

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.



# Notice

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

### Notice of annual general meeting

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Notice is given that the 2010 annual general meeting of the Company will be held at Ground Floor, 35 Spring Street, Bondi Junction, NSW 2022, on Friday, 29 October 2010 at 10.00am.

### Ordinary business

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#### **2010 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 2010.

#### **Resolution 1 – Adoption of Remuneration Report**

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

*"That the Remuneration Report for the year ended 30 June 2010 be adopted."*

Note: The Remuneration Report is set out on pages 8 to 11 of the 2010 Annual Report. The vote on this resolution is advisory only and does not bind the Directors 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."*

#### **Resolution 3 – Amendments to the Constitution**

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

*"That the constitution of the Company be amended as follows:*

*(a) by inserting the words "Subject to the Corporations Act" at the beginning of clause 22.1;*

*(b) by replacing the words "declare a dividend to be paid to the Shareholders" with the words "determine that a dividend is payable, fix the amount and the*

*time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder” in clause 22.1;*

(c) *by deleting clauses 22.2 and 22.3;*

(d) *by replacing in clause 22.5:*

- (i) *the words “out of the profits of the Company any amounts that they may determine as reserves” with the words “such sums as reserves that they determine to be appropriate” and*
- (ii) *the subsequent words “the profits of the company” with the words “such sums”.*

## Further information

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### **Explanatory Memorandum**

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

### **Entitlement to vote**

It has been determined under the *Corporations Regulations 2001* (Cth) regulation 7.11.37, for the purposes of the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 10.00am on 27 October 2010.

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:

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 10.00am on 27 October 2010.

### **Accessing your 2010 Annual Report online**

The 2010 Annual Report is available for shareholders to access and download from <http://www.threeq.com.au/investor-relations/3q-reports.html>

If you would like to receive a hard copy of the 2010 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 2010 Annual Report will receive it together with this Notice or otherwise separately in the mail.

### **By Order of the Board**

22 September 2010



Alan Treisman  
Company Secretary

# Explanatory Memorandum

**3Q Holdings Limited ABN 42 089 058 293**

## Explanatory Memorandum

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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

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### **2010 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 2010,

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 – Adoption of Remuneration Report**

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2010. The Remuneration Report is set out on pages 8 to 11 of the 2010 Annual Report, and is available from the Company's website

[http://www.threeq.com.au/images/stories/docs/financial\\_reports/2010/3q\\_annual\\_report\\_2010-web.pdf](http://www.threeq.com.au/images/stories/docs/financial_reports/2010/3q_annual_report_2010-web.pdf)

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.

The Directors 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 10 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.

### **Resolution 3 – Amendment to the Constitution**

An amendment is proposed to the Company's constitution as a result of the recent changes to the law relating to the payment of dividends by companies. The amendment to section 254T of the Corporations Act made by the *Corporations Amendment (Corporate Reporting Reform) Act 2010* replaced the rule that a company could only pay dividends out of profits with a new rule that a company must not pay a dividend unless:

- (a) its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

To reflect this change and to ensure that the Directors have the necessary flexibility to comply with the Corporations Act in the payment of dividends, it is proposed to amend the existing clause 22 of the Company's constitution relating to dividends and reserves with the effect that the updated provision will be as follows:

#### **22. DIVIDENDS AND RESERVES**

##### **22.1 Dividends**

*Subject to the Corporations Act, the Directors may from time to time determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholders entitled to the dividend. Subject to clause 6.5 and subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares in accordance with Part 2H.5 of Chapter 2H of the Corporations Act.*

##### **22.2 No interest**

*No dividend shall carry interest as against the Company.*

##### **22.3 Reserves**

*The Directors may set aside such sums as reserves that they determine to be appropriate, to be applied at the discretion of the Directors, for any purpose for which such sums may be properly applied.*

##### **22.4 Alternative Method of Payment of Dividend**

*When declaring any dividend and subject at all times to the Corporations Act and the Listing Rules, the Directors may:*

- (a) *direct payment of the dividend to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up Shares, debentures or debenture stock of this or any other company, gold, gold or mint certificates or receipts and like documents) or in any one or more of these ways, and where any difficulty arises with regard to the distribution the Directors may settle it as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of specific assets or any part of them and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any of these specific assets in trustees upon trusts for the persons entitled to the dividend as may seem expedient to the Directors; or*
- (b) *direct that a dividend be payable to particular Shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining Shareholders wholly or partly or of any other particular fund or reserve or out of profits derived from any other particular source and may so direct notwithstanding that by so doing the dividend will form part of the assessable income for taxation purposes of some Shareholders and will not form part of the assessable income of others.*

**22.5 Payment of Dividends**

*All dividends shall be dispatched simultaneously to the Shareholders entitled to the dividend.*

**22.6 Unclaimed Dividends**

*Except as otherwise provided by statute, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.*

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



**3Q Holdings Limited**  
 ABN 42 089 058 293

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

# 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

## 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 October 2010 at 10.00am and at any adjournment of that meeting. For undirected proxies, the Chairman intends to vote in favour of each resolution including resolutions in which he has an interest. If you appoint the Chairman as your proxy and do not direct him how to vote, the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

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

		For	Against	Abstain*
Resolution 1.	Adoption of Remuneration Report	<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 to the 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
<input style="border: 2px solid black; width: 150px; height: 25px;" type="text"/>	<input style="border: 2px solid black; width: 150px; height: 25px;" type="text"/>	<input style="border: 2px solid black; width: 150px; height: 25px;" type="text"/>
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 security holder in the space. For undirected proxies the Chairman intends to vote in favour of the resolutions and, if you appoint the Chairman your proxy and do not direct him how to vote, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

### 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 am on Wednesday 27 October 2010. 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

