

Q Technology Group Limited

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
Unit 5, 435 Williamstown Road, Port Melbourne 3207 on Tuesday, 27 November 2012
commencing at 2.00pm (EDST)**

Q TECHNOLOGY GROUP LIMITED
ABN 27 009 259 876

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

Corporate Directory

Directors	Mr Bruce Higgins (Non-Executive Director, Chairman) Mr Douglas Potter (Non-Executive Director) Mr Michael O'Leary (Non-Executive Director) Mr Richard Stokes (CEO, Executive Director)
Secretary	Mr Adrian McKenzie
Registered Office	Unit 5, 435 Williamstown Road Port Melbourne VIC 3207 Telephone: +61 3 9681 9854 Facsimile: +61 3 9646 2049 Email: enquiries@qtechnologygroup.com.au Website: www.qtechnologygroup.com.au
Auditor	Moore Stephens Melbourne Level 10, 530 Collins Street Melbourne VIC 3000
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 Codes	QTG (Shares)

Notice of Annual General Meeting

The 2012 Annual General Meeting of Q Technology Group Limited ABN 27 009 259 876 will be held at Unit 5, 435 Williamstown Road Port Melbourne 3207 on Tuesday, 27 November 2012 commencing at 2.00pm (EDST).

Ordinary Business

1 Financial Statements and Reports

Period 1 July 2011 to 30 June 2012

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 30 June 2012.

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 2012 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: Election of Director – Mr Bruce Higgins

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

"That, for all purposes, Mr Bruce Higgins, having been appointed a Non-Executive Director since the last general meeting in accordance with the Company's Constitution, be re-elected as a Director."

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

4 Resolution 3: Cancellation of unlisted options

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

"That for the purposes of ASX Listing Rule 6.23.2 and all other purposes, approval be given to the cancellation of the following options:

- (a) The 7,705,786 options granted to and held by Rodman and Renshaw for the aggregate consideration of \$3,500;
- (b) the 5,119,820 options granted to and held by Platinum Partners Value Arbitrage Fund LP for the aggregate consideration of \$ 3,500; and
- (c) the 2,277,488 options granted to and held by Rodman and Renshaw for the aggregate consideration of \$ 3,500."

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

Explanatory Statement

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

“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 Shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on ASX at 7.00pm (EDST) on Sunday, 25 November 2012 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

By Order of the Board of Directors

Adrian McKenzie
Company Secretary
Q Technology Group Limited
17 October 2012

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2012 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 2012 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
Unit 5, 435 Williamstown Road
Port Melbourne VIC 3207

Or

Facsimile: +61 3 9646 2049.

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 2012 is set out in the Director's Report on pages 13 to 17 of the Company's 2012 Annual Report.

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

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

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

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

3 Voting exclusion for Resolution 1

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

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

However, the company need not disregard a vote in relation to resolution 1 if:

- (a) it is cast by a 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 the direction on the proxy form to vote as the proxy decides (and the appointment expressly authorises the chair to vote in accordance with a direction on the proxy form to vote as the proxy decides).

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

4 Resolution 2: Election of Director – Mr Bruce Higgins

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. The Directors to retire are to be those who have been in office for 1 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement

Accordingly, Mr Bruce Higgins offers to stand for election as a Director and Shareholder approval is sought for his re-election. Further information about Mr Bruce Higgins is set out in the Company's 2012 Annual Report.

5 Resolution 3: Cancellation of Unlisted Options

In accordance with ASX Listing Rule 6.23.2, approval is being sought for the cancellation of the following unlisted options:

- (a) The 7,705,786 options granted to and held by Rodman and Renshaw for the aggregate consideration of \$3,500;
- (b) the 5,119,820 options granted to and held by Platinum Partners Value Arbitrage Fund LP for the aggregate consideration of \$ 3,500; and
- (c) the 2,277,488 options granted to and held by Rodman and Renshaw for the aggregate consideration of \$ 3,500."

On 14 June 2012, the Company announced that it had signed a scheme implementation agreement with GWA Group Limited (**GWA**) under which it was proposed that a wholly-owned subsidiary of GWA would acquire all of the issued shares in the Company through a scheme of arrangement (**Scheme**).

One of the conditions to the implementation of the Scheme was that the Company and the holders of options had agreed to the cancellation of those options. To this end, the Company entered into option cancellation deeds on 3 July 2012 with each of Rodman and Renshaw and Platinum Partners Value Arbitrage Fund LP for the cancellation of the options held by those entities for the consideration referred to above (amounting to \$10,500 in the aggregate).

In agreeing to the cancellation of their options in these circumstances, each of Rodman and Renshaw and Platinum Partners Value Arbitrage Fund LP required the Company to agree to submit the proposed cancellation of options to its shareholders in general meeting if the Scheme was not implemented before 3 July 2013.

On 16 July 2012, the Company announced that the scheme implementation agreement had been terminated and the Scheme would not be proceeding. Accordingly, under the terms of the option cancellation deeds with Rodman and Renshaw and Platinum Partners Value Arbitrage Fund LP, the Company is seeking shareholder approval for the cancellation of the options held by these entities for the purposes of ASX Listing Rule 6.23.2 and all other purposes.

Details of the options proposed to be cancelled are as follows:

Number of options and exercise price	Holder of options	Consideration	Expiry date
1,939,621 @ \$0.587 3,826,544 @ \$0.237 1,939,621 @ \$0.797	Rodman and Renshaw	\$3,500	10 May 2014
1,288,660 @ \$0.587 2,542,500 @ \$0.237 1,288,660 @ \$0.797	Platinum Partners Value Arbitrage Fund LP	\$3,500	10 May 2014
573,266 @ \$0.587 1,130,956 @ \$0.237 573,266 @ \$0.797	Rodman and Renshaw	\$3,500	10 May 2014

Under ASX Listing Rule 6.23.2, the Company cannot make a change which has the effect of cancelling an option for consideration without shareholder approval for the change.

The Company considers that it is in the best interests of shareholders generally that these options be cancelled. In particular, these options are significantly out of the money having reference to the current market price for the Company's shares and are therefore unlikely to be exercised by their holders prior to their expiry dates.

As a result, the Directors take the view that the Company's shareholders would, on balance, be advantaged by the proposed cancellation of these options.

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 3 by a person who holds an option that is the subject of the approval or any associate of that person.

The Directors recommend that shareholders vote in favour of Resolution 3.

6 Voting exclusion for Resolution 3

The Company will disregard any votes cast in respect of Resolution 3 by:

- (b) Rodman and Renshaw;
- (c) Platinum Partners Value Arbitrage Fund LP; and
- (d) any associate of Rodman and Renshaw or Platinum Partners Value Arbitrage Fund LP.



TECHNOLOGY GROUP LIMITED

ABN 27 009 259 876

Lodge your vote:



By Mail:

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

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

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

For all enquiries call:

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

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



Proxy Form

For your vote to be effective it must be received by 2.00pm (ADST) Sunday, 25 November 2012

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 as they choose. 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 under the information tab, "Downloadable 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

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Q Technology Group Limited to be held at Unit 5, 435 Williamstown Road, Port Melbourne on Tuesday, 27 November 2012 at 2.00pm (EDST) and at any adjournment or postponement of that Meeting.

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

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

STEP 2 Items of Business

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

	For	Against	Abstain
Item 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Director - Mr Bruce Higgins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Cancellation of unlisted options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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 / / _____

QTG

999999A

Computershare +