

3Q Holdings Limited

ABN 42 089 058 293

Notice of Annual General Meeting

Time	2.00pm
Date	8 November 2006
Place	The Stamford Plaza Double Bay Crystal Room 33 Cross Street Double Bay NSW

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (02) 9389 3555

Time and Place of Meeting and How to Vote

Venue

The Annual General Meeting of the Shareholders of 3Q Holdings Limited will be held at 2.00pm on 8 November 2006 at:

The Stamford Plaza Double Bay
Crystal Room
33 Cross Street
Double Bay
NSW

Your Vote is Important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by facsimile to the Company on (02) 9387 7110 (International +61 2 9387 7110); or
- (b) deliver the proxy form by mail or in person to the Company at Ground Floor, 35 Spring Street, Bondi Junction, NSW, 2022,

so that it is received not later than 2.00pm (AEST) on 6 November 2006. Proxy forms received later than this time will be invalid.

Your proxy form is enclosed with this document

Notice of Annual General Meeting

Ordinary Business

2006 Financial Statements & Reports

To receive the Financial Statements of the Company and its controlled entities, and the reports of the Directors and the Auditor, for the reporting period ended 30 June 2006.

Resolution 1 – Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2006. The Remuneration Report is set out in the Annual Report which has been sent to Shareholders. The vote on this resolution is advisory only and does not bind the Directors of the Company.

Resolution 2 – Re-election of Geoff Gander

To re-elect as a Director Geoff Gander, who retires by rotation in accordance with clause 13.2 of the Company's Constitution and being eligible, offers himself for re-election.

Special Business

Resolution 3 – Approval of Employee Incentive Scheme

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

"That the Employee Share Option Plan, the terms and conditions of which are summarised in Schedule 1, be approved and adopted by the Company effective immediately, and that the issue of options under the Employee Share Option Plan be approved as an exception to ASX Listing Rule 7.1."

Voting Exclusion Statement: Since the Directors are not entitled to participate in the employee incentive scheme, no voting exclusion statement is required to be included here

Resolution 4 – Grant of Director's Options to Shaun Rosen

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

"That, for the purposes of ASX Listing Rules 10.11 and 7.1 and for all other purposes, approval is given for the grant of up to 1 million options to Shaun Rosen (or his nominee) on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Shaun Rosen and his associates, or by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this resolution is passed, and any associates of those persons.

Resolution 5 – Grant of Director's Options to Clive Klugman

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

"That, for the purposes of ASX Listing Rules 10.11 and 7.1 and for all other purposes, approval is given for the grant of up to 1 million options to Clive Klugman (or his nominee) on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Clive Klugman and his associates, or by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this resolution is passed, and any associates of those persons.

Resolution 6 – Grant of Director’s Options to Geoff Gander

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

"That, for the purposes of ASX Listing Rules 10.11 and 7.1 and for all other purposes, approval is given for the grant of up to 1 million options to Geoff Gander (or his nominee) on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Geoff Gander and his associates, or by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this resolution is passed, and any associates of those persons.

Resolution 7 – Grant of Director’s Options to Alan Treisman

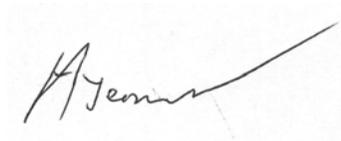
To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rules 10.11 and 7.1 and for all other purposes, approval is given for the grant of up to 1 million options to Alan Treisman (or his nominee) on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Alan Treisman and his associates, or by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this resolution is passed, and any associates of those persons.

3 October 2006

By order of the Board

A handwritten signature in black ink, appearing to read 'A Treisman', is written over a light grey rectangular background.

Alan Treisman
Company Secretary

Voting Notes

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or 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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on 6 November 2006 at 5:00pm (AEST).

Explanatory Notes

These Explanatory Notes provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you have any questions regarding the matters set out in the Notice of Meeting or Explanatory Notes, please contact the Company, your stockbroker or other professional adviser.

Resolution 1 – Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2006. The Remuneration Report is set out on pages 11 to 14 of the 2006 Annual Report.

The vote on Resolution 1 is advisory only and does not bind the Directors. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

Resolution 2 – Re-election of Director

In accordance with clause 13.2 of the Company's Constitution, Geoff Gander retires by rotation and, being eligible, offers himself for re-election as a Director at the Meeting.

Geoff was appointed as a Director on 4 December 2003 and moved from an executive role to a non-executive role on completion of the acquisition of QQQ Systems Pty Ltd in December 2005.

Geoff holds a Bachelor of Commerce from the University of Western Australia and has more than 20 years' experience in the information technology industry, with much of that specifically related to the point of service sector.

Geoff also works as an industry consultant to a range of private and public companies. In addition to being a Director of the Company, he also sits on the boards of VPH Limited, EQiTX Limited, Australian Waterwise Solutions Limited, Jupiter Energy Limited and Highway 1 (Australia) Pty Limited.

Having considered his contribution to the Company, the Board strongly supports Geoff Gander's re-election as a Director.

Resolution 3 – Approval of Employee Incentive Scheme

ASX Listing Rule 7.1 prohibits an entity from issuing more than 15% of its securities in any 12 month period without obtaining shareholder approval, unless an exception applies.

Listing Rule 7.2 (Exception 9) provides that shareholder approval is not required for an issue under an employee incentive scheme if, within 3 years before the date of issue, ordinary shareholders have approved the issue of securities as an exception to Listing Rule 7.1.

Accordingly, Shareholders are being asked, pursuant to Listing Rule 7.2 (Exception 9) to approve issues of securities under the Employee Share Option Plan as an exception to Listing Rule 7.1.

If Shareholders approve the issue of securities under the Employee Share Option Plan, the Company will retain the capacity to issue securities in the future up to the 15% limit (without having to obtain further Shareholder approvals).

A summary of the terms of the Employee Share Option Plan is set out below:

Eligibility	Any full or part-time employee (other than a Director) of a Group Company declared by the Board to be eligible.
Form of grant	Options to acquire, or subscribe for and be allotted, fully paid ordinary shares in the Company. Each option granted will entitle the Participant to be allotted one fully paid ordinary share, on the terms set out in the Plan Rules and on such additional terms and performance conditions (if any) as the Board determines.
Participation	Eligible Employees can accept an offer to participate in the Plan by submitting an application form, together with payment of the application price (if any) for the options.

Performance conditions	The Board has a discretion under the Rules to set performance conditions which will apply to a grant of options. The performance conditions must be satisfied or the specified circumstance must exist before an option can vest and be exercised by the Participant. The relevant performance conditions may vary between grants.
Grant price	Unless the Board otherwise determines, no payment will be required by an Eligible Employee for a grant of options.
Exercise price	<p>The Board has a discretion under the Rules to set the exercise price for the options.</p> <p>In accordance with the Listing Rules, the exercise price of options granted under the Plan will be adjusted if the Company conducts a rights issue.</p>
Exercise period	The Board has a discretion under the Rules to set the exercise period for each grant of options.
Restrictions attaching to Options	Options granted under the Plan are not capable of being transferred, except in circumstances where they are transferred to a legal personal representative of a Participant following the Participant's death. Options will lapse immediately where a Participant purports to transfer them in breach of the Plan Rules.
Cessation of employment	<p>If the Participant ceases to be an employee of any Group Company, all unexercised options held by the Participant will lapse, except where:</p> <ul style="list-style-type: none">· the Participant ceases employment due to total and permanent disability, death or such other circumstances as the Board may determine;· at the time the Participant ceases employment, he/she continues to satisfy any applicable performance conditions; and· the Board exercises its discretion to determine that some or all of the options granted to the Participant which have not yet lapsed may be exercised.
Lapse of options	<p>In addition to the circumstances outlined above, unexercised options will lapse where:</p> <ul style="list-style-type: none">· any applicable performance conditions are not achieved within the prescribed period;· a resolution is passed to wind up the Company;· in the opinion of the board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Company and the Board deems any unexercised options to have lapsed; or· the option has not been exercised by the fourth anniversary of the grant date.
Takeover / scheme of arrangement	In the event of a takeover bid or scheme of arrangement which is recommended by the Board, the Board has the discretion to determine that Participants may exercise all or a specified number of their options during such period as the Board determines having regard to pro rata performance against any relevant performance conditions.
Bonus issues, rights issues and other reorganizations	In the event of a bonus issue, rights issue or other reorganisation of capital, the entitlements of Participants will be adjusted in a manner consistent with the Listing Rules.
Amendments and adjustments to the Plan	<p>Subject to the Listing Rules and to specified restrictions in the Rules, the Board may at any time by resolution amend, add to, revoke or substitute all or any of the provisions of the Rules, or the terms of any option granted under it, in any respect.</p> <p>The Board has a specific discretion under the Plan Rules to amend the provisions of the Plan as they apply to overseas Participants, having regard to any applicable or relevant laws, matters of convenience or similar factors respect of those jurisdictions.</p>
Board to administer Plan	<p>The Board will administer the Plan, having the power to:</p> <ul style="list-style-type: none">· determine the appropriate procedures for administration of the Plan consistent with the Rules; and· delegate any of its power or discretions arising under the Plan to any person or persons. <p>Subject to the Listing Rules, the Board may at any time waive in whole or in part any additional terms or conditions in relation to any options granted to any Participant.</p> <p>The future operation of the Plan may be suspended or terminated at any time at the discretion of the Board.</p>

Pursuant to, and in accordance with ASX Listing Rule 7.2 Exception 9, the following information is provided in relation to Resolution 3:

- a) As the Employee Share Option Plan is a new employee incentive scheme, there have been no securities previously issued under the scheme.
- b) The voting exclusion statement for this Resolution is set out in the Notice of Meeting.

Resolution 4, 5, 6 & 7 – Grant of Director’s Options to Directors

Resolutions 4, 5, 6 and 7 seek Shareholder approval for the allotment and issue of up to 1,000,000 options over ordinary shares to each of the following Directors respectively:

- Shaun Rosen;
- Clive Klugman;
- Geoff Gander; and
- Alan Treisman.

Listing Rule 10.11 provides that an entity must not issue or agree to issue equity securities to its directors without the approval of holders of ordinary securities. The effect of Resolutions 4, 5, 6 and 7 is therefore to approve the grant of options to the Directors on the terms set out below. In addition, if shareholders approve Resolutions 4, 5, 6 and 7 in accordance with Listing Rule 10.11, approval is not required under Listing Rule 7.1 and the options granted to the Directors will not count towards the 15% limit for the purposes of Listing Rule 7.1.

If Resolutions 4, 5, 6 and 7 are passed, options will be granted to the following Directors of the Company (or their nominees):

Director	Maximum number of Options
Shaun Rosen	1,000,000
Clive Klugman	1,000,000
Geoff Gander	1,000,000
Alan Treisman	1,000,000



The options will be granted no later than one month from the date of this meeting and on the following terms:

Form of grant	Options to acquire, or subscribe for and be allotted, fully paid ordinary shares in the Company. Each option granted will entitle the Director to be allotted one fully paid ordinary share.
Grant price	No payment will be required by the Directors in respect of the grant of options, on the basis that the grant constitutes part of the Directors' remuneration.
Exercise price	The exercise price for each option will be \$0.20.
Exercise period	One half of the options will be exercisable on the grant date. The other half will become exercisable from the first anniversary of the grant date.
Restrictions on options	Options will not be transferable.
Effecting exercise	Exercise of the options may be effected by completing a notice of exercise and returning it to the Company, together with payment of the exercise price.
Cessation of directorship	<p>Shares allocated upon exercise of options will rank equally with other ordinary shares on issue.</p> <p>If the Director ceases to be a director of any Group Company, all unexercised options held by the Director will lapse, except where:</p> <ul style="list-style-type: none">· the Director ceases to be a director due to total and permanent disability, death or such other circumstances as the Board may determine;· at the time the Director ceases to be a director, he/she continues to satisfy any applicable performance conditions; and· the Board exercises its discretion to determine that some or all of the options granted to the Director which have not yet lapsed may be exercised.
Lapse of options	Any unexercised options will lapse on the third anniversary of the grant date.
Bonus issues, rights issues and other reorganisations	<p>The options do not carry any specific rights or entitlements to participate in new issues of capital offered to ordinary shareholders.</p> <p>In the event of a bonus issue, rights issue or other reorganisation of capital, the entitlements of the Directors will be adjusted in a manner consistent with the Listing Rules.</p>

Proxy Form

Appointment of Proxy

3Q Holdings Ltd.
ABN 42 089 058 293

Annual General Meeting

I/We, _____

being a member of 3Q Holdings Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name of proxy _____

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, 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 to be held at The Stamford Plaza Double Bay, 33 Cross Street, Double Bay, NSW at 2.00pm on 8 November 2006, and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Geoff Gander as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of options to Shaun Rosen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of options to Clive Klugman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of options to Geoff Gander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of options to Alan Treisman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of one or more resolutions please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this _____ day of _____ 2006 by:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director / Company Secretary

Sole Director / Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out in the company's constitution or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged along with the proxy form.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - a) send the proxy form by facsimile to the Company on (02) 9387 7110 (International +61 2 9387 7110); or
 - b) deliver the proxy form to the Administration office of the Company by post or in person at Ground Floor, 35 Spring Street, Bondi Junction, NSW 2022,

so that it is received not later than 2.00pm (AEST) on 6 November 2006.

Proxy forms received later than this time will be invalid.