

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme IQX Limited

ACN/ARSN 115 518 380

1. Details of substantial holder (1)

Name IQX Limited

ACN/ARSN (if applicable) 115 518 380

The holder became a substantial holder on 10 / 12 / 2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares (fully paid)	77,850,000	77,850,000	77.26%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
IQX Limited	Restriction on the disposal of certain IQX Limited shares, being the subject of escrow arrangements in accordance with the NSX practice note. Accordingly, IQX Limited has the technical ability to control the exercise of the power to dispose of the securities. A copy of the pro forma escrow agreement is attached at Annexure A.	77,850,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
IQX Limited	Those persons requested by NSX to be held in escrow.	Significant & Director Related Shareholders	76,450,000 ordinary shares
IQX Limited	Anthony Tsigounis Pty Ltd	Anthony Tsigounis Pty Ltd	200,000
IQX Limited	Peter Koutsoulis	Peter Koutsoulis	1,400,000

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of
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DIRECTIONS

- (1) If there are number of substantial holders with similar or related interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group in the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 617B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 10 pages referred to in Form 603 given by IQX Limited.

Signed: 

Date: 10 / 12 / 2013

Name: Spiro Kevin Sakiris

Position: Company Secretary



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Date / /

Restricted Securities agreement

IQX Limited
ACN 115 518 380

and

Interstate office
Sydney

Affiliated offices around the world through the
Advoc network - www.advoc.com

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Restricted Securities agreement

Dated / /

Parties

Name	IQX Limited
Address	C/- Economos Pty Ltd, 'Galleries Victoria Podium' Level 1, 500 Georges Street, Sydney, NSW, 2000
Facsimile	
Email	spiro.sakiris@iqnovate.com
Contact	Spiro Sakiris, Company Secretary
Short name	Company

Name	
Address	
Facsimile	
Email	
Contact	
Short name	Holder

[Where relevant]

Name	
Address	
Facsimile	
Email	
Contact	
Short name	Controller

Background

- A. The Company is applying to be listed on the National Stock Exchange of Australia (**NSX**). The NSX has required that certain members of the Company (including the Holder) hold their securities in escrow for a period of time after listing and the Holder has agreed to such restrictions on the terms of this agreement.
- B. [The Controller has a substantial interest in Holder, or a substantial economic interest in the Restricted Securities and has agreed to the restrictions on it set out in the terms of this agreement]



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- C. The Parties enter this agreement for, among other things, the purpose of complying with Rule 3.12 of the Listing Rules.

The Parties Agree

1. Definitions

1.1 Definitions

In this agreement, unless expressed or implied to the contrary:

Business Day means Monday to Friday excluding public holidays in Victoria.

[Controller Interests] means the securities, substantial economic interest or other interests in the Restricted Securities held by the Controller.]

Escrow Period means the period set out in Item 2 of Schedule 1.

Listing Rules means the listing rules of NSX.

NSX has the meaning set out in the Background.

Parties means the Company and the Holder [and the Controller] (each a **Party**).

Restricted Securities means the securities set out in Item 1 of Schedule 1 and any securities attaching to or arising out of those securities that are restricted securities because of the definition of restricted securities in the Listing Rules.

Start Date means the date on which the Restricted Securities are quoted by NSX.

1.2 Interpretation

In this agreement, unless expressed or implied to the contrary:

- 1.2.1 a reference to a person includes a corporation, firm partnership, joint venture, association, organisation or trust;
- 1.2.2 words and expressions defined in the Listing Rules, and not in this agreement, have the meanings given to them in the Listing Rules;
- 1.2.3 words importing the singular include the plural and vice versa, and words importing one gender include the other gender;
- 1.2.4 a reference to a Party includes the successors (whether by operation of applicable law or otherwise) and permitted assigns of that Party.

2. Escrow Restrictions

2.1.1 During the Escrow Period, the Holder will not do any of the following:

- (a) dispose of, or agree or offer to dispose of, the Restricted Securities;
- (b) create, or agree or offer to create, any security interest in the Restricted Securities;

- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities; and
- 2.1.2 [During the Escrow Period, the Controller will not do any of the following:
 - (a) dispose of, or agree or offer to dispose of, the Controller interests;
 - (b) create, or agree or offer to create, any security interest in the Controller interests; and
 - (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Controller Interests.]

3. Compliance with the Listing Rules

The Parties must comply with Chapter 9 of the Listing Rules, provided that if any Party is not a listed entity, it must comply with Chapter 9 of the Listing Rules as if it was a listed entity. Each Party must take any steps it is reasonably able to take to enable the other Party to comply.

4. Holding Lock

- 4.1 If the Restricted Securities are kept on the certificate sub-register, the Holder will deposit the certificates for the Restricted Securities with a bank or recognised trustee for the Escrow Period.
- 4.2 The Company will obtain an undertaking from its provider of registry services to impose a holding lock on the Restricted Securities.
- 4.3 The Holder hereby agrees to the application of a holding lock to the Restricted Securities.

5. Treatment of Restricted Securities in a takeover bid or merger

To enable the Holder to accept an offer under a takeover bid or to enable the Restricted Securities to be transferred or cancelled as part of a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act, subject to obtaining the consent of NSX (if required) under the Listing Rules, the holding lock on the Restricted Securities must be removed and the restrictions in clause 2 shall cease to apply.

6. Warranties

- 6.1 The Holder warrants that it:
 - 6.1.1 Is not a related party of the Company or a promoter at the Start Date ;
 - 6.1.2 has /is not controlled by any person [other than the Controller];
 - 6.1.3 it has not granted any security interests in the Restricted Securities, as at the date of this Agreement.
- 6.2 [The Controller warrants it has not granted any security interests in the Controller Interests as at the date of this Agreement.]

7. Consequences of breaching this agreement

7.1 Prevention

If it appears to the Company that the Holder [or the Controller] may breach this agreement, the Company must take the steps necessary to prevent the breach, or to enforce the agreement.

7.2 Breach

If the Holder [or the Controller] breaches this agreement, each of the following applies:

- 7.2.1 the Company must take the steps necessary to enforce the agreement, or rectify the breach;
- 7.2.2 in addition to other rights and remedies of the Company, the Company must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities; and
- 7.2.3 the Holder will cease to be entitled to any dividends, distributions or voting rights while the breach continues.

8. Further Assurance

Each Party must promptly execute and deliver all documents and take all other action necessary or desirable to give effect to, perfect or complete the transactions contemplated by, this agreement.

9. Amendment

This agreement may not be amended or waived without NSX's written consent.

10. Waiver and exercise of rights

- 10.1.1 A single or partial exercise or waiver of a right relating to this agreement does not prevent any other exercise of that right or the exercise of any other right.
- 10.1.2 No Party will be liable for any loss or expense incurred by another party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

11. Entire Understanding

This agreement contains the entire understanding of the Parties concerning the subject matter contained in it. All previous agreements, representations, warranties and commitments, express or implied, affecting this subject matter are superseded by this agreement and have no effect.

12. Notices

12.1 Service of notice

A notice or other communication required or permitted, under this agreement, to be served on a person must be in writing and may be served:

- 12.1.1 personally on the person;
- 12.1.2 by leaving it at the person's current address for service;
- 12.1.3 by posting it by prepaid post addressed to that person at the person's current address for service;
- 12.1.4 by facsimile to the person's current number for service; or
- 12.1.5 by email to the person's current email address for service.

12.2 Particulars for service

- 12.2.1 The particulars for service of each Party are set out in on page 1.
- 12.2.2 Any Party may change the address, facsimile or email number for service by giving notice to the other Parties.
- 12.2.3 If the person to be served is a company, the notice or other communication may be served on it at the company's registered office.

12.3 Time of service

A notice or other communication is deemed served:

- 12.3.1 if served personally or left at the person's address, upon service;
- 12.3.2 if posted within Australia to an Australian address, two Business Days after posting and in any other case, seven Business Days after posting;
- 12.3.3 if served by facsimile, subject to clause 12.3.5, at the time indicated on the transmission report produced by the sender's facsimile machine indicating that the facsimile was sent in its entirety to the addressee's facsimile;
- 12.3.4 if served by email, subject to clause 12.3.5, at the time the email containing the notice left the sender's email system, unless the sender receives notification that the email containing the notice was not received by the recipient;
- 12.3.5 if received after 6.00pm in the place of receipt or on a day which is not a Business Day, at 9.00am on the next Business Day.

13. Governing law and jurisdiction

This agreement is governed by and is to be construed in accordance with the laws of Victoria. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and waives any right to object to proceedings being brought in those courts.



Schedule 1

Particulars

Item 1	Restricted Securities	
Item 2	Escrow Period	the period starting on listing on the NSX of the company being on the Start Date and ending months after the start date.
Item 3	Controllers	



Signing Page

Executed by the parties

Executed by **IQX Limited ACN 155 58 380** in)
accordance with section 127(1) of the)
Corporations Act 2001)
)

.....
Director

.....
Director or Company Secretary

.....
Print name

.....
Print name

Executed by _____ in)
accordance with section 127(1) of the)
Corporations Act 2001)
)

.....
Director

.....
Director or Company Secretary

.....
Print name

.....
Print name