Q Ltd

ACN 083 160 909

Notice of Annual General Meeting

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Q Ltd (**Q Ltd** or **Company**) will be held at 5th Floor, Bank House, 11 Bank Place, Melbourne, VIC 3000 at 1.30pm on Thursday 19 November 2009.

AGENDA

Ordinary Business

1. To receive and consider the financial report and the reports of the Directors and of the auditor for the financial year ended 30 June 2009.

2. To adopt for the purposes of section 250R(2) of the Corporations Act, the remuneration report of the Company for the financial year ended 30 June 2009.

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

3. To re-elect Directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

(a) That Andrew H S Koo, who will retire by rotation at the close of the meeting in accordance with clause 12.2 of the Company's Constitution, be re-elected as a director of the Company.

(b) That Bruce R Bennie, who will retire by rotation for the first time at the close of the meeting in accordance with clause 12.2 of the Company's Constitution, be re-elected as a director of the Company.

Separate resolutions will be considered in respect of each of the above Directors.

4. To ratify a previous issue of Shares on 30 September 2009

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of a total of 3,657,600 fully paid ordinary shares in the capital of the Company at an issue price of 19.37 cents per share to Vibe Capital Pty Ltd, Mulloway Pty Ltd, Cliffway Pty Ltd, Surfboard Pty Ltd, ZAP Nominees Pty Ltd, Marc Richard Loveridge and Richard Chipper ("Vendors") as Vendors of Market United Pty Ltd, for the purposes and on the terms summarised in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Voting exclusion:

- The Company will disregard any votes cast on Item 4 by any person who participated in the issue and any associates of those persons.

Special Business

5. To approve the increase of Non-Executive Directors' maximum aggregate remuneration

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"That for the purposes of clause 12.7 of the Company's Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of $100,000 in the Non-Executive Directors' maximum aggregate remuneration level from $250,000 per annum to $350,000 per annum to be paid in accordance with the terms and conditions summarised in the Explanatory Statement accompanying and forming part of this Notice of Meeting."

Voting exclusion:

The Company will disregard any votes cast on Resolution 5 by any Director of the Company and any associates of any one or more of those Directors of the Company. However, the Company need not disregard a vote if:

- 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
- 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.

6. To approve new issue of ordinary Shares to vendors of the businesses acquired by the Company to satisfy the share component of the final earn-out liabilities

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company and the Directors of the Company be authorised to undertake, the issue of up to a total of 9,000,000 fully paid ordinary shares in the capital of the Company at the following deemed issue price :-

- Up to 1,000,000 shares at 20.39 cents per share;
- Up to 3,000,000 shares at 17.19 cents per share; and
- Up to 5,000,000 shares at 19.47 cents per share

to the vendors of the businesses acquired by the Company in accordance with the terms summarised in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting."

Voting exclusion:

The Company will disregard any votes cast on Item 6 by any person who may participate in the issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if the resolution is passed or by any of their associates. However, the Company need not disregard a vote if:

- 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
- 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.

Determination of Entitlement to Attend and Vote

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as Shareholders as at 5.00pm Melbourne time on Tuesday 17 November 2009.

Proxies

If you are a Shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a Shareholder of the Company.

If you want to appoint one proxy, you can use the Form provided. If you want to appoint two proxies, please follow the instructions on the Proxy Form.

The Company's Constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a Shareholder or is also a proxy for another Shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

To be effective, the Proxy Form must be received by Computershare Investor Services Pty Limited at the address or facsimile number below, or by Q Ltd at its registered office, 5th Floor, Bank House, 11 Bank Place, Melbourne, Victoria 3000, Australia, not later than 1.30pm Melbourne time on Tuesday 17 November 2009.

Where to Lodge a Proxy

Documents may be lodged using the envelope provided or:

IN PERSON	Registered Office -	5th Floor, Bank House, 11 Bank Place, Melbourne, Victoria 3000, Australia
	Share Registry -	Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067, Australia
BY MAIL	Share Registry -	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC, 3001, Australia
BY FAX	+61 3 9473 2555	

You can arrange to receive Shareholder information electronically, or obtain a replacement or second Proxy Form, by contacting Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or go to www.computershare.com.au (Investor Centre).

Admission to Meeting

Shareholders who will be attending the Q Ltd Annual General Meeting and who will not be appointing a proxy, are asked to bring the Proxy Form (if they have one) to the meeting to help speed admission. Shareholders who do not plan to attend the meeting are encouraged to complete and return a Proxy Form for each of their holdings of Q Ltd shares.

Joint Holders

In the case of shares held by joint holders, one of the joint holders may vote and if more than one joint holder is present and voting at the meeting, only the vote of the joint holder whose name appears first in the register will be counted.

Quorum

The Company's Constitution provides that two members present personally or by representative, attorney or proxy shall be a quorum for a general meeting.

Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders at the meeting - as a whole - to ask questions about, or make comments on, the management of the Company. Similarly, a reasonable opportunity will also be given to Shareholders at the meeting to ask Deloitte Touche Tohmatsu, Q Ltd's auditor, or their representative, 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.

Written questions for Deloitte Touche Tohmatsu relevant to the conduct of the audit and the preparation and content of the auditor's report must be received no later than 5.00pm (Melbourne time) on Tuesday 17 November 2009 at Q Ltd:

IN PERSON	5th Floor, Bank House, 11 Bank Place, Melbourne, Victoria 3000, Australia
BY MAIL	GPO Box 2113, Melbourne, VIC, 3001, Australia
BY FAX	+61 3 9600 1500
BY EMAIL	To the Company Secretary at mchuah@qxq.com.au

A list of written questions to the auditor will be available at the meeting.

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EXPLANATORY NOTES

1. RECEIVE AND CONSIDER THE REPORTS FOR THE YEAR ENDED 30 JUNE 2008

The *Corporations Action 2001 (Cth)* (***Corporations Act***) requires the financial report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and Auditors' Report to be laid before the AGM. There is no requirement either in the Corporations Act or the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditors' Report.

The Q Ltd Annual Report 2009 has been made available to Shareholders. There will be an opportunity for Shareholders at the meeting to comment on and ask questions about Q Ltd's management, operations, financial position, business strategies and prospects.

2. ADOPT THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2009

There will be an opportunity for Shareholders at the meeting to comment on and ask questions about the Remuneration Report which is contained in the Q Ltd Annual Report 2009.

The vote on the proposed resolution in agenda Item 2 is advisory only and will not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Remuneration Report is set out on pages 35-44 of the Q Ltd Annual Report 2009. The Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and key management personnel within Q Ltd;
- discusses the link between the Board's policies and Q Ltd's performance;
- sets out remuneration details for each Director and for each member of Q Ltd's senior executive management team.

3. RE-ELECT DIRECTORS

(a) That Andrew H S Koo, who will retire by rotation at the close of the meeting in accordance with clause 12.2 of the Company's Constitution, be re-elected as a director of the Company.

(b) That Bruce R Bennie, who will retire by rotation at the close of the meeting in accordance with clause 12.2 of the Company's Constitution, be re-elected as a director of the Company.

Information about the two Directors standing for re-election is outlined below:

<u>Andrew H S Koo, Age: 66</u>

Board member since July 2004, Mr Koo was appointed General Manager – QDi Direct Press in February 2002 and CEO in 2004. He retired as CEO in July 2007. He has extensive business experience in both the private and public sectors. Mr Koo is a past Executive Chairman of Tasmania Development and Resources, past Chairman of the Tasmanian State Training Authority, past Chairman of Derwent Entertainment Centre, and a past member of the Commonwealth Paper, Pulp, Printing and Publishing Industry Council. He has been chairman of a number of business associations as well as advisory boards to all levels of Government in Australia. Presently, Mr Koo is a member of the Board of the Western Australia Academy of Performing Arts (WAAPA) and is a Director of a number of private companies. He is a Member of the General Division of the Order of Australia. Mr Koo is the chairman of the Audit Committee (appointed 20 September 2008), is a member of the Corporate Governance Committee and the Acquisition and Finance Committee.
Mr Koo holds an interest in 204,000 shares and options to acquire a further 15,000 shares in Q Ltd as at the date of this report.

<u>Bruce R Bennie, Age: 44</u>

Board member since November 2001, Mr Bennie has held senior sales and management positions in major corporations, including, a number of large US based telecommunication vendors such as sales Director for Lucent Technologies Australia/NZ. He has strong skills in developing marketing strategies, contract negotiation and strategic selling to major telecommunications companies and brings to Q Ltd over twenty-five years of sales, management and marketing experience in the IT & T sector. Mr Bennie is also a Director of Jumbuck Entertainment Ltd. He is also a member of the Remuneration Committee.
Mr Bennie holds an interest in 10,334 shares and options to acquire a further 6,667 shares in Q Ltd as at the date of this report.

The Directors (in each case excluding the relevant Director) recommend that Shareholders vote in favour of Items 3(a) and 3(b).

4. RATIFICATION OF PREVIOUS ISSUE OF SHARES ON 1 OCTOBER 2009

On 1 October 2009, the Company issued a total of 3,657,600 fully paid ordinary shares to Vibe Capital Pty Ltd, Mulloway Pty Ltd, Cliffway Pty Ltd, Surfboard Pty Ltd, ZAP Nominees Pty Ltd, Marc Richard Loveridge and Richard Chipper ("Vendors") as Vendors of Market United Pty Ltd ("MU") in partial satisfaction of the purchase price for the acquisition by the Company of MU at a price of 19.37 cents per share. The shares were issued pursuant to the Share Sale Agreement entered into between the Vendors, Matthew MacFarlane, the Company and MU.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Item 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the share issue to the Vendors so that the issue of the 3,657,600 shares is not included in the Company's 15% capacity.

Information in accordance with the provisions of ASX Listing Rule 7.5 is outlined below:

(a) the number of securities issued was 3,657,600 shares;

(b) the shares were issued at a deemed issue price of 19.37 cents per share;

(c) the shares rank equally with the Company's other issued fully paid shares;

(d) the allottee of the shares were:

- Vibe Capital Pty Ltd 1,524,000 shares
- Mulloway Pty Ltd 508,000 shares
- Cliffway Pty Ltd 508,000 shares
- Surfboard Pty Ltd 254,000 shares
- ZAP Nominees Pty Ltd 254,000 shares
- Marc Richard Loveridge 304,800 shares
- Richard Chipper 304,800 shares

(e) the shares were issued in partial satisfaction of the purchase price for the acquisition of MU and accordingly no funds were raised from the issue.

The share issue to be ratified pursuant to this resolution represents 14.92% of the total issued capital in the Company (based on 24,512,942 shares currently on issue).

The Board unanimously recommends that Shareholders vote in favour of Item 4.

5. APPROVAL TO INCREASE THE MAXIMUM AGGREGATE REMUNERATION OF NON-EXECUTIVE DIRECTORS

Clause 12.7 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of Executive Directors) from time to time will not exceed the sum determined by the Company in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The total remuneration paid to the Company's Non-Executive Directors is currently set at $250,000 per annum. This amount was approved by Shareholders some years ago. Resolution 5 seeks Shareholder approval to an increase of $100,000 in the maximum aggregate remuneration from $250,000 per annum to $350,000 per annum.

With the ongoing growth of the Company, and recognising the substantially more complex regulatory and legal environment faced by directors of listed companies, it is considered appropriate that the maximum aggregate amount of remuneration able to be paid to the Non-Executive Directors be increased:

(a) to allow for the payment to Directors of a fair remuneration for their services;
(b) to permit the appointment of additional Non-Executive Directors to the Board, when appropriate, for succession planning purposes; and
(c) to provide the Board with increased flexibility in remunerating its Directors in the future.

Shareholders should note that this is a maximum sum that will allow both the number of Directors and Directors' fees to be adjusted over a period of time in order to meet the future requirements of the Company. It is not intended that the maximum sum will be paid to the existing Non-Executive Directors in the current year.

Because each Non-Executive Director of the Company has an interest in this matter, the Board does not believe it is appropriate to make a recommendation to Shareholders in relation to voting on Resolution 5.

6. APPROVE NEW ISSUE OF ORDINARY SHARES TO VENDORS OF THE BUSINESSES ACQUIRED BY THE COMPANY TO SATISFY THE SHARE COMPONENT OF THE FINAL EARN OUT LIABILITIES

The Company stated in its half year report for the half year ended 31 December 2008 that:

"Final earn-out liabilities in respect of acquisitions made by the Company are due for payment in first half FY2010. The balance sheet which is included in the financial statements for first half FY2009 includes estimated earn-outs of $5.9 million. In calculating this amount, the Board had made assumptions about the level of profitability from those acquisitions during second half FY2009. Under the contracts for the acquisitions, a component of the earn-outs is payable in cash and a component is payable in Q Ltd shares. Based on estimated liabilities of $5.9 million, the cash component will be up to $4.8 million, with the balance payable in Q Ltd shares. The Company intends to fund the cash component of the earn-outs using cash from cashflow from operations, modest level of debt and capital raising."

The Directors seek Shareholder approval to allow the issue of up to 9,000,000 shares to the vendors of the businesses to enable the Company to meet its obligations under the final earn out liabilities in respect of these acquisitions.

ASX Listing Rule 7.1 provides a formula that limits the number of equity securities a company may issue within any 12 month period to 15% of the number of fully paid ordinary shares on issue at the start of the 12 month period (subject to certain adjustments) without shareholder approval. In order that the issue of ordinary shares does not fall within the Company's 15% capacity for the purposes of ASX Listing Rule 7.1, the issue must have been approved by shareholders at this meeting.

Item 6 seeks authorisation pursuant to ASX Listing Rule 7.1 for the Board to issue up to 9,000,000 fully paid ordinary shares in the capital of the Company at the following deemed issue price :-

- Up to 1,000,000 shares at 20.39 cents per share
- Up to 3,000,000 shares at 17.19 cents per share
- Up to 5,000,000 shares at 19.37 cents per share

The effect of Item 6 will be to allow the Directors to issue the shares during the period of 3 months after the AGM (or a longer period if allowed by ASX), without using the Company's annual 15% placement capacity.

Shareholder approval is sought for the issue of up to 9,000,000 fully paid ordinary shares (approximately 31.95% based on the total current issued capital in the Company of 28,170,542 shares) to be used to satisfy the Company's obligation to satisfy the share component of the final earn-out liabilities in respect of acquisitions made by the Company.

ASX Listing Rule 7.3 requires that the information below be provided to Shareholders when seeking approval for the purposes of ASX Listing Rule 7.1:

(a) the maximum number of securities that will be issued is 9,000,000 shares;

(b) the shares will be issued at a deemed issue price of :
- Up to 1,000,000 shares at 20.39 cents per share
- Up to 3,000,000 shares at 17.19 cents per share
- Up to 5,000,000n shares at 19.37 cents per share

(c) the shares will be issued to the vendors of First Rate Ltd, The Great Australian Survey Pty Ltd and Market United Pty Ltd, the businesses acquired by the Company under the respective contracts for the acquisitions of these businesses. No recipient of the shares will be a related party of the Company;

(d) the shares will be issued within 3 months of the AGM, or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules and it is anticipated that the shares will be allotted on one date;

(e) the shares will rank equally with the Company's other issued fully paid shares. The Company will apply to ASX for quotation of the shares on ASX; and

(f) no funds will be raised by the issue of the shares as they will be issued as part consideration pursuant to the terms of acquisition agreements.

The Board unanimously recommends that Shareholders vote in favour of Item 6.

Terminology

Terms which are defined in the Company's Constitution have the same meaning when used in this notice (including these notes) unless the context requires otherwise.

May Chuah
Company Secretary
8 October 2009