performance Shares to be issued to or at the direction of Domenic Carosa if and when the Performance Conditions referred to in Section 2.3 are satisfied, will be issued, no later than four years after Completion.

- (g) *An explanation of the reasons for the proposed allotment of Shares to the Carosa Vendors and DSAH*

The Consideration Shares are to be allotted as consideration for the acquisition by the Company of the Vendors shares in Crowd Mobile Group Companies in accordance with the Company's obligations under the Purchase Agreement.

The Conversion Shares are to be allotted in satisfaction or part satisfaction of the outstanding net loan amounts (if any) owing to the Carosa Vendors by Q at Completion.

The Performance Shares will be issued if and when the Performance Conditions referred to in Section 2.3 are satisfied by the Carosa Vendors.

(h) *The interests of the Directors in the Resolution.*

None of the Directors has an interest in any of the Carosa Vendors and DSAH.

(i) *Identity of the Directors who approved or voted against the proposal to put the Resolution to Shareholders*

Messrs Beaumont, Ochojski and Guigni approved the proposal to put the Resolution to Shareholders.

(j) *Any intention of the Carosa Vendors and DSAH to change significantly the financial or dividend policies of the Company*

Refer to Section 11.2 for the intentions of the Carosa Vendors and DSAH in relation to the Company.

(k) *Recommendation or otherwise of each Director as to whether Shareholders should agree to the proposed allotment of Shares to the Carosa Vendors and DSAH pursuant to the Purchase Agreement.*

Refer to Section 2.17.

(l) *An analysis of whether the proposed allotment of Shares to the Carosa Vendors and DSAH the subject of the Resolution is fair and reasonable when considered in the context of the interests of the Shareholders other than the Carosa Vendors and DSAH.*

Refer to Section 12 and the Independent Expert's Report.

## 14. Resolution 7 - Issue of Shares to the Other Vendors

---

The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires Q to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

Resolution 7 seeks Shareholder approval to the issue and allotment of the number, or maximum number, of Consideration Shares to the Other Vendors specified in it which they are, or may become, entitled to receive under the Purchase Agreement (as explained in Section 2).

Details of the Other Vendors and the number of Consideration Shares which each of them is, or may become, entitled to receive under the Purchase Agreement are set out in Part B of the table in Section 10.

Further information in respect of the Consideration Shares is set out in Section 2 and below.

The Company has obtained an Independent Expert's Report from Hall Chadwick to address the fairness and reasonableness of the Transaction, including the proposed issue of Shares under Resolutions 5, 6, 7 and 8. The Independent Expert's Report is attached as Annexure A.



The Independent Expert has concluded that the Transaction is fair and reasonable to the Shareholders not associated with the Vendors.

As noted in Section 6, the 15%/12 month rule under ASX listing Rule 7.1 applies to the Company. The Shares to be issued to the Other Vendors under Resolution 7 will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of these Shares.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 3,055,000 Shares will be issued.
- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will be issued and allotted by no later than three months after the General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares are to be issued at a deemed issue price 20c per Share as no cash is being raised on issue.
- (d) The Consideration Shares will be issued to the Other Vendors in accordance with the table in Section 10.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) No funds will be raised by the issue of the Shares. The Consideration Shares will be issued to the Other Vendors.

## **15. Resolution 8 - Issue of Shares to Selldown Shares Buyers**

---

The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires Q to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

Resolution 8 seeks Shareholder approval to the issue and allotment of the number, or maximum number, of Consideration Shares to the Selldown Shares Buyers specified in it which they are, or may become, entitled to receive under the Purchase Agreement (as explained in Section 2.1) and the Selldown Agreements (as explained in Section 2.2).

Details of the Selldown Shares Buyers and the number of Consideration Shares which each of them is, or may become, entitled to receive under the Purchase Agreement and the Selldown Agreements will only be able to be determined at Completion.

Further information in respect of the Consideration Shares is set out in Section 2 and below.

The Company has obtained an Independent Expert's Report from Hall Chadwick to address the fairness and reasonableness of the Transaction, including the proposed issue of Shares under Resolutions 5, 6, 7 and 8. The Independent Expert's Report is attached as Annexure A.

The Independent Expert has concluded that the Transaction is fair and reasonable to the Shareholders not associated with the Vendors.

As noted in Section 6, the 15%/12 month rule under ASX listing Rule 7.1 applies to the Company. The Shares to be issued to the Selldown Shares Buyers under Resolution 8 will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of these Shares.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 30,550,000 Shares will be issued.
- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will be issued and allotted by no later than three months after the General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares are to be issued at a deemed issue price 20c per Share as no cash is being raised on issue.
- (d) The Consideration Shares will be issued to the Selldown Shares Buyers in accordance with the table in Section 10.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) No funds will be raised by the issue of the Shares. The Consideration Shares will be issued to the Other Vendors.

## **16. Resolution 9 - Issue of Shares to DJ Carmichael**

---

The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires Q to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has satisfied those requirements.

The Company has entered into a corporate advisory agreement (**DJC Corporate Advisory Agreement**) with DJ Carmichael (**DJC**) under which DJC has agreed to provide various services to the Company, principally comprising the introduction of the Crowd Mobile Group, assistance in the negotiation of the terms of the Crowd Mobile Acquisition with the Vendors, the management of the Crowd Mobile Acquisition, the briefing of the Independent Expert and the marketing and management of the Offer. The fees payable by Q to DJC for the provision of its services under the DJC Corporate Advisory Agreement are as follows:

- (a) a completion fee of \$800,000 (plus GST) which will be paid or satisfied by the issue of 4,000,000 Shares; and
- (b) a capital raising fee of 6% (plus GST) of the total subscription monies paid for Offer Shares by investors introduced by DJC (which will be paid at or shortly after Completion); and

The Shares to be issued under Resolution 9 will be issued at an issue price of 20c per Share.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 4,000,000 fully paid Shares will be issued.

- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will be issued and allotted no later than 3 months after the date of the General Meeting.
- (c) The Shares are to be issued at a deemed issue price 20c per Share as no cash is being raised on issue.
- (d) The allottee will be DJ Carmichael Pty Ltd.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) No funds will be raised by the issue of the Shares.

## 17. Resolution 10 – Directors’ Shares

---

Resolutions 10(a), (b) and (c) seek shareholder approval pursuant to Listing Rule 10.11 for the issue of 1,050,000 Shares (**Directors’ Shares**) to Messrs Beaumont, Ochojski and Giugni (or their nominees) in lieu of directors’ fees payable to them for the years ended 30 June 2014 and 2015. Messrs Beaumont, Ochojski and Guigni (or their nominees) will receive 350,000 shares each.

Subject to Shareholder approval of Resolutions 10(a), 10(b) and 10(c), the number of Directors’ Shares to be issued to each of Messrs Beaumont, Ochojski and Giugni (or their nominees) has been determined on the amount of directors’ fees which is payable for the services provided throughout the year ended 30 June 2014 and in the year ended 30 June 2015 up to the date of Completion.

The issue price of each Directors’ Share will be 20c. No funds will be raised from the issue of the Directors’ Shares as they are being issued for nil cash consideration but in lieu of cash payments for the services provided by the Directors during the years ended 30 June 2014 and up to the date of Completion.

- (a) Section 208 of Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company’s members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Director Shares as the exception in section 211 of the Corporations Act applies. The Director Shares are being issued in lieu of service or directors’ fees payable to Messrs Beaumont, Ochojski and Giugni and is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

- (b) Listing Rule 10.11

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders. A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company and former

directors of a public company. Messrs Beaumont, Ochojski and Giugni are Directors of the Company and as such are related parties of the Company. The effect of passing Resolutions 10(a), 10(b) and 10(c) will be to allow the Company to issue up to \$210,000 worth of Shares to Messrs Beaumont, Ochojski and Giugni (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

(c) Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- a) The Directors' Shares will be issued to Messrs Beaumont, Ochojski and Giugni (and/or their nominees).
- b) The number of Shares to be issued to Messrs Beaumont, Ochojski and Giugni (and/or their nominees) will be 350,000 to each director, totalling 1,050,000 shares, and is calculated based on the actual directors' fees which would have been payable in cash for the years ended 30 June 2014 and up to the date of this Completion. The issue price of each Directors' Share will be 20c.
- c) The Directors' Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- d) The Directors' Shares will be issued at an issue price of 20c.
- e) The Directors' Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- f) A voting exclusion statement is included in the Notice of Meeting for each of Resolutions 10(a), 10(b) and 10(c).
- g) No funds will be raised from the issue of the Directors' Shares as they are being issued for nil cash consideration as part of the consideration for the services to be provided by the Directors during the current financial year.

## **18. Resolutions 11 and 12 - Performance Share Plan**

---

(a) Background

Subject to the completion of the Crowd Mobile acquisition, Shareholders are asked to approve a Performance Rights Plan which the Board has agreed to implement under the Purchase Agreement.

Under the Plan, selected employees, including executive Directors, may be granted Performance Share Rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives specified below. The Board believes that the Plan will better align employee compensation with returns to shareholders and assist with staff retention.

(b) Main Features of the Plan

The Performance Share Rights will be issued in four tranches which will convert to ordinary shares in Q on the satisfaction of the following Performance Conditions:

- (i) 3,250,000 (post-consolidation) Class A Performance Rights – Crowd Mobile achieving EBITDA of \$4,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the Acquisition;

- (ii) 3,250,000 (post-consolidation) Class B Performance Rights – Crowd Mobile achieving revenue of \$15,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the Acquisition;
- (iii) 3,250,000 (post-consolidation) Class C Performance Rights – on Crowd Mobile achieving App downloads of 500,000 within 4 years of completion of the Acquisition; and
- (iv) 3,250,000 (post-consolidation) Class D Performance Rights – on Crowd Mobile rolling out 50 Apps within 4 years of completion of the Acquisition.

The maximum number of Performance Shares that can be issued on conversion of the Performance Share Rights is 13 million.

Performance Share Rights may be issued to an “Eligible Person”, which means employees and Directors of Q, Crowd Mobile and any Subsidiary. The number of Performance Share Rights (if any) to be offered from time to time to each Eligible Person shall be determined by the Board in its discretion.

The Performance Share Rights in respect of an employee will vest on meeting the Performance Condition. The employee must still be employed by the Company at the time of vesting.

An Employee may notify the Board of any nominee to which the Employee wants Shares to be issued that would otherwise be issued to that Employee pursuant to the Plan provided that all taxation consequences of such nomination are the sole responsibility of the Employee concerned.

Any Performance Share Rights that have been earned but remain unvested will vest if a Change of Control Event occurs, the intention being that the holders of Performance Share Rights are to be able to accept (in respect of the resulting Shares to be issued) offers made or to be made under or pursuant to the Change of Control Event. Should the holder of Performance Share Rights resign, all Rights not yet vested will be forfeited.

**(c) Proposed Implementation Steps**

The Plan will operate as follows:

- At commencement of the Plan, Employees will be advised of their number of Performance Share Rights.
- No later than 12 months after a Performance Condition has been met, the Company will instruct its share registry to issue the relevant Shares to the Employee.
- Within 3 days of issue of the relevant Shares the Company will apply to have the Shares granted quotation on ASX.

**(d) Condition**

Participation in the Plan and any obligations of the Company thereunder will be subject to the obtaining of all necessary approvals of the Company’s shareholders and to obtaining any required regulatory approvals.

**(e) Related Parties**

Resolution 10 seeks shareholder approval pursuant to Listing Rule 10.11 for the issue of Performance Share Rights to executive Directors.

Subject to Shareholder approval of Resolution 10, the number of Performance Share Rights to be issued to executive Directors could be up to 13,000,000.

No funds will be raised from the issue of the Performance Share Rights as they are being issued for nil cash consideration.

(i) Section 208 of Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Share Rights as the exception in section 211 of the Corporations Act applies. The Performance Share Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

(ii) Listing Rule 10.11

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders. A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company. Domenic Carosa will, as a result of the Acquisition, become a related party of the Company. The effect of passing Resolutions 11 and 12 will be to allow the Company to issue up to 13,000,000 Performance Share Rights to Mr Carosa without using up the Company's 15% placement capacity under Listing Rule 7.1.

(iii) Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- a) The Performance Share Rights may be issued to Domenic Carosa (and/or his nominees). No other director is entitled to participate in the Plan.
- b) No person has received securities under an employee plan since the last approval.
- c) The number of Performance Share Rights to be issued to Mr Carosa (and/or his nominees) will be up to 13,000,000.
- d) The Performance Share Rights will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- e) The Performance Share Rights will be issued for nil consideration.
- f) The Performance Share Rights will be convertible to fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- g) No loan will be made by the Company to assist any person with acquiring Shares under the Plan.
- h) A voting exclusion statement is included in the Notice of Meeting for Resolutions 11 and 12.

- i) The details of any Performance Share Rights issued pursuant to the Plan will be published in each Annual Report to shareholders of Q in the period in which the Performance Share Rights are issued, and it will be stated that approval for the issue of the Performance Share Rights was obtained under Listing Rule 10.14. Any additional person to become entitled to participate in the plan after this Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- j) No funds will be raised from the issue of the Performance Share Rights as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors during the current financial year.

## **19. Resolution 13 and 14 – Removal and appointment of auditor**

---

Under Section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given. The notice of intention to remove Deloitte Touche Tohmatsu is provided to Shareholders as Annexure A to this Notice of General Meeting.

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act. If Deloitte Touche Tohmatsu is removed under Resolution 12, the Directors propose RSM Bird Cameron Partners be appointed as the Company's auditor effective from the end of the Meeting. The notice of nomination of RSM Bird Cameron Partners as auditor of the Company is provided to Shareholders as Annexure B to this Notice of General Meeting. RSM Bird Cameron Partners has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolutions 12 and 13 are passed, the appointment of RSM Bird Cameron Partners as the Company's auditor will take effect at the close of the Meeting.

## Schedule 1 - Definitions

In this Explanatory Memorandum and Notice of General Meeting:

**Acquisition** or **Crowd Mobile Acquisition** means the purchase by Q of all the issued shares in the capital of Crowd Mobile Holdings.

**ASIC** means Australian Securities and Investments Commission.

**Associate** has the meaning ascribed in the Corporations Act.

**ASX** means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX.

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

**ASX Restricted Securities** means any securities which are classified by the ASX as Restricted Securities under the ASX Listing Rules.

**Board** means Directors of the Company.

**Business Day** means a day on which the ASX is open for trading.

**Carosa Vendors** means Dominet Digital Corporation Pty Ltd ACN 086 657 561 and Dominet Digital Investments Pty Ltd ACN 145 030 600.

**Company or Q** means Q Limited (ACN 083 160 909).

**Completion** means completion of the sale of all the issued shares in Crowd Mobile Holdings to Q in accordance with the Purchase Agreement.

**Consideration Shares** has the meaning given in Section 2.

**Constitution** means the constitution of the Company as at the date of the General Meeting.

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

**Crowd Mobile Group** or **Crowd Mobile** means the Crowd Mobile Group Companies.

**Crowd Mobile Group Companies** means collectively Bongo IP Pty Ltd, Bongo Operations Pty Ltd, Global AQA IP Pty Ltd, Global AQA Pty Ltd, Buddy IP Pty Ltd, Buddy Operations Pty Ltd, Crowd Mobile IP Pty Ltd, Crowd Mobile Australia Pty Ltd, Bongo Europe Pty Ltd and Digital Global Marketing Pty Ltd.

**Directors** mean the directors of the Company.

**DJC** means DJ Carmichael Pty Limited (ACN 003 058 857).

**DJC Corporate Advisory Agreement** means the Agreement between DJC and Q referred to in Sections 2.8 and 15.

**DJC Shares** means the Shares issued or to be issued to DJC under Resolution 7.

**DSAH** means D.S.A.H. Holdings Pty Ltd ACN 064 335 539.

**Exempt Investor** means a person to whom an offer of securities can be made without the need for a disclosure document to be lodged with ASIC under Part 6D.2 of the Corporations Act because of section 708(8) (sophisticated investor), section 708 (10) (offer through financial services licensee) or section 708(11) (professional investor) of the Corporations Act.



**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**General Meeting** has the meaning given in the introductory paragraph of the Notice (and any adjournment of that meeting).

**Hall Chadwick** means Hall Chadwick Corporate (NSW) Limited (ACN 080 462 488).

**Independent Expert** means Hall Chadwick.

**Independent Expert's Report** means the report of the Independent Expert dated 11 November 2014 included as Annexure A to this Explanatory Memorandum.

**Maximum Subscription** means the maximum subscription under the Offer, being 5 million Offer Shares.

**Minimum Subscription** means the minimum subscription under the Offer, being 2.5 million Offer Shares.

**Notice** means this Notice of General Meeting.

**Offer** means the offer of the Offer Shares under the Prospectus.

**Offer Shares** means not less than 2.5 million and not more than 5 million Shares to be offered under the Prospectus.

**Other Vendors** means the entities listed in Part B of the table in Section 10.

**Performance Shares** has the meaning given in Section 2.3.

**Proxy Form** means the proxy form attached to the Notice.

**Prospectus** has the meaning given in Section 6.

**Purchase Agreement** has the meaning given in Section 2.1.

**Related Party** has the meaning ascribed in the ASX Listing Rules.

**Resolution** means a resolution referred to in this Notice.

**Selldown Agreements** means the agreements referred to in section 2.2.

**Selldown Shares Buyers** means the persons who enter into Selldown Agreements.

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

**Share Consolidation** or **Consolidation** means the consolidation of the Shares on issue through the conversion of every 40 Shares into one Share pursuant to Resolution 1.

**Shareholder** means a shareholder of the Company.

**Transaction** means the sale of all the issued shares in Crowd Mobile Group Companies to the Company, the issue and allotment of the Consideration Shares, the Conversion Shares, the Offer Shares, the DJC Shares and the Directors' Shares and the related matters as outlined in Section 2.

**Vendors** mean the Carosa Vendors, DSAH and the Other Vendors.

**Voluntary Restricted Securities** has the meaning given in Section 2.5.

In this Notice (including the Explanatory Memorandum):

- (a) words importing the singular include the plural and vice versa;
- (b) expressions that are not specifically defined in the Notice, but are given a particular meaning in the Corporations Act, have the same meaning in the Notice; and
- (c) a reference to a Section is a reference to a Section of the Explanatory Memorandum.

## **Schedule 1 - Terms and Conditions of Performance Rights**

### **1. Definitions**

In these terms and conditions:

Accounting Standards means:

- (a) the applicable accounting standards from time to time made by the Australian Accounting Standards Board under section 334 of the Corporations Act;
- (b) the requirements of the Corporations Act in relation to the preparation and content of a financial report;
- (c) other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views); and
- (d) to the extent that the standards and requirements referred to in paragraphs (a), (b) and (c) do not clearly govern any particular aspect of the preparation of financial statements, in accordance with generally accepted accounting principles and practices in Australia for an entity similar to the Crowd Mobile Group consistently applied.

ASX means Australian Securities Exchange.

Board means the Board of Directors of the Company from time to time.

Business Day has the same meaning as in the Listing Rules.

CM Apps means apps developed and released for general download on the Internet.

Company means Q Limited, ACN 009 075 861.

Company Secretary means the company secretary of the Company.

Corporations Act means the Corporations Act, 2001 (Cth).

Earnout Period means the 48 month period commencing on the first day of the month following the Acquisition by Q Limited of the Crowd Mobile Group, as that term is defined in the Notice of Meeting of Q Limited dated xx October 2014.

EBITDA means, in relation to a Year, the earnings of Q before interest, tax, depreciation and amortisation for the relevant period as determined in Accounting Standards

Eligible Person means:

- (a) a full-time or permanent or part-time employee of the Company;
- (b) a director or secretary of the Company;
- (c) a contractor who is engaged by the Company; or
- (d) any other person who is determined by the Board to be an Eligible Person for the purposes of the Plan.

Expiry Date means the expiry date of a Performance Right listed in part 2 in Schedule 1.

Holder means a holder of a Performance Right or Share, from time to time.

Incentive Scheme means an employee share performance right or option scheme extended to either or both employees and directors of the Company and its Related Bodies Corporate, and includes the Plan.

Listing Rules means the Official Listing Rules of ASX.

Performance Conditions means the performance condition of a Performance Right listed in part 2 in Schedule 1.

Performance Right means a performance right which entitles the Holder to be granted to Share subject to the Plan and the Terms and Conditions.

Plan means the Q Performance Rights Plan.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Revenue from continuing operations has the meaning given to that term in the Accounting Standards.

Rules means the terms and conditions of the Plan, as amended from time to time.

SEATS means the Stock Exchange Automated Trading Exchange of ASX.

Securities Dealing Policy means any policy established by the Company applicable trading in securities of the Company.

Security Interest means any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement.

Share means an issued ordinary Share in the Company.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Vested Performance Right has the meaning in clause 7(c).

## **2. Interpretation**

- (a) Words importing gender mean each other gender; the singular includes the plural and vice versa; headings shall not be taken into account in the interpretation of these Terms and Conditions; and references to any statutes or sections shall include all statutes or sections amending, consolidating or replacing the statutes or sections referred to.
- (b) These Terms and Conditions, the offering and granting of any Performance Rights, the rights attaching to the Performance Rights granted and the issue or transfer of any Shares pursuant to the vesting of Performance Rights shall at all times be subject to the Listing Rules and Corporations Act applying at that time.
- (c) A reference to Shares comprised in a Performance Right is a reference to the Shares for which the Eligible Person has for the time being a Performance Right to subscribe or take a transfer of by reason of the grant too him or her of that Performance Right, including any securities resulting from an adjustment made pursuant to these Terms and Conditions.

- (d) A reference to an offer, issue or distribution to the Company's shareholders generally is a reference to an offer, issue or distribution to the generality of the holders for the time being of Shares, whether or not including holders of other securities issued by the Company and whether or not including persons in particular places outside Australia or other minority groups who may for a particular reason be excluded from participation.
- (e) Where any calculation or adjustment to be made pursuant to these Terms and Conditions, produces a fraction of a cent or a fraction of a share, the fraction shall be eliminated by rounding to the nearest whole number favourable to the Eligible Person.

**3. Eligibility**

The Holder is an Eligible Person.

**4. Issue Price**

Each Performance Right shall be granted to the Holder at the Issue Price.

**5. Plan**

The Performance Rights are issued under and in accordance with the Plan.

**6. Terms of the Performance Rights**

- (a) The Performance Rights will not be listed on any stock exchange.
- (b) A Holder has no legal or equitable interest in a Share by virtue of acquiring a Performance Right. A Holder's rights under the Plan are purely personal and contractual.
- (c) A Holder must not sell, transfer, mortgage, charge or otherwise deal with or encumber any Performance Rights except with the prior approval of the Board.
- (d) Notwithstanding the offer of Performance Rights to an Eligible Person, the Eligible Person will not have an interest in the Performance Rights until such time as the Performance Rights are granted.

**7. Performance Conditions**

- (a) The Board will determine the form and manner of the Performance Condition.
- (b) The Board will determine if the Performance Condition is satisfied prior to the relevant Expiry Date.
- (c) If the Board determines that the Performance Condition is satisfied prior to the Expiry Date, the Board shall notify the Holder in writing that the Performance Rights have vested (Vested Performance Rights).
- (d) If the Performance Condition is not satisfied by the Expiry Date, then the Board shall notify the Holder that Performance Rights have lapsed.

**8. Automatic Conversion of Vested Performance Rights**

- (a) Subject to clause 8(b), Vested Performance Rights will be automatically converted into the equivalent number of Shares.

- (b) The allocation of Shares to an Eligible Person following the automatic conversion of the Vested Performance Rights is subject to such allocation not contravening the Corporations Act, the Listing Rules, the Securities Dealing Policy or any policy established by the Company applicable to dealing in Shares by the Holder.
- (c) Following notification to the Holder under clause 7(c), the Company shall within a reasonable period of time allot or transfer to the Holder the relevant number of Shares.
- (d) If the Holder has died, the Holder's legal personal representative shall stand in the place of the Holder for the purposes of clause 8(c), subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of Shares held by the Holder.
- (e) From and including the date of allotment to a Holder of any Shares in accordance with the Rules and these Terms and Conditions, the Holder must not sell or transfer those Shares if to do so would be in breach of the insider trading provisions of the Corporations Act (Part 7.10 Division 3), any other applicable law or any Securities Dealing Policy.
- (f) Without limiting the scope of clause 8(e), the Company may implement any arrangements (including applying a holding lock), and do all things in the opinion of the Board necessary or desirable, for the purpose of preventing a breach of clause 8(e) and each Holder agrees to the Company effecting those arrangements or doing those things.
- (g) From and including the date of allotment to a Holder of any Shares in accordance with these Rules the Holder shall:
  - (i) be the absolute indefeasible beneficial owner of those Shares; and
  - (ii) subject to clause 8(e), the Corporations Act, the Listing Rules and any Securities Dealing Policy applicable to Holders, be entitled to sell, transfer, dispose of, mortgage, pledge or otherwise deal with those Shares or any interest therein in every manner whatsoever.
- (h) In the case where Holder dies or becomes bankrupt the legal personal representative of the deceased Holder or the trustee in bankruptcy of the bankrupt Holder shall be the only person recognised as having any title to the Shares of the Holder issued in accordance with the Performance Right.
- (i) Shares issued on conversion of a Vested Performance Right shall rank pari passu in all respect with Shares already on issue at the date of the Performance Right vesting.
- (j) After Shares have been allotted pursuant to clause 8(c), the Company will promptly make application for official quotation of those Shares on the ASX, if required by the Listing Rules.

## 9. Forfeiture and Cessation as an Eligible Person

### (a) Lapse of a Performance Right

An unvested Performance Right will lapse upon the earliest to occur of:

- (i) the Performance Right lapsing in accordance with clause 9(b); or
- (ii) failure to meet the Performance Condition by the relevant Expiry Date.

(b) Fraudulent or dishonest actions

(i) Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Holder:

- (A) acts fraudulently or dishonestly; or
- (B) is in breach of his or her obligations to the Company,

then the Board may:

- (C) deem any unvested Performance Rights of the Holder to have lapsed; and/or
- (D) deem all or any Vested Performance Rights to be forfeited – in which event, if the Holder is an employee of the Company, the Holder is deemed to have agreed to sell his shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration or be deemed to have appointed any officer of the Company as his or her agent to sell such Shares on market; and/or
- (E) where any Vested Performance Rights that have converted into Shares and have been sold by the Holder, require the Holder to pay all or part of the net proceeds of that sale to the Company.

(ii) Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Holder's Performance Rights become Vested Performance Rights as a result of the fraud, dishonesty or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and may, subject to applicable laws, determine:

- (A) where Shares have not been issued upon the vesting of a Performance Right, that the Performance Rights have not vested and reset the Performance Conditions applicable to the Performance Rights;
- (B) where Performance Rights have become Shares, that those Shares are forfeited by the Holder (as described in clause 9(b)(i)(D)) and may, at the discretion of the Board, reissue any number of Performance Rights to the Holder subject to new Performance Conditions in place of the forfeited Shares; or
- (C) any other treatment in relation to Performance Rights or Shares to ensure no unfair benefit is obtained by a Holder as a result of such actions of another person.

(c) Cessation as an Eligible Person

Unless subject to a specific agreement with the Board, where a Holder ceases to be an Eligible Person of the Company before a Performance Right has vested by reason of his death, disability, bona fide redundancy or bona fide retirement and at that time the Holder continues to satisfy any other relevant conditions imposed by the Board at the time of grant, the Performance Rights granted to the Holder will automatically vest and the Performance Rights will be deemed to become Vested Performance Rights.

(d) Ceasing to satisfy relevant conditions

If the Holder ceases to be an Eligible Person of the Company for any reason other than one set out in clause 9(c), all Performance Rights held by the Holder will lapse.

(e) When employment or engagement ceases

For the purposes of this Plan, a Holder will not be treated as ceasing to be an Eligible Person of the Company until such time as the Holder is no longer either an employee or a contractor of the Company. Subject to applicable laws, at the discretion of the Board, a Holder who is an employee and is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the Plan will be treated for those purposes as not having ceased to be an Eligible Person.

10. Provision of Information

The Board will advise each Eligible Person of the following minimum information regarding Performance Rights:

- (a) the number of Performance Rights being offered (each entitling its holder to one Share upon vesting of that Performance Right);
- (b) the Expiry Date;
- (c) the Performance Conditions;
- (d) any other relevant conditions to be attached to the Performance Rights or the Shares; and
- (e) any other information required under any applicable law or regulations.

11. Transfer of Rights

Except on the death of a Holder, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

12. Security Interest

Subject to clause 11, Eligible Persons will not grant a Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are either issued or transferred to that Eligible Person, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

13. Dividend and Voting Rights

Performance Rights will not attract dividends and voting rights until the Performance Rights have vested and Shares allocated to the Holder.

14. Takeover, Scheme of Arrangement and Winding-up

Performance Rights granted to the Holder will automatically vest and the Performance Rights will be deemed to become Vested Performance Rights where:

- (a) a Court approval of a merger by way of scheme of arrangement; or
- (b) a Takeover Bid:
  - (i) is announced;



- (ii) has become unconditional; and
- (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the Shares.

#### 14. Adjustment for Rights Issue

An Eligible Person may only participate in a new issue of Shares or other securities of the Company to holders of Shares in the Performance Right has vested in accordance with its terms before the record date for determining entitlements to the issue.

#### 15. Adjustment for Bonus Issue

- (a) If, during the life of any Performance Right, securities are issued pro rata to the Company's shareholders generally (otherwise than pursuant to any Incentive Scheme) by way of bonus issue, the Eligible Person shall be entitled, upon the later vesting of the Performance Right, to receive in addition to the number of Shares comprised in the Performance Right an allotment or transfer of so many additional securities as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the vested Performance Right.
- (b) Additional securities to which the Eligible Person becomes so entitled shall, as from the time securities are issued pursuant to the bonus issue and until those additional securities are allotted or transferred, be regarded as securities comprised in the relevant application of clause 16(a) and any adjustments which, after the time just mentioned, are made under clause 17 to the number of securities comprised in a Performance Right shall also be made to the additional securities as if they were securities comprised in the Performance Right.

#### 16. Adjustment for Reconstruction

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company (not being a reconstruction referred to in clause 16 above), the number of Performance Rights shall be reconstructed (as appropriate) in accordance with the Listing Rules of the ASX (applying at that time) and in a manner which will not result in any additional benefits being conferred on a holder of a Performance Right which is not conferred on holders of Shares, but in all other respects the terms of conversion will remain unchanged.

#### 17. Cumulation of Adjustments

Full effect shall be given to clauses, 16 and 17 as and when occasions of their application arise and in such manner that the effect of the successive application of them are cumulative, the intention being that the adjustments they progressively effect shall be such as to reflect in relation to the Shares and securities comprised in a Performance Right the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

#### 18. No Participation Rights

There are no participation rights or entitlements inherent in the Performance Rights and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

## Schedule 1 – Part 2

### 1. Details of Performance Rights

Item	Detail
Holder	[.....]
Number of Performance Rights	Tranche 1: [.....] Tranche 2: [.....] Tranche 3: [.....] Tranche 4: [.....]

### 2. Performance Condition and Expiry Dates

Tranche	Performance Condition	Expiry Date
Tranche 1 Performance Right	If, and only if, the EBITDA for any period of six consecutive months during the Earnout Period equals or exceeds \$4,000,000,	30 November 2018
Tranche 2 Performance Right	If, and only if, the “Revenue from continuing operations” for any period of six consecutive months during the Earnout Period equals or exceeds \$15,000,000	30 November 2018
Tranche 3 Performance Right	If, and only if, the number of CM Apps downloaded equals or exceeds 500,000	30 November 2018
Tranche 4 Performance Right	If, and only if, the number of CM Apps rolled out exceeds 50	30 November 2018

**Q LIMITED**  
**ACN 083 160 909**

---

**PROXY FORM**

The Company Secretary  
Q Limited

**By post and delivery:**

**By facsimile:** 02 92333307

Suite 904, 37 Bligh Street  
Sydney NSW 2000

I/We

<sup>1</sup>

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to attend and vote, hereby appoint <sup>2</sup>

\_\_\_\_\_

or if no person is named or failing such appointment the chairman of the General Meeting as my/our proxy to act generally and vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.30 am (Sydney time) on 17 December 2014 at Suite 904, 37 Bligh Street Sydney NSW and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is \* [ ] % of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request.)

**INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS**

The proxy is to vote on the Resolutions referred to in the Notice as follows:

		For	Against	Abstain *
Resolution 1	Approval for the share consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for the issue of Offer Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the change of company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for change to nature of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for the issue of Shares to the Carosa Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for the issue of Shares to DSAH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for the issue of Shares to the Other Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for the issue of the Selldown Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for the issue of DJ Carmichael Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 10 (a)	Approval the issue of Directors' Shares - Beaumont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 10 (b)	Approval the issue of Directors' Shares - Guigni	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 10 (c)	Approval the issue of Directors' Shares - Ochojski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval for Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Performance Share Rights to Carosa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The chairman intends to vote all available proxies in favour of each Resolution.**

\* If you mark the Abstain box for a particular Resolution, you are directing you 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.

**Authorised signature/s**

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup> Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

**Proxy Notes:**

A Shareholder entitled to attend and vote at the General Meeting may appoint a person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission on 02 92333307 or by post or delivery to Suite 904, 37 Bligh Street Sydney, NSW 2000 not less than 48 hours prior to the time of commencement of the General Meeting.