



NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

The Annual General Meeting of

IQNOVATE LTD

ACN 149 731 644

will be held on

Tuesday 25 November 2014

at 9.30am

Level 2

The Grace Hotel

77 York Street

Sydney, NSW, 2000

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If members eligible to vote are in doubt as to how they should vote, or how to consider any of the items raised in this document they should seek advice from their accountant, solicitor or other suitably qualified professional adviser.

iQnovate Limited
(ACN 149 731 644)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of iQnovate Limited will be held at Level 2, The Grace Hotel, 77 York Street, Sydney, NSW 2000 **in the Wilarra Cabaret Room at 9.30am (AEDT) on Tuesday, 25 November 2014.**

The Explanatory statement which accompanies this Notice of Annual General Meeting describes the various matters to be considered. The purpose of the Meeting is to consider, and if thought fit, pass the following resolutions.

GENERAL BUSINESS:

A. FINANCIAL AND OTHER REPORTS:

To receive and consider the Financial Report of the Company and the Reports of the Directors and the Auditor for the financial year ended 30 June 2014, and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors concerning those reports or the business operation of the Company.

A copy of the 2014 Financial Report and other reports can be made available upon request to the company by:

Mail: iQnovate Ltd,
Level 3, 222 Clarence Street,
Sydney NSW 2000

Phone: 02 8239 5400

Alternatively, copies can be downloaded at <http://iqnovate.com/reports/>.

ORDINARY BUSINESS

B. RESOLUTIONS

Resolution 1. Adoption of Remuneration Report

To consider, and if thought fit, to pass the following advisory resolution:

To receive, consider and pass as an ordinary resolution for the purposes of section 250R(2) of the *Corporations Act 2001* (Cth) and for all other purposes, the Remuneration Report of the Company and of the consolidated group for the financial year ended 30 June 2014.

Resolution 2. Retirement and Election of Directors

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

To re-elect as a Director Mr Con Tsigounis, who retires by rotation in accordance with Rule 16.1 of the Company's Constitution and, being eligible and having signified his candidature for the office, offers himself for re-election.

Mr William Economos retires by rotation in accordance with Rule 16.1 of the Company's Constitution at the end of the 2014 Annual General Meeting and will not be standing for re-election.

By Order of the Board

A handwritten signature in black ink, appearing to be 'KB' with a large, stylized flourish.

Kelvin Boateng
Company Secretary

23 October 2014

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Annual General Meeting dated 23 October 2014 and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed Resolutions.

GENERAL BUSINESS

A. ACCOUNTS AND REPORTS:

As required by section 317 of the *Corporations Act 2001* (Cth) (Corporations Act), the Financial Report, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2014 will be laid before the Annual General Meeting. Shareholders will be provided with the opportunity to ask questions about the reports. There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the Annual General Meeting in respect of the 2014 Financial Report and other reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

ORDINARY BUSINESS

RESOLUTION 1

The Company's required to include in its Directors' Report a detailed remuneration relating to Directors' and Executives' remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. A copy of the report appears in the Company's Annual Report for the year ended 30 June 2014 at pages 8 - 10. The Remuneration Report includes an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and other key management personnel.

Sections 249L(2) and 250R(2) of the Corporations Act require that a resolution that the Remuneration Report be adopted be put to the a vote of shareholders at the Company's Annual General Meeting. The vote on the resolution is only advisory and will not bind the directors of the company.

Questions

In accordance with the Corporations Act 2001, reasonable opportunity will be provided to members during the meeting to:

- ask questions about or make comments on the management or performance of the company, and on the remuneration report; and
- ask the 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 and the independence of the auditor.

A member may also submit a written question to the Company's auditor, Fortunity Assurance, regarding the content of the auditor's report or the conduct of the audit in relation to the annual financial report for the year ended 30 June 2014. Questions must be submitted to the Company no later than **10 November 2014**, and should be sent to the Company at **level 3, 222 Clarence Street, Sydney, NSW 2000**. The questions submitted will be immediately forwarded to Fortunity Assurance who will answer these questions at the Annual General Meeting.

Voting Exclusion

A vote on Resolution 1 must not be cast by or on behalf of the either of the following persons:

- (a) A member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) Any Key Management Personnel member whose remuneration details are not included in the Remuneration Report that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution; or
- (c) A closely related party of such a person in described in subparagraphs (a) and (b);

However, a person described above may cast a vote on the resolution if:

- (d) The person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution;
- (e) The vote is not cast on behalf of a person in described in subparagraphs (a), (b) and (c) above; or
- (f) The vote is cast by the Chair and the appointment of the Chair as proxy:
 - I. does not specify the way the Chair is to vote on the resolution; and
 - II. and expresses the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated group, for the group.

For the purposes of these voting exclusions:

- The Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. This includes all Directors (executive and non-executive) and all members of the management team reporting to the Chief Executive Officer.

A closely related party of a Key Management Personnel member means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

- a company the member controls.

Recommendation:

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

RESOLUTION 2

In accordance with Rule 16.1 of the Company's Constitution, which provides for the retirement of each Director who has held office without re-election beyond the third annual general meeting following the Director's appointment or last election or for at least three years, Mr Con Tsigounis is set to retire at the Annual General Meeting. In accordance with Rule 16.1 of the Company's Constitution, Mr Tsigounis is eligible for re-election and has submitted himself for re-election at the Annual General Meeting.

Personal particulars for Mr Tsigounis are set out in the Board of Directors' information included in the Directors' Report section of the Company's 2014 Annual Report.

Recommendation:

The Directors, having conducted an assessment of the performance of Mr Tsigounis, believe that it is in the interests of shareholders that he be re-elected as a member of the Board and recommend (with of Mr Tsigounis abstaining in respect of his own re-election) that shareholders vote in favour of the corresponding resolution.

Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 7:00pm (AEDT) on Friday, 21 November 2014.

Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held. Where the proxy holds two or more appointments that provide different directions how to vote on the resolution, the proxy must not vote any of those appointments on a show of hands on that resolution. Accordingly, any direction to such a proxy on how to vote on that resolution will not be effective on a show of hands. Similarly, if a proxy is also a shareholder, then any direction to the proxy may not be effective on a show of hands. Any directions provided to a proxy will be effective if a poll is held.

Appointment of Proxies

Each Shareholder entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting. A proxy need not be a Shareholder and can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder 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 in accordance with the instructions on the Proxy Form. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half the Shareholder's votes.

Lodgement of Proxy Documents

For an appointment of a proxy for the Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointer's attorney – the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it,

must be received by the registry **by no later than 9.30 am (AEDT) on Sunday 23 November 2014**, using one of the following methods:

By hand: Boardroom Pty Ltd
Level 7, 207 Kent Street,
SYDNEY NSW 2000

By Mail: Boardroom Pty Ltd
GPO Box 3993,
SYDNEY NSW 2001

By fax: + 61 2 9290 9655

This page has been left blank intentionally.

NOTES

1. Name and Address

This is the name and address on the Share Register of iQnovate Ltd. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of iQnovate Ltd.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as 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 on +61 02 8239 5400 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, 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 of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

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

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

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:30am (AEDT) on Sunday 23 November 2014.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:30am (AEDT) on Sunday, 23 November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **IQnovate Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **The Grace Hotel, The Wilarra Cabaret Room, Level 2, 77 York Street, Sydney NSW 2000 on Tuesday, 25 November, 2014 at 9:30am (AEDT)** and at any adjournment of that meeting, to act 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.

☐

If the Chair 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 resolution 1, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution 1 and that votes cast by the Chair of the meeting for this resolution 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 Chair will not cast your votes on resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Mr Con Tsigounis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014