

# **Q Technology Group Limited**

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

**Annual General Meeting to be held at  
Unit 5, 435 Williamstown Road, Port Melbourne 3207 on Wednesday, 23 November 2016  
commencing at 2.00pm (AEDT)**

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

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional adviser without delay.

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## Corporate Directory

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

**Secretary** Mr Andrew Phillips

**Registered Office** Unit 5, 435 Williamstown Road  
Port Melbourne VIC 3207  
Telephone: +61 3 9676 7054  
Email: [enquiries@qtechnologygroup.com.au](mailto:enquiries@qtechnologygroup.com.au)  
Website: [www.qtechnologygroup.com.au](http://www.qtechnologygroup.com.au)

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

**Lawyers** Minter Ellison  
Rialto Towers  
525 Collins Street  
Melbourne VIC 3000

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

**ASX Code** QTG (Shares)

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# Notice of Annual General Meeting

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The 2016 Annual General Meeting of Q Technology Group Limited, ABN 27 009 259 876, will be held at Unit 5, 435 Williamstown Road Port Melbourne 3207 on Wednesday, 23 November 2016 commencing at 2.00pm (AEDT).

## Ordinary Business

### 1 Financial Statements and Reports

#### Period 1 July 2015 to 30 June 2016

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 30 June 2016.

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

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

"That, for all purposes, the Remuneration Report set out in the Directors' Report for the year ended 30 June 2016 be adopted."

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

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

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

"That, Douglas Potter, non-executive director who retires from the office of Director by rotation in accordance with Rule 53 of the Company's Constitution, being eligible, and offering himself for re-election, be re-elected as a Director of the Company."

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

## Special Business

### 4 Resolution 3: Approval of Additional 10% Placement Capacity under Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

'That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the Company's share capital, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement'.

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## Explanatory Statement

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

## Proxies

Please note that:

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

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

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

Under the Corporations Act:

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

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

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

## “Snap-shot” Time

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

The Company’s Directors have determined that, for the purposes of determining voting entitlements at the Annual General Meeting, only those persons registered as holding Shares at 7.00pm (AEDT) on Monday, 21 November 2016 shall be entitled to vote at the meeting. This means that if you are not the registered holder of a Share at that time you will not be entitled to attend and vote in respect of that Share at the Meeting.

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## **Special Resolution**

“Resolution 3 proposed in this Notice of Meeting is a special resolution and will be passed if at least 75% of the votes cast by members entitled to vote on the resolution are cast in favour of the resolution.”

**By Order of the Board,**

**Andrew Phillips**

Company Secretary  
Q Technology Group Limited  
19 October 2016

## **Explanatory Statement**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2016 Annual General Meeting.

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

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

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

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2016 will be laid before the meeting.

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

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

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

Q Technology Group Limited  
PO Box 132  
Port Melbourne VIC 3207

Or

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

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

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

The Remuneration Report of the Company for the financial year ended 30 June 2016 is set out in the Director's Report of the Company's 2016 Annual Report.

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

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

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## **Explanatory Statement cont'd**

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

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

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

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

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

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

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

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

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

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

Accordingly, Mr Douglas Potter offers to stand for election as a Director and Shareholder approval is sought for his re-election. Further information about Mr Douglas Potter is set out in the Company's 2016 Annual Report.

### **5 Resolution 3: Approval of Additional 10% Placement Capacity under Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek member approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity (**10% Placement Capacity**).

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An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity.

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the annual general meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being fully paid ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

**(A x D) – E**

Where:

**A** is the number of Shares on issue 12 months before the date of issue, or date of agreement to issue:

- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the previous 12 months;
- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and
- (d) less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under ASX Listing Rules 7.1 or 7.4.

#### **Technical Information Required by ASX Listing Rule 7.1A**

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:



## **1. Minimum price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed (**Agreed Issue Date**); or
- (b) if the Equity Securities are not issued within 5 ASX trading days of the Agreed Issue Date, the date on which the Equity Securities are issued.

## **2. Date of issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Annual General Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of this Annual General Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX.

## **3. Risk of dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of Shareholders who do not receive Equity Securities under the issue.

In addition Shareholders should note that there is a risk that:

- (a) the market price of the Equity Securities may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below seeks to demonstrate the potential dilution of existing Shareholders resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in ASX Listing Rule 7.1A(2).

The table does this by setting out the potential number of Shares issued and funds raised on the basis of:

- the current number of Shares on issue;
  - the number of Shares on issue changing (variable 'A' in the formula); and
  - a variation in the issue price of the Shares (noting that Shares may only be issued at up to a 25% discount based on the volume weighted average price of the Shares calculated over the 15 ASX trading days preceding the issue).
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Voting Dilution				
Number of Shares on issue (Variable 'A' in formula)	Dilution Variable	\$0.002 (50% decrease in Current Issue Price)	\$0.004 (Current Issue Price)	\$0.006] (50% increase in Current Issue Price)
604,619,310 (Current)	Additional 10% Shares issued	60,461,931	60,461,931	60,461,931
	Funds Raised	\$120,924	\$241,848	\$362,772
906,928,965 (50% increase)*	Additional 10% Shares issued	90,692,897	90,692,897	90,692,897
	Funds Raised	\$181,385	\$362,772	\$544,157
1,209,238,620 (100% increase)*	Additional 10% Shares issued	120,923,862	120,923,862	120,923,862
	Funds Raised	\$241,848	\$483,695	\$725,543

*\* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that does not require Shareholder approval (such as under a pro-rata rights issue) or an issue of Shares with Shareholder approval under Listing Rule 7.1.*

The table above is based on the following assumptions:

- The current number of shares on issue is the Shares on issue as at 19 October 2016.
- The current issue price is the closing price of the Shares on the ASX on 19 October 2016.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- The table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

#### **4. Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes including, for either:

- (a) a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- (b) non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Additional 10% Placement Capacity allocation.

#### **5. Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both). However the allottees cannot include any related parties or associates of a related party of the Company without a further specific shareholder approval.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

#### **6. Previous Approval under ASX Listing Rule 7.1A**

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

#### **Special resolution**

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the meeting must be in favour of Resolution 3 for it to be passed.

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## **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 3 by:

- (a) any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares; and
- (b) any associate of such person or persons.

However, the Company need not disregard a vote if:

- (a) the vote is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) if the vote is cast by the Chairman for a person who is entitled to vote in accordance with a direction on the proxy form.

As at the date of this Notice of Meeting, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

## **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3.

The Chairman of the meeting intends to vote undirected proxies **in favour** of Resolution 3.

## **Glossary**

**10% Placement Capacity** has the meaning set out in section X of the Explanatory Statement

**Eligible Entity** has the meaning set out in section X of the Explanatory Statement

**Equity Security** includes a Share, an Option, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Option** means an option to acquire a Share.

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

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# Q TECHNOLOGY GROUP LIMITED

ABN 27 009 259 876

QTG

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

## Lodge your vote:



### By Mail:

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

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

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

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

## Proxy Form

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For your vote to be effective it must be received by 2.00pm (AEDT) Monday, 21 November 2016

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

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

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

**Turn over to complete the form** ➔



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

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



**Review your securityholding**



**Update your securityholding**

**Your secure access information is:**

**SRN/HIN: I9999999999**



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

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

☐

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



I 9999999999

IND

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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

☐ the Chairman of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Q Technology Group Limited to be held at Unit 5, 435 Williamstown Road, Port Melbourne 3207 on Wednesday, 23 November 2016 at 2.00pm (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Douglas Potter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Additional 10% Placement Capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /