

3Q Holdings Limited
ABN 42 089 058 293

Notice of Annual General Meeting
and
Explanatory Memorandum to Shareholders

A proxy form is enclosed

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

3Q Holdings Limited ABN 42 089 058 293 (Company)

Notice of annual general meeting

Notice is given that the 2013 annual general meeting of the Company will be held at Ground Floor, 35 Spring Street, Bondi Junction, NSW 2022, on Friday, 29 November 2013 at 10.00 am.

Ordinary business

2013 Financial Statements and Reports

To receive and consider the Financial Statements of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 30 June 2013.

Resolution 1 – Re-election of Director – Mark McGeachen

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

“That Mark McGeachen, being a Director of the Company who retires by rotation under rule 13.2 of the Company’s constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 2 – Re-election of Director – Alan Treisman

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

“That Alan Treisman, being a Director of the Company who retires by rotation under rule 13.2 of the Company’s constitution, and being eligible, is re-elected as a Director of the Company.”

Special business

Resolution 3 – Amendment to Company Constitution

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

“That, for the purposes of section 136 of the Corporations Act 2001 (Cth) and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document entitled “Constitution of 3Q Holdings Limited” tabled at this Annual Generating Meeting, and signed by the Chairman for the purposes of identification, with effect from the close of this Annual General Meeting.”

Note: The proposed amendments to the Company’s constitution are discussed in the Explanatory Memorandum attached to this Notice.

Further information

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice.

Required majority

In accordance with the *Corporations Act 2001* (Cth):

- an ordinary resolution must be passed by a simple majority of the total votes cast by shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative); and
- a special resolution must be passed by at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative).

Entitlement to vote

It has been determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that, for the purposes of the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 10.00 am on 27 November 2013.

Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate.

If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that 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 no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective, must be received at the Company's office at:

Company Secretary
Ground Floor, 35 Spring Street
Bondi Junction, NSW 2022

OR by facsimile: (02) 9387 7110 (International +61 2 9387 7110)

OR by email to alan@threeq.com.au.

by no later than 10.00 am on 27 November 2013.

The Chairman intends to vote all available proxies held by him in favour of each resolution. Please refer to the Proxy Form accompanying this Notice for more information.

Accessing your 2013 Annual Report online

The 2013 Annual Report is available for shareholders to access and download from <http://www.threeq.com.au/investor-relations/3q-reports>.

If you would like to receive a hard copy of the 2013 Annual Report free of charge you can contact Alan Treisman, Company Secretary on 02 9369 8591.

Shareholders who have specifically requested a hard copy of the 2013 Annual Report will receive it together with this Notice or otherwise separately in the mail.

By Order of the Board

5 November 2013

A handwritten signature in black ink, appearing to read 'Alan Treisman', with a long, sweeping flourish extending to the right.

Alan Treisman
Company Secretary

Explanatory Memorandum

3Q Holdings Limited ABN 42 089 058 293

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the forthcoming annual general meeting.

Ordinary business

2013 Financial Statements and Reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires:

- the Reports of the Directors and Auditor; and
- the annual financial report, including the Financial Statements of the Company for the year ended 30 June 2013,

to be laid before the annual general meeting. The Corporations Act does not require a vote of shareholders on the reports or statements. However, shareholders will be given ample opportunity to raise questions or comments on the management of the Company.

Also, a reasonable opportunity will be given to members as a whole at the meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the 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.

Resolution 1 – Re-election of Director – Mark McGeachen

In accordance with rule 13.2 of the Company's Constitution, Mark McGeachen retires by rotation and, being eligible, offers himself for re-election.

The experience, qualifications and other information about the candidate appear below.

Mark McGeachen Executive Director

Mark joined the board on 5 April 2007 as part of the acquisition of AdvanceRetail Technology Limited, where he had served as Managing Director. As one of the initial founders of AdvanceRetail Technology Limited, Mark has experience in international software sales, as well as consulting experience with a number of the region's leading retailers. He has more than 25 years' experience in the information technology sector, including over 20 years' experience in the retail software market.

The Directors (Mark McGeachen not participating), recommend that shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Director – Alan Treisman

In accordance with rule 13.2 of the Company's Constitution, Alan Treisman retires by rotation and, being eligible, offers himself for re-election.

The experience, qualifications and other information about the candidate appear below.

Alan Treisman
Executive Director & Company Secretary

Alan Treisman joined the Board as Executive Director and CFO on 22 December 2005. He completed a Bachelor of Commerce degree and a Bachelor of Accountancy degree in 1989, and qualified as a Chartered Accountant in 1990. Alan joined Divergent Technologies in 1994 where he worked for almost 8 years as Financial Controller and then Finance Director. He has had more than 15 years' experience in the information technology industry. He now combines the role of Mergers and Acquisitions with that of Chief Financial Officer while also serving as the Company Secretary.

The Directors (Alan Treisman not participating), recommend that shareholders vote in favour of Resolution 2.

Special business

Resolution 3 – Amendment to Company Constitution

Background

The Company's current constitution (**Constitution**) was adopted by the Company on 23 November 2004 and has only been subject to minor amendments approved by shareholders at the 2010 AGM.

In November 2012, the shareholders of the Company resolved to approve the de-listing of the Company from the ASX. On 12 February 2013, the Company formally de-listed from the ASX and is once again an unlisted public company.

The de-listing of the Company meant that, amongst other things, the ASX Listing Rules ceased to apply to the Company with effect from 12 February 2013.

Therefore, there are certain provisions in the current Constitution that are either no longer relevant to the Company, or compliance with which is no longer mandatory for the Company, as an unlisted public company.

In some instances, the Board believes that the requirements and restrictions in the current Constitution that have been incorporated to comply with the ASX Listing Rules unduly restrict the discretion of the Board with respect to the governance of the Company and its activities (for example, the prohibition on Directors of the Company (other than the Managing Director) holding office for more than 3 years).

Accordingly, the Board proposes that the Company adopt an amended Constitution (**Amended Constitution**), a copy of which is or will be available to shareholders, free of charge:

- from the Company's website at <http://www.threeq.com.au/announcements/>; or
- upon receipt of a request for a copy at:

Company Secretary
Ground Floor, 35 Spring Street
Bondi Junction, NSW 2022

OR by facsimile: (02) 9387 7110 (International +61 2 9387 7110)

OR, by email to alan@threeq.com.au.

To assist shareholders, a mark-up version of the Amended Constitution, showing the proposed modifications to the current Constitution in track change, is available on the Company's website at <http://www.threeq.com.au/announcements/>.

Proposed amendments

As suggested above, the primary purpose of this motion is to remove from the Constitution any provisions that would not generally apply unless the Company was an ASX-listed company.

In particular, if Resolution 3 is approved, then, with effect from the conclusion of the Company's 2013 Annual General Meeting:

- (a) the Directors of the Company will cease to be required to retire from office on a 3-year rotational basis (clause 13.2 of the current Constitution) and any Directors appointed by the board of Directors will no longer be required to stand for re-election at the next AGM;
- (b) the restrictions against the inclusion in the remuneration of:
 - (i) Executive Directors of the Company of a commission on or a percentage of operating revenue; and
 - (ii) Non-Executive Directors of the Company of a commission on or a percentage of profits or operating revenue,will be removed (clause 13.7 of the current Constitution);
- (c) requirements on the Company to notify or make disclosures to the ASX will be removed (clauses 11.5 and 15.18 of the current Constitution);
- (d) the restrictions and requirements prescribed under the ASX Listing Rules in relation to the terms upon which the Company may issue preference shares, will be removed (clause 2.4 and Schedule 1 of the current Constitution);
- (e) concepts and associated regulations that are applicable only to ASX-listed entities, such as "Restricted Securities" (rule 2.10), "Minimum Shareholdings" (rule 3) and "Uncertificated Holdings and Electronic Transfers" (rule 4) and "Listed Securities", will be removed;
- (f) all references to the listing rules and settlement rules of the ASX will be removed; and
- (g) the Constitution will cease to provide for the ability of the Company in general meeting to authorise the implementation of a dividend reinvestment plan (clause 25).

However, the Company and its Directors will continue to be subject to the duties and obligations imposed by, and the Company's shareholders nevertheless retain the rights and protections afforded to them under, the Corporations Act.

In addition, the Company remains a disclosing entity for the purposes of the Corporations Act, and therefore continues to be required to prepare and provide shareholders with annual financial reports and Directors' reports in accordance with the Corporations Act.

Shareholders should note that the above overview of the amendments to the Constitution is not exhaustive and does not identify all of the differences between the current Constitution and the Amended Constitution.

The Company has also taken this opportunity to amend some minor inconsistencies and errors in the Constitution.

Shareholders are encouraged to read the Amended Constitution, which may be downloaded from the Company's website at <http://www.threeq.com.au/announcements/>, before deciding whether to vote for or against Resolution 3.

In accordance with section 136 of the Corporations Act, Resolution 3 is a special resolution and can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative) are voted in favour of the resolution.

Directors' recommendation

The Board considers that adopting the Amended Constitution is in the best interests of the Company. Accordingly, the Directors recommend that shareholders vote in favour of Resolution 3.



3Q Holdings Limited
 ABN 42 089 058 293

Proxy Form



All correspondence to:
 3Q Holdings Limited
 Ground Floor, 35 Spring Street,
 Bondi Junction
 NSW 2022
 Australia
 Enquiries (within Australia) (02) 9369 8500
 (outside Australia) 61 2 9369 8500
 alan@threeq.com.au

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

Appointment of Proxy

I/We

being a member/s of 3Q Holdings Limited and entitled to attend and vote hereby appoint

the Chairman of
 the Meeting
 (mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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, as the proxy sees fit) at the Annual General Meeting of 3Q Holdings Limited to be held at Ground Floor, 35 Spring Street, Bondi Junction NSW 2022 on Friday, 29 November 2013 at 10.00 am and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all of the Resolutions below.

Voting directions to your proxy – please mark to indicate your directions

		For	Against	Abstain*
Resolution 1.	Re-election of Director – Mark McGeachen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Re-election of Director – Alan Treisman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Amendment of Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular resolution, you are directing your 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.

PLEASE SIGN HERE

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

Individual or Security Holder 1

Security Holder 2

Security Holder 3

Sole Director and
 Sole Company Secretary

Director

Director/Company Secretary

.....
 Contact Name

.....
 Contact Daytime Telephone

..... / /
 Date

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each Resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses. If you mark more than one box for a resolution your vote on that resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's office or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 10.00 am on Wednesday, 27 November 2013. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON

Company's Office – Ground Floor, 35 Spring Street, Bondi Junction
NSW 2022

BY MAIL

Company's Office – Ground Floor, 35 Spring Street, Bondi Junction
NSW 2022

BY FAX

61 2 9387 7110