QED Occtech
Limited

ABN 98 057 335 672

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at 10.00am on 13 April 2005 (WST) at Level 6, 28 The Esplanade, Perth, Western Australia.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 6322.

QED OCCTECH LIMITED
ABN 98 057 335 672

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 10.00am on 13 April 2005 (WST) at Level 6, 28 The Esplanade, Perth, Western Australia ("Meeting").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of this Notice.

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 10.00am on 11 April 2005 (WST).

Terms and abbreviations used in this Notice are defined in Section 6 of this Explanatory Memorandum.

AGENDA

1. Resolution 1 – Approval for the Issue of Securities

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

"That, pursuant to and in accordance with Listing Rule 7.1, and for all other purposes, Shareholders approve:

(a) the Directors issuing up to 50,000,000 Shares in the Company at an issue price of $0.01 each on the terms and conditions in the Explanatory Memorandum; and

(b) the Directors granting to the TSI Shareholders 30,000,000 Unlisted Options exercisable at $0.015 on or before 31 December 2009 on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or any associate of such a person.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) 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.

2. Resolution 2 – Adoption of new Constitution

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

> *"That, with effect from the passing of this resolution and in accordance with section 136 of the Corporations Act, the regulations contained in the printed document produced to this Meeting and signed by the Chairman for identification purposes are hereby approved and adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company."*

By Order of the Board

Mark Pearce
Company Secretary

10 March 2005

QED OCCTECH LIMITED
ABN 98 057 335 672

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at 10.00am on 13 April 2005 (WST) at Level 6, 28 The Esplanade, Perth, Western Australia.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Information about Transaction Solutions International Pty Ltd ("TSI")
Section 4:	Resolution 1 – Approval for the Issue of Securities
Section 5:	Resolution 2 – Adoption of a New Constitution
Section 6:	Definitions
Annexure A:	Schedule to the Proposed Constitution – Proportional Takeover Bid Approval
Annexure B:	Schedule to the Proposed Constitution – Unmarketable Parcels
Annexure C:	Schedule to the Proposed Constitution – Preference Shares
Attachment 1:	Terms and Conditions of Unlisted Options
Attachment 2:	TSI Shareholders
Attachment 3:	Pro-forma Capital Structure
Attachment 4:	Unaudited Pro-forma Statement of Financial Position
Attachment 5:	Material Contracts for the Acquisition and Operation of TSI
Attachment 6:	Risk Factors in respect to TSI

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

3. Information about Transaction Solutions International Pty Ltd ("TSI")

3.1 INTRODUCTION

On 8 February 2005, the Company announced a proposal to acquire 35% of the issued capital of TSI. Pursuant to an agreement between QED and TSI, QED will acquire the 35% interest in TSI by the payment of a total of $325,000 within 7 days of shareholder approval (with $50,000 having already been paid). Upon two commercial milestones being achieved, which relate to the implementation and roll out of TSI's equipment, QED is also required, within 60 days of the milestone being achieved, to pay a further $225,000 and $150,000 respectively. These milestones could take up to 12 to 18 months respectively to be achieved and funds will be raised by QED to make the payments if the milestones are met.

QED has also secured a first right of refusal over the remaining TSI shares by granting 30,000,000 unlisted options with an exercise price of 1.5 cents each and an expiry of 31 December 2009.

3.2 TRANSACTION SOLUTIONS INTERNATIONAL PTY LTD

TSI is a start up company whose core business is the commercialisation and deployment of transactions payments hardware within Asia. TSI's intended activities in the region include the deployment of hardware and operations that allow automated transactions to occur between banks, financial institutions and bank customers through the use of financial debit or credit cards.

TSI's initial market focus is India, where it currently intends to place equipment such as ATM's, Eftpos, Kiosks and other specific hardware that will allow TSI to receive a fee per transaction.

Once entrenched in the region TSI will be targeting existing bank networks to offer efficiencies and economies of scale to banks. There are currently 100 banks registered in India.

3.2.1 Market information - India

India's population is over 1 billion, of which approximately 47% are under the age of 21. India is governed under English law, and is an English speaking country. Financial cards growth in India has been substantial over the last two years. Statistics show a flourishing economy and rising consumer acceptance for card usage. There is a large emerging middle class of approximately 280 million people and India has recorded a rise in consumer spending.

TSI is targeting to be one of the first independent transaction payment companies in India, and intends to be involved in the placement of hardware in return for transaction fees.

In relation to transaction hardware available in the market, latest available figures show there were 11,119 ATM's in India as at March 2004, and 106,900 Eftpos terminals. In Australia, as at September 2004 there were 21,694 ATM's and 477,862 Eftpos terminals.

Comparatively, Australia has 1 ATM for every 921 people, and 1 Eftpos terminal for every 42 people, whilst India has 1 ATM for every 89,936 people and 1 Eftpos terminal for every 9,354 people.

India was Visa Card's fastest growing market for issuing cards in 2003. The debit card industry has also grown at a rate of 551% from March 2002 to 2004.

The number of financial cards issued in India in 2003 increased 49% on 2002. In terms of transaction value in India growth was 95% for the 2002/3 period. Debit cards in India are popular as eligibility criteria from banks is easily met, which is simply having a bank account with the card issuing bank. An international research organization has predicted an expected compound annual growth rate of nearly 51% until 2008 in the Indian card market.

Another prevailing factor is that bank hours are 10am to 2pm Monday – Saturday, which allows very little time for a cardholder to access their bank through their local branch.

3.2.2 Deployment of electronic payment hardware

TSI intends to place financial payment hardware in retail locations to allow consumers to access their cash, pay bills and purchase goods in convenient, easily accessible locations. These transactions are considered financial, and all hardware is linked to the banking system to allow the settlement process to occur.

In relation to India, TSI intends to use existing Indian financial switching companies to ensure the integrity of transactions is consistent with the Reserve Bank of India guidelines. A switch company provides daily settlements of cardholder accounts that have used a TSI terminal to perform a transaction.

TSI would receive a fee for every transaction that occurs on its network of terminals, which means the terminals must be accessible to the public. Subject to availability, TSI intends to place terminals in locations such as Railway platforms, supermarkets, large shopping malls and other retail locations for Eftpos terminals.

3.2.3 Site Acquisition

TSI intends to develop and train a local sales force covering as many cities as possible throughout India.

TSI will acquire the retail sites by approaching owners/managers of appropriately located outlets and endeavour to negotiate long-term placement of its hardware. Examples of suitable sites include placing ATM's at shopping centre entries, exits and central points. Where possible, TSI will endeavour to place hardware under an exclusive arrangement.

In relation to Eftpos facilities, the same sales force will provide sales, support and information to all retail outlets in their allocated precinct.

3.2.4 Management of TSI

TSI's founder and CEO is Mr Gary Foster, who has considerable experience in the electronic payments industry having worked for the National Australia Bank group and more recently as a major shareholder and C.E.O of Transact Pty Ltd (formerly ATM Systems Pty Ltd). During his career, Mr Foster has gained experience in the deployment and operation of financial hardware that attracted a "fee per transaction".

Whilst Mr Foster was CEO of ATM Systems Pty Ltd the company established an ATM network comprising approximately 1,000 machines. A financial switch took a 50% stake in ATM Systems during 2004 and the company changed its name to Transact Pty Ltd. Transact is now one of the largest privately owned independent owner and operator of ATM's in Australia.

Mr Foster's experience at ATM Systems/Transact includes the purchasing of hardware, sourcing of appropriate sites, developing and maintaining key relationship management with financial switches and large customers and establishing suitable process and administration management systems. Mr Foster still holds a 16.5% interest in Transact Pty Ltd.

Mr Foster intends to appoint other management to TSI as the business develops and establishes a foothold in India.

3.2.5 Business model

As noted above, Mr Foster was CEO of an Australian electronic payments business that operated approximately 1,000 ATM and Eftpos terminals. TSI intends to utilise the Australian business model, which is well established for the roll out and operation of the business, in India.

It should be noted that due to a number of differences between the Australian and Indian markets (including differences in living standards, consumer income and culture), the Australian business model for an electronic payments business may not be as successful in India or other countries within the Asian region.

3.2.6 Joint Venture partner

To assist TSI with the implementation of its business model and to provide TSI with access to experience in dealing with Indian laws, business customs, consumer habits and business contacts, TSI has entered into a Memorandum of Understanding ("MOU") for a joint venture ("JV") with Securitrans India Private Limited ("Securitrans").

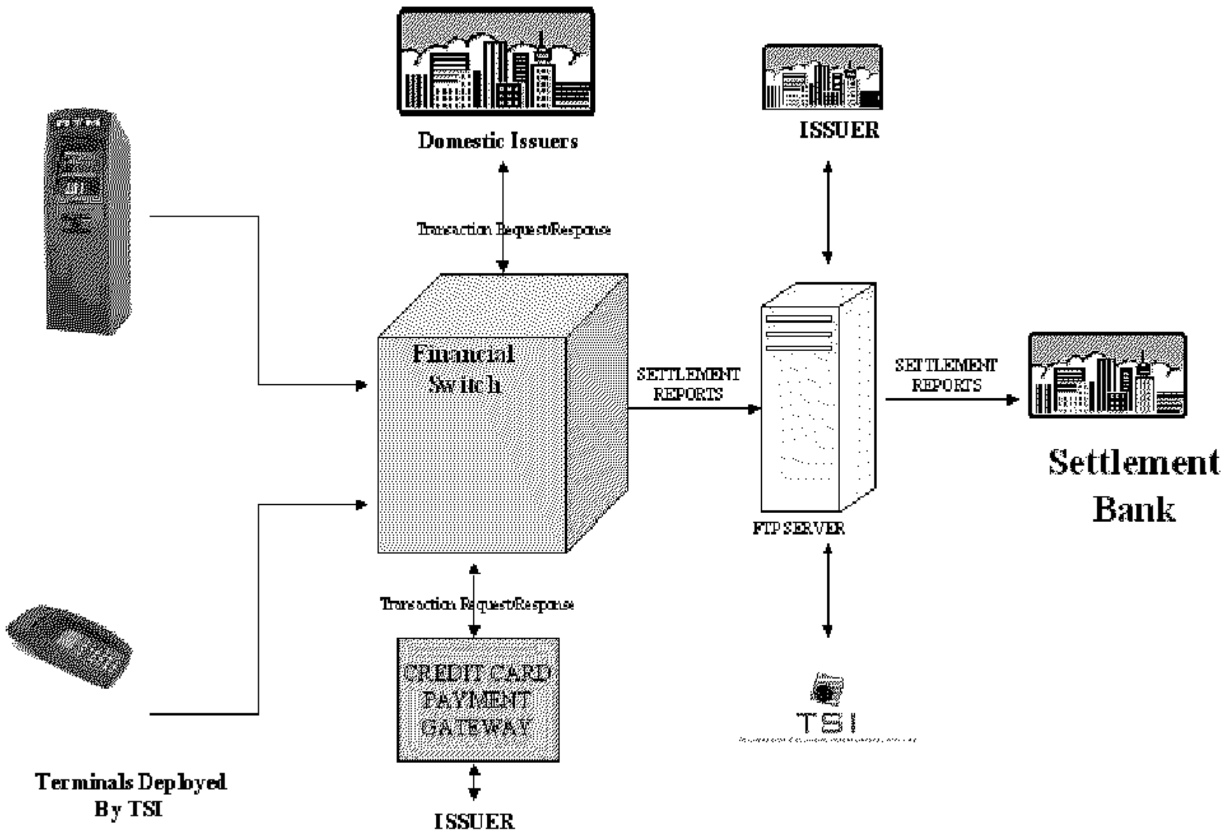
Securitrans is a major security and cash logistics (storage and handling) company established in India in 1986. Securitrans provides services for the Indian operations of a number of large multinational industrial and financial services companies.

The main objectives of the JV include the installation of ATMs and Eftpos machines, kiosks and other services and activities in connection with the electronic transactions in India.

Further details on the MOU are contained in the material contract section of this Explanatory Memorandum (see Attachment 5).

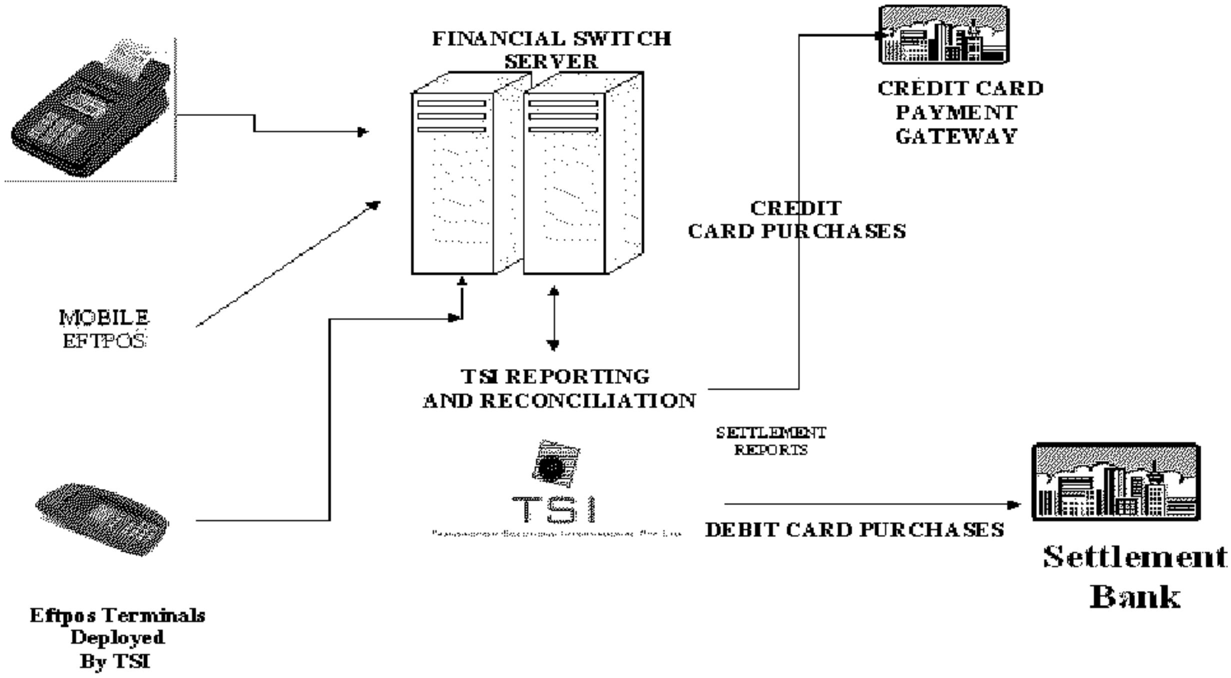
3.2.7 ATM Transaction Flow Process

A diagram of the flow of a financial transaction using ATM's is outlined below:



3.2.8 Eftpos transaction flow process

A diagram of the flow of a financial transaction using Eftpos is outlined below.



3.3 COMMERCIAL TERMS

A summary of the terms and conditions of the Subscription Agreement is contained in the summary of material contracts (see Attachment 5).

3.4 RISKS

Investing in any company involves risks of various kinds, some of which are within the realms of influence of the Company and some, arising from external factors which may be beyond the ability of the Company to alter and consequently might restrict the capacity of the Company to reach its objectives.

A summary of risks associated with the acquisition of TSI are outlined in Attachment 6 to this Explanatory Memorandum.

3.5 EFFECT ON FINANCIAL POSITION

The effect on the financial position of the Company and its controlled entities is contained in Attachments 3 and 4 to this Explanatory Memorandum which detail the pro-forma capital structure of the Company and unaudited pro-forma consolidated statement of financial position post Transaction Completion.

4. Resolution 1 – Approval for the Issue of Securities

Resolution 1 seeks Shareholder approval for:

a) The issue of 50,000,000 Shares at $0.01 each; and

b) The grant of 30,000,000 Unlisted Options exercisable at $0.015 on or before 31 December 2009 to the TSI Shareholders pursuant to the Subscription Agreement (terms and conditions of the Unlisted Options are outlined in Attachment 1 accompanying this Explanatory Memorandum).

The terms of the material contracts and risk factors in relation to the transaction and ongoing operations are outlined in Attachment 5 and Attachment 6 respectively, to this Explanatory Memorandum.

Further, it is a condition of the issue of Shares that, at the time of the issue of the Shares, QED will lodge a notice pursuant to Section 708A(5)(e) of the Corporations Act.

4.1 LISTING RULE 7.1 – SHAREHOLDER APPROVAL FOR THE ISSUE OF SECURITIES

Listing Rule 7.1 requires Shareholder approval for the proposed issue of Shares and grant of the Unlisted Options (collectively referred to as "Securities Issue"). Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Given the Securities Issue under Resolution 1 will exceed this 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.3.

4.2 SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3

For the purposes of Shareholder approval of the issue of Shares and Unlisted Options, and the requirements of Listing Rule 7.3, information is provided as follows:

(a) the maximum number of Shares the Company can issue under Resolution 1 is 50,000,000 Shares;

(b) the maximum number of options the Company can issue under Resolution 1 is 30,000,000 options (which upon exercise each convert into one Share);

(c) Funds raised from the issue of the Shares are expected to be used as follows:

	$'000
Initial subscription for TSI Shares	325
Working capital	150
Capital raising expenses	25
	500

(d) No funds will be raised from the grant of the above options;

(e) The Company will issue and allot the Shares and grant the Unlisted Options no later than 3 months after the date of the General Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2);

(f) the Shares will each be issued at an issue price of $0.01 each to clients of Kirke Securities Limited, who are sophisticated investors;

(g) the Shares to be issued are fully paid ordinary shares and rank equally with the Company's existing listed Shares;

(h) the Unlisted Options are ordinary unlisted options of the Company and will be granted to the TSI Shareholders as outlined in Attachment 2. The terms of the Unlisted Options are contained in Attachment 1 to this Explanatory Memorandum; and

(i) a voting exclusion statement is included in the Notice.

5. Resolution 2 – Adoption of a New Constitution

Adoption of a New Constitution

It is proposed that the Constitution be updated to reflect compliance with current law and enable the Company to better function in accordance with its constituent documents. The Proposed Constitution has been approved by ASX as required under the ASX Listing Rules.

Resolution 2 seeks Shareholder approval for the adoption of a new Constitution in accordance with section 136 of the Corporations Act. Resolution 2 is a special resolution. The new Constitution will become effective from the passing of this Resolution.

A full copy of the Proposed Constitution will be sent to any Shareholder upon request and will also be available for inspection at the Company's registered office located at Level 9, 28 The Esplanade, Perth 6000 during normal business hours prior to the Meeting and available for inspection at the Meeting.

In summary, the Proposed Constitution includes provisions to the following effect:

Shares

The issue of shares and options by the Company is under the control of the Directors, subject to the Corporations Act, ASX Listing Rules and any rights attached to any special class of shares.

Preference Shares

The Corporations Act requires certain rights of preference shares to be either set out in the Company's constitution or approved in general meeting by special resolution before preference shares are issued.

The Proposed Constitution sets out a framework of rights for preference share issues from which the Board can determine to allot and issue preference shares, without the need to obtain further shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the Proposed Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

Details of the preference share provisions are contained in Annexure C of this Explanatory Memorandum.

Reductions of Capital

The Proposed Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

Liens

If the Company issues partly paid shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares.

Transfer of Shares

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the ASX Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd ("ASTC") Operating Rules. Transfers through ASTC are affected electronically in ASTC's Clearing House Electronic Sub register System (CHESS). For the purposes of the Company's participation in the CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and ASX Listing Rules.

Proportional Takeovers

A proportional takeover bid is one in which the offeror offers only to buy a specified proportion of each Shareholders' shares.

The Proposed Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the ASX Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

The perceived advantages of including proportional takeover provisions in the Proposed Constitution are that such provisions may:

(a) enhance the bargaining power of Directors in connection with any potential sale of the Company;

(b) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;

(c) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and

(d) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in the Proposed Constitution include the following matters:

(a) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;

(b) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and

(c) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

Details of the proportional takeover provisions are contained in Annexure A of this Explanatory Memorandum.

Alterations of share capital

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the ASX Listing Rules.

Buy Backs

The Company may buy back shares in itself on terms and at such times as determined by the Directors.

Disposal of less than a Marketable Parcel

For the sake of avoiding excessive administration costs, the Proposed Constitution contains provisions enabling the Company to procure the disposal of shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the ASX Listing Rules (being a parcel of shares with a market value of less than $500). To invoke this procedure, the Directors must first give notice to the relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The proposed disposal of unmarketable parcel provisions of the Proposed Constitution are set out in Annexure B of this Explanatory Memorandum.

Variation of class rights

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

Meetings of Shareholders

Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The Proposed Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the new Corporations Act provisions, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the ASX Listing Rules.

Voting of Shareholders

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

Proxies

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The Proposed Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

Directors

Unless changed by the Company in general meeting, the minimum number of directors is 3 and the maximum is 10. The existing directors of the Company may appoint a new Director to fill a casual vacancy or as an addition to the board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

Powers of Directors

The business of the Company is to be managed by or under the direction of the Directors.

Remuneration of Directors

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

Execution of documents

In accordance with the recent amendments to the Corporations Act, the Proposed Constitution provides for execution of documents by the Company without the use of the Company's company seal.

Dividends

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately. The Company is not required to pay any interest on dividends.

Indemnities and insurance

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or Secretary provided that the liability does not arise out of conduct involving a lack of good faith (otherwise referred to as an excluded liability). A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

6. Definitions

In this Explanatory Memorandum and Notice:

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"ASX Listing Rules" means the listing rules of ASX.

"ATM" means an automatic teller machine.

"Company" or **"QED"** means QED Occtech Limited (ABN 98 057 335 672) and where appropriate includes present or future subsidiaries of QED.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Director" means a director of the Company.

"Eftpos" means hardware that allows for electronic funds transfer at the point of sale.

"Explanatory Memorandum" means the explanatory memorandum to the Notice.

"Meeting" has the meaning given in the introductory paragraph of the Notice.

"Notice" means this Notice of General Meeting dated 1 March 2005.

"Proxy Form" means the proxy form attached to the Notice.

"**Resolution"** means a resolution contained in this Notice.

"**Section"** means a section of this Explanatory Memorandum.

"**Securities Issue"** means the issue of Shares or grant of options, the subject of Resolution 1.

"Share" means a fully paid share in the capital of the Company.

"Shareholder" means a shareholder of the Company.

"TSI" means Transaction Solutions International Pty Ltd, a company incorporated in Australia.

"TSI Share" means a fully paid share in the capital of TSI.

"TSI Shareholder" means the holders of TSI Shares as contained in Attachment 2.

"Unlisted Option" means an option to acquire a fully paid share in the capital of the Company on the terms and conditions outlined in Attachment 1 to this Explanatory Memorandum.

Annexure A
Proportional Takeover Bid Approval – Proposed Constitution

1. Definitions

In this schedule:

"Approving Resolution" means a resolution to approve a proportional takeover bid in accordance with this schedule.

"Deadline" means the 14th day before the last day of the bid period for a proportional takeover bid.

"Voter" means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

2. Refusal of transfers

2.1 Requirement for an Approving Resolution

(a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this schedule.

(b) This schedule ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the *Corporations Act*.

2.2 Voting on an Approving Resolution

(a) Where offers are made under a proportional takeover bid, the Directors must, subject to the *Corporations Act*, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.

(b) The provisions of the Constitution concerning meetings of Shareholders (with the necessary changes) apply to a meeting held under paragraph 2.2(a).

(c) Subject to the Constitution, every Voter present at the meeting held under paragraph 2.2(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.

(d) To be effective, an Approving Resolution must be passed before the Deadline.

(e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

(f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this schedule, to have been passed in accordance with this schedule.

Annexure B
Unmarketable Parcels – Proposed Constitution

1. Definitions

In this schedule:

"Sale Share" means a Share which is sold or disposed of in accordance with this schedule.

2. Power to sell unmarketable parcels

2.1 Existing unmarketable parcels

(a) Subject to the applicable law, the Company may sell the Shares of a Shareholder if:

(i) the total number of Shares of a particular class held by that Shareholder is less than a marketable parcel;

(ii) the Company gives that Shareholder notice in writing stating that the Shares are liable to be sold or disposed of by the Company; and

(iii) that Shareholder does not give notice in writing to the Company, by the date specified in the notice of the Company (being not less than 42 days after the date of the Company giving that notice), stating that all or some of those Shares are not to be sold or disposed of.

(b) The Company may only exercise the powers under paragraph 2.1(a), in respect of one or more Shareholders, once in any 12 month period.

(c) The power of the Company under paragraph 2.1(a) lapses following the announcement of a takeover bid. However, the procedure may be started again after the close of the offers made under the takeover bid.

2.2 New unmarketable parcels

(a) Subject to the applicable law, the Company may sell the Shares of a Shareholder if:

(i) the Shares of a particular class held by that Shareholder are in a new holding created by a transfer on or after 1 September 1999; and

(ii) that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.

(b) The Company may give a Shareholder referred to in paragraph 2.2(a) notice in writing stating that the Company intends to sell or dispose of the Shares.

3. Exercise of power of sale

3.1 Extinguishment of interests and claims

The exercise by the Company of its powers under paragraph 2 extinguishes, subject to this Annexure B:

(a) all interests in the Sale Shares of the former Shareholder; and

(b) all claims against the Company in respect of the Sale Shares by that Shareholder, including all dividends determined to be paid in respect of those Share and not actually paid.

3.2 Manner of sale

(a) Subject to the Applicable Law, the Company may sell or dispose of any Shares under paragraph 2 at any time:

(i) using a financial services licensee on the basis that person obtains the highest possible price for the sale of the Shares; or

(ii) in any other manner and on any terms as the Directors resolve.

(b) The Company may:

(i) exercise any powers permitted under the applicable law to enable the sale or disposal of Shares under this schedule;

(ii) receive the purchase money or consideration for Sale Shares;

(iii) appoint a person to sign a transfer of Sale Shares; and

(iv) enter in the register the name of the person to whom Sale Shares are sold or disposed.

(c) The person to whom a Sale Share is sold or disposed need not enquire whether the Company:

(i) properly exercised its powers under this schedule in respect of that Share; or

(ii) properly applied the proceeds of sale or disposal of those Shares,

and the title of that person is not affected by those matters.

(d) The remedy of any person aggrieved by a sale or disposal of Sale Shares is in damages only and against the Company exclusively.

(e) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold or disposed of in accordance with this Annexure B is sufficient evidence of those matters.

3.3 Application of proceeds

(a) If the Company exercises the powers under paragraph 2.1, either the Company or the person to whom a Sale Share is sold or disposed of must pay the expenses of the sale or disposal.

(b) The Company must apply the proceeds of any sale or disposal of any Sale Shares in the following order:

(i) in the case of an exercise of the powers under paragraph 2.2, the expenses of the sale or disposal;

(ii) the amounts due and unpaid in respect of those Shares; and

(iii) the balance (if any) to the former Shareholder or the former Shareholder's personal representative, on the Company receiving the certificate (if any) for those Shares or other evidence satisfactory to the Company regarding the ownership of those Shares.

3.4 Voting and dividend rights pending sale

(a) If the Company is entitled to exercise the powers under paragraph 2.2, the Company may by resolution of the Directors remove or change either or both:

(i) the right to vote; and

(ii) the right to receive dividends,

of the relevant Shareholder in respect of some or all of the Shares liable to be sold or disposed of.

(b) After the sale of the relevant Sale Shares, the Company must pay to the person entitled any dividends that have been withheld under paragraph 3.4(a).

Annexure C
Preference Shares – Proposed Constitution

1. Definitions

In this schedule, unless the context otherwise requires:

"Conversion Circumstances" means, in respect of a Converting Preference Share, whether the Preference Share is liable to be converted or convertible:

(a) at the option of the Holder, or of the Company, or both;

(b) upon the happening of a particular event; or

(c) at a fixed time.

"Conversion Date" means, in respect of a Converting Preference Share, the date (if any) specified in the Issue Resolution for the conversion of that Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the conversion of that Preference Share.

"Conversion Number" means the number, or formula for determining the number, of ordinary Shares into which a Converting Preference Share will convert upon conversion.

"Converting Preference Share" means a Preference Share which is specified in the Issue Resolution as being liable to be converted or convertible into ordinary Shares in a manner permitted by the *Corporations Act*, whether at the option of the Holder or otherwise.

"Dividend" means any distribution of any property (including without limitation, money, Paid Up shares, debentures, debenture stock or other securities of the Company or of any other Corporation) to a Holder in respect of a Preference Share as a dividend, whether interim or final.

"Dividend Date" means, in respect of a Preference Share, a date specified in the Issue Resolution on which a Dividend in respect of that Preference Share is payable.

"Dividend Rate" means, in respect of a Preference Share, the terms specified in the Issue Resolution for the calculation of the amount of Dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

"Franked Dividend" has the meaning given in section 160APA of the *Income Tax Assessment Act 1936* (Cth).

"Holder" means, in respect of a Preference Share, the registered holder of that Share.

"Issue Resolution" means the resolution specified in paragraph 3.

"Preference Share" means a Share issued under Article 2.2 of the Constitution.

"Redeemable Preference Share" means a Preference Share which is specified in the Issue Resolution as being liable to be redeemed in a manner permitted by the *Corporations Act*.

"Redemption Amount" means, in respect of a Redeemable Preference Share, the amount specified in the Issue Resolution to be paid on redemption of the Redeemable Preference Share.

"Redemption Circumstances" means, in respect of a Redeemable Preference Share, whether the Preference Share is liable to be redeemed:

(a) at the option of the Holder, or of the Company, or both;

(b) upon the happening of a particular event; or

(c) at a fixed time.

"Redemption Date" means, in respect of a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the redemption of that Preference Share.

"Specified Date" means, in respect of a Redeemable Preference Share, the date (if any) specified in the Issue Resolution before which that Redeemable Preference Share may not be redeemed by the Holder.

2. Rights of Holders

Each Preference Share confers upon its Holder:

(a) the rights referred to in the Constitution;

(b) the right in winding up to payment in cash of the amount then paid up on it, and any arrears of Dividend in respect of that Preference Share in priority to any other class of Shares;

(c) the right in priority to any payment of a Dividend to any other class of Shares, to a cumulative preferential dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share; and

(d) no right to participate beyond the extent elsewhere specified in this paragraph 2 in surplus assets or profits of the Company, whether in winding up or otherwise.

3. Issue Resolution

(a) The Directors may allot a Preference Share by a resolution of the Directors specifying:

  (i) the Dividend Date;

  (ii) the Dividend Rate;

  (iii) whether the Preference Share is or is not a Redeemable Preference Share;

  (iv) if the Preference Share is a Redeemable Preference Share, the Redemption Amount, the Redemption Date, the Redemption Circumstances and any Specified Date for that Redeemable Preference Share;

  (v) whether the Preference Share is or is not a Converting Preference Share;

  (vi) if the Preference Share is a Converting Preference Share, the Conversion Circumstances, the Conversion Number and any Conversion Date; and

  (vii) any other terms and conditions to apply to that Preference Share.

(b) The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the Dividend is to be:

  (i) fixed;

  (ii) variable depending upon any variation of the respective values of any factors in an algebraic formula specified in the Issue Resolution; or

  (iii) variable depending upon such other factors as the Directors may specify in the Issue Resolution,

  and may also specify that the Dividend is to be a Franked Dividend or not a Franked Dividend.

(c) Where the Issue Resolution specifies that the Dividend to be paid in respect of the Preference Share is to be a Franked Dividend the Issue Resolution may also specify:

(i) the extent to which such Dividend is to be franked; and

(ii) the consequences of any Dividend paid not being so franked, which may include a provision for an increase in the amount of the Dividend to such an extent or by reference to such factors as may be specified in the Issue Resolution.

4. Redemption

(a) Subject to the *Corporations Act*, the Company must redeem a Redeemable Preference Share on issue:

(i) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Company, on the specified date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Redeemable Preference Share stating that the Redeemable Preference Share will be redeemed on the specified date;

(ii) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Holder, on the specified date where the Holder of that Redeemable Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Redeemable Preference Share will be redeemed on the specified date; and

(iii) in any event, on the Redemption Date,

(iv) but no Redeemable Preference Share may be redeemed by the Holder before the Specified Date unless the Redemption Date occurs before that date.

(b) On redemption of a Redeemable Preference Share, the Company, after the Holder has surrendered to the Company the Certificate (if any) in respect of that Redeemable Preference Share, must pay to the Holder the Redemption Amount by:

(i) directly crediting the account nominated in writing by the Holder from time to time; or

(ii) cheque made payable to the Holder or such other person nominated in writing by the Holder sent through the post to:

(A) in the case where the Holder is a joint holder of the Redeemable Preference Share, the address in the Register of the person whose name stands first on the Register in respect of the joint holding; or

(B) otherwise, to the address of the Holder in the Register.

5. Conversion

(a) Subject to the *Corporations Act*, the Company must convert a Converting Preference Share on issue:

(i) in the case where the Converting Preference Share is liable to be redeemed at the option of the Company, on the specified date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Converting Preference Share stating that the Converting Preference Share will be converted on the specified date;

(ii) in the case where the Converting Preference Share is liable to be redeemed at the option of the Holder, on the specified date where the Holder of that Converting Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Converting Preference Share will be converted on the specified date; and

(iii) in any event, on the Conversion Date.

(b) On conversion of a Converting Preference Share the Company must allot to the Holder additional ordinary Shares such that following conversion the Holder holds that number of ordinary Shares in accordance with the Conversion Number. Conversion of a Converting Preference Shares does not constitute a cancellation, redemption or termination of a Converting Preference Share or the issue, allotment or creation of a new Share.

(c) The allotment of additional ordinary Shares on Conversion does not constitute a cancellation, redemption or termination of a Converting Preference Share. Conversion is the taking effect of existing rights of a Converting Preference Share and the ending of the special rights attached to the Converting Preference Share.

(d) Following Conversion, each Converting Preference Share will rank equally with and will confer rights identical with and impose obligations identical with all other fully paid ordinary Shares then on issue.

6. Certificate

The Certificate (if any) issued by the Company in relation to any Preference Share, must specify in relation to that Preference Share:

(a) the date of issue of the Preference Share;

(b) the Dividend Rate and Dividend Dates;

(c) whether the Preference Share is a Redeemable Preference Share;

(d) if the Preference Share is a Redeemable Preference Share, the:

  (i) Redemption Circumstances;

  (ii) Redemption Amount; and

  (iii) Redemption Date to the extent possible or if not, the event which if it occurs will result in redemption of that Redeemable Preference Share; and

(e) if the Preference Share is a Converting Preference Share, the:

  (i) Conversion Circumstances;

  (ii) Conversion Number; and

  (iii) Conversion Date to the extent possible or if not, the event which if it occurs will result in conversion of that Concerting Preference Share; and

(f) any other matter the Directors determine.

Attachment 1
Terms and Conditions of Unlisted Options

1. **Entitlement**

   The Options entitle the holder to subscribe for one Share upon exercise of each Option.

2. **Exercise Price**

   The exercise price of each Option is $0.015.

3. **Expiry Date**

   Each Option has an expiry date of 31 December 2009.

4. **Exercise Period**

   The Options are exercisable at any time on or prior to the Expiry Date.

5. **Notice of Exercise**

   The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. **Shares issued on exercise**

   Shares issued on exercise of the Options rank equally with the then shares of the Company.

7. **Quotation of Shares on exercise**

   Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

8. **Timing of issue of Shares**

   After an Option is validly exercised, the Company must as soon as possible:

   (a) issue and allot the Share; and

   (b) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option and receipt of cleared funds equal to the sum payable on the exercise of the Options.

9. **Participation in new issues**

   There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

   However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

10. **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

11. **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced in the manner specified in ASX Listing Rule 6.22.

12. **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. **No Quotation of Options**

No application will be made by the Company to ASX for official quotation of the Options.

14. **Options transferable**

The Options are transferable.

15. **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Ltd, Level 2, 45 St Georges Terrace, Perth WA 6000.

Attachment 2
TSI Shareholders

TSI Shareholder	No. of TSI Shares	No. of Unlisted Options
Bretnall Custodians Pty Ltd	10,000,000	15,000,000
Westedge Investments Pty Ltd as trustee of the PMB Trust	4,000,000	6,000,000
Piranha Nominees Pty Ltd	2,000,000	3,000,000
Bludgeon Pty Ltd	4,000,000	6,000,000
Total	**20,000,000**	**30,000,000**

Attachment 3
Pro-forma Capital Structure

The table below details the proposed capital structure of the Company assuming Resolution 1 being passed and the placement being fully subscribed:

	Number of Shares	**Number of Unlisted Options**[1]
Current issued capital	138,047,537	-
Share placement	50,000,000	-
Grant of Unlisted Options	-	30,000,000
Total	**188,047,537**	**30,000,000**

Notes

1. Refer Attachment 1 for terms and conditions of the Unlisted Options.

Attachment 4
Unaudited Pro-forma Statement of Financial Position

An unaudited pro-forma consolidated statement of financial position of QED Occtech Limited taking into account the acquisition of TSI and utilising the reviewed consolidated statement of financial position for QED as at 31 December 2004 is provided below:

	Reference	Consolidated QED (Reviewed) $	Transaction Adjustments (Unaudited) $	Consolidated Pro-forma (Unaudited) $
CURRENT ASSETS				
Cash assets	1	46,473	150,000	196,473
Receivables		85,189	-	85,189
Other		-	-	-
TOTAL CURRENT ASSETS		131,662	150,000	281,662
NON-CURRENT ASSETS				
Investments accounted for using the equity method	1,2	-	325,000	325,000
Intangibles		430,120	-	430,120
Plant & equipment		695,858	-	695,858
TOTAL NON-CURRENT ASSETS		1,125,978	325,000	1,450,978
TOTAL ASSETS		1,257,640	475,000	1,732,640
CURRENT LIABILITIES				
Payables		93,332	-	93,332
TOTAL CURRENT LIABILITIES		93,332	-	93,332
TOTAL LIABILITIES		93,332	-	93,332
NET ASSETS		**1,164,308**	**475,000**	**1,639,308**
EQUITY				
Contributed equity	1,3	15,658,580	475,000	16,133,580
Accumulated losses		(14,494,272)	-	(14,494,272)
TOTAL EQUITY		**1,164,308**	**475,000**	**1,639,308**

Assumptions

1. Placement of 50,000,000 Shares is completed and funds applied in accordance with Section 4.2.
2. QED has completed the acquisition of a 35% interest in TSI and has exercised its right to nominate one director of TSI and as a result QED has significant influence over TSI.
3. Cost of the capital raising is $25,000.

Attachment 5
Material Contracts for the Acquisition and Operation of TSI

1.0 Subscription Agreement

On 4 February 2005 QED entered into a Subscription Agreement with TSI, Gary Foster ("Foster"), and the TSI shareholders.

The key provisions of the Subscription Agreement provide that:

i) QED agrees to subscribe for a 35% interest in the issued share capital of TSI. Completion of the subscription is to occur on the seventh business day after the fulfilment or waiver of the Conditions, being:

   a) completion of QED's due diligence;

   b) completion of a placement of shares by QED to raise $500,000;

   c) QED shareholders passing all required resolutions to give effect to the transactions contemplated by the Subscription Agreement;

   d) QED complying with ASX Listing Rules and Corporations Act in order to complete the transactions;

   e) ASX not applying Chapter 11.1 of the ASX Listing Rules; and

   f) both TSI and QED being satisfied that the other party has not materially breached the agreement or that there was any material adverse changes affecting the other party.

ii) QED shall pay a total subscription price of $700,000 for its 35% shareholding in TSI in tranches as follows:

   a) $50,000 which was paid on signing of the Subscription Agreement as an exclusivity fee;

   b) $275,000 payable on Completion;

   c) $225,000 payable as soon as possible, and in any event no later than 60 days, after achievement of the milestone of TSI executing one or more agreements with a recognised financial institution based in Asia to act as either the sponsoring bank in connection with provision of ATM services or a settlement switching financial institution in connection with provision of Eftpos services in India, provided this milestone is achieved within 12 months after Completion; and

   d) $150,000 payable as soon as possible and in any event no later than 60 days after achievement of the milestone of TSI's Board committing to initiate the roll out of a network of ATM and/or Eftpos machines in Asia (excluding Australia) provided this milestone is achieved within 18 months after Completion.

iii) The TSI shareholders, QED and TSI are to negotiate in good faith and enter into a shareholders agreement to regulate TSI, ownership of TSI shares and the operation of TSI.

iv) Foster and TSI shall enter into an employment agreement pursuant to which Foster is employed on a salary of $10,000 per month plus telephone costs and parking. The salary is to be reviewed on payment of the final tranche of the TSI subscription amount, or in the event that TSI does not achieve the milestones upon which payment of the various tranches is conditional within the dates set for achievement of those milestones.

v) During the exclusivity period between the execution of the Subscription Agreement and the earlier of the completion date or the date of termination of the Subscription Agreement, Foster, TSI and the TSI shareholders or any of their related bodies corporate are restricted from entering into any negotiations or any agreements with any third parties covering transactions similar to those covered by the Subscription Agreement without QED's prior written approval. QED has paid an exclusivity fee of $50,000 in consideration of this undertaking, which is to be offset against the subscription price on Completion.

vi) TSI, and Foster represent and warrant to QED that there is no restriction on the allotment or issue of the subscription shares to QED, that the subscription shares will once issued rank equally with all other TSI shares and constitute 35% of the issued TSI share capital on a fully diluted basis and that on Completion the total issued capital of TSI will comprise 30,769,231 shares. TSI and the TSI Shareholders represent and warrant to QED that TSI has no material contracts that have not been disclosed to QED and that the liabilities and contingent liabilities of TSI do not exceed $75,000.

vii) The Subscription Agreement provides that before issuing any securities to any third parties, TSI must first offer them to QED and give QED 30 days to determine whether or not to subscribe for those shares.

viii) No TSI shareholder shall transfer any TSI shares or any interest in them or encumber the same without the prior written consent of QED or without first offering those shares to QED for purchase. There is an exception from these rights of first refusal with respect to intra-group transfers.

ix) The Subscription Agreement is governed by Western Australian law.

2.0 Employment Agreement – Mr Gary Foster

On 3 March 2005, TSI entered into an Executive Services Agreement ("ESA") with Gary Foster, pursuant to which Mr Foster has been employed by TSI as a manager. The key terms of the ESA are:

i) **Term** - the ESA can be terminated by the Company at any time for cause, upon one month's notice (or payment in lieu) during the first 18 months or until satisfaction of certain milestones related to rollout of ATM and Eftpos machines in India and thereafter upon three month's notice (or payment in lieu). The ESA can be terminated by Mr Foster at any time by three month's notice in writing to TSI.

ii) **Salary** - $10,000 per month plus superannuation contributions, to be reviewed on the earlier of the date when QED pays the final tranche of its subscription moneys or upon the dates specified for achievement of certain milestones related to rollout of ATM and Eftpos machines in India. Thereafter the salary will be subject to annual review.

iii) **Telephone charges** - TSI will pay for Mr Foster's home telephone and fax charges.

iv) **Annual Leave** – 4 weeks paid annual leave per annum.

v) **Confidentiality** - Mr Foster is required to enter into a confidentiality undertaking with TSI to protect the confidentiality of information relating to TSI and its business that Mr Foster comes into possession of in the course of his engagement.

vi) **Ownership of inventions** - any inventions that Mr Foster develops during the course of his employment are the property of TSI.

vii) **Non-competition** – during the course of his employment Mr Foster is restricted from being engaged in any other business without the prior consent of the Company, with the express exception that Mr Foster may spend between 2 to 4 hours per week on non-remunerated work for Transact Pty Ltd. Mr Foster is restricted from being engaged in businesses competing with TSI for a period of 1 year after termination of his employment.

viii) **Governing Law** – the ESA is governed by Western Australian law and the parties submit to the jurisdiction of the Courts of Western Australia.

3.0 Memorandum of Understanding

Transaction Solutions International Pty Ltd ("TSI") has entered into a Memorandum of Understanding with Securitrans India Private Limited ("Securitrans"), a company incorporated in India, on 10 February 2005 ("MOU"). The key provisions of the MOU provide that:

i) TSI and Securitrans agree to form a new Indian joint venture company under the name "Transaction Solutions India Private Limited" ("JVCo"). The parties will hold shares in JVCo in the percentages 74% TSI and 26% Securitrans, and each will subscribe their pro rata share of the initial 500,000 rupees issued capital. TSI's share of this will be 370,000 rupees which is approximately A$10,800 (at the exchange rate on 24 February 2005).

ii) The main objects of the JVCo will be setting up bank independent ATM machines across India, installation of Eftpos machines, kiosks and other services and activities in connection with the electronic transactions in India, and other countries as may be agreed on from time to time.

iii) Subject to achievement of certain milestones, the parties are to subscribe a further 4,500,000 rupees into the JVCo (pro rata to their shareholdings). 500,000 rupees are to be subscribed upon the joint venture company committing to ordering 10 ATM machines and the balance of 4,000,000 rupees is to be subscribed upon the JVCo securing board approval to order 10 ATM's.

iv) After the roll out of 100 ATM machines in India, Securitrans's shareholding in the joint venture company will be raised to 30% for no extra consideration.

v) The Board of JVCo will initially comprise of 3 directors and the maximum number of directors will be 8, with shareholders having the right to appoint directors pro rata to their shareholding. However, it is anticipated that notwithstanding that Securitrans initially only has a 26% interest, Securitrans will be entitled to appoint one director.

vi) The parties will enter into a definitive joint venture agreement within 3 months of the execution of the MOU.

vii) The MOU may be terminated on 30 days' written notice provided that the party that withdraws from the MOU shall be restricted from entering into any agreement relating to, or competing for, the JVCo's proposed business in India for a period of 3 months after withdrawal.

viii) Establishment of the JVCo will be subject to the approval of the Government of India and the Reserve Bank of India and any other relevant Indian authorities.

ix) The MOU is governed by Indian law.

Attachment 6
Risk Factors in Respect to TSI

The risk factors that may apply to the acquisition and operation of TSI are outlined below. These risk factors may apply in addition to any other risk factors that already apply to QED's current business activities and also in addition to the risks that currently apply to investing in any securities issued by QED.

Shareholders should note that this list of risk factors is not exhaustive. Some of the risks may be mitigated by the use of appropriate safeguards and systems, whilst others are outside the control of the Company and cannot be mitigated.

1.0 General Risk Factors

1.1 Changes in Legislation and Government Regulation

Changes to legislation in the Asian region (including India) that impacts on TSI's ability to implement its business plan may affect future earnings and the relative attractiveness of investing in TSI and QED. In particular, TSI's initial focus will be in India, where there is little regulation governing the installation and operation of ATMs and Eftpos terminals. Changes in government policy or statutory changes may have a material adverse impact on TSI's financial performance.

The business proposed to be conducted by TSI in India is not currently subject to any controls or restrictions on foreign ownership or control. Any changes to Indian laws or regulations to control or restrict foreign participation in the industry that TSI intends to participate in could negatively impact upon TSI's business in India.

1.2 Economic Conditions

Economic conditions in Asia (specifically India) and globally, may affect the performance of TSI. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. TSI's future possible revenue and QED's security price can be affected by these factors all of which are beyond the control of the Company or its Directors. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

1.3 Foreign Exchange Risk

TSI's main business undertakings will initially be based in India, and then may expand to other countries within the Asian region. As a result, revenues, cash inflows, expenses, capital expenditure and commitments will be primarily denominated in currencies other than Australian Dollars.

To comply with Australian reporting requirements for TSI and QED, the income, expenditure and cash flows of TSI's business activities will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of TSI being exposed to the fluctuations and volatility of the rate of exchange between the Australian dollar and the currencies of the countries in which TSI operates.

Furthermore, no hedging strategy has yet been developed by TSI. This may result in TSI being exposed to the effects of the change in currency (exchange rate) risk, which may have an adverse impact on the profitability and/or financial position of TSI and the Company.

Remittance of dividends or capital by the Indian joint venture company that TSI is to invest in will not, under current Indian regulations, be subject to any restrictions or prior approvals by Indian Government or regulatory bodies. Any changes to Indian laws or regulations to control or restrict remittance of funds from India could adversely affect TSI's ability to repatriate income or capital out of India.

1.4 Termination of Contracts

Current and future agreements may be at risk of being terminated prematurely due to default or at the discretion of the other party. Future agreements may include leases, access agreements, usage agreements and financial switch access agreements. Should this occur, it may have a material adverse effect on the financial performance of TSI.

2.0 Risks associated with the financial payments industry

2.1 Technological Change

The technology associated with electronic payments and its application is continuing to develop and is subject to rapid change. TSI's success will, in part, depend on its ability to maintain systems that keep pace with continuing changes in technology, and changing customer preferences. There can be no assurance that TSI will be successful in addressing these developments in a timely fashion, or that competitors will not offer more advanced technology to their customers.

2.2 Competition

TSI competes with other companies, including major international companies. Some of these companies have greater financial and other resources than TSI and, as a result, may be in a better position to compete for future business opportunities. Many of TSI's competitors not only install and maintain hardware for electronic payments, but also provide other services such as currency exchange and other banking services on a global basis. There can be no assurance that TSI can compete effectively with these companies.

2.3 Supplier Risk

The Company relies and will continue to rely on a number of third party suppliers to provide electronic hardware required for the Company's services and products. Whilst TSI as a matter of normal commercial prudence monitors such suppliers to ensure they are able to fulfil the needs of TSI, it may not be able to find alternative suppliers and therefore TSI's financial performance may be at risk should a supplier not be able to meet the needs of TSI.

2.4 Reliance on Satellites

TSI intends to use satellite communications between the ATM and financial switch, in place of standard telephone lines. This technology is already being used in India. No direct agreement between TSI and the satellite company is currently required. TSI will therefore need to rely on agreements with its financial switch company to ensure adequate levels of disaster recovery in the event of failure. There can be no guarantee that the financial switch company will maintain adequate disaster recovery procedures for all situations or that the supply of the satellite communications service will not be interrupted for some other reason. Should TSI not be able to use satellites for commutations between the ATM and the financial switch then it is likely that this will have a materially adverse impact on TSI's financial position and profitability.

3.0 Other risks associated with the acquisition and operation of TSI

3.1 Limited operating history and start up business

TSI has a limited operating history for an evaluation of its business and prospects. The prospects of TSI must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in new and rapidly evolving markets that rely on the successful development of technology based consumer products. Such risks for TSI include the ability to manage the growth of its business effectively. If TSI cannot effectively manage its growth and its operating and financial systems, this may have a material adverse impact on the financial performance of TSI.

The success of the business is also dependent upon the roll out of Eftpos and ATM hardware in the chosen markets. TSI does not as yet have established operations in these markets. TSI intends to utilise a business model that has been successful in the Australian market. Due to differences between the Australian and other overseas markets (including in living standards, consumer income and customs), there can be no assurance that the business model utilised by TSI will be successful in other countries

There is a risk that TSI may not be able to create or maintain viable operations in its chosen markets, as actual revenues may be less than assumed levels.

Furthermore, as TSI has not yet commenced operations, there can be no guarantee that the business will operate in line with the assumed cost structure. Should the level of costs required to operate the business be higher than anticipated then it may have a materially adverse affect on the future performance and prospects of the Company.

3.2 Reliance on key personnel

TSI will be reliant on a small number of key personnel and consultants. TSI has to date only finalised an employment agreement with Mr Gary Foster, however there can be no guarantee that Mr Foster will continue to work for TSI and will not resign from his position.

The loss of one or more of TSI's key contributors could have an adverse impact on the business. It may also be particularly difficult for the Company to attract and retain these people, given the current high demand in the industry and relatively small size of the Company, compared to other industry participants.

The continued availability of consultants and advisers is to some extent dependent on maintaining the professional relationships that the Company's personnel have developed over time and which may be lost if key personnel cease to be involved with the Company before replacement arrangements can be made. If the involvement of industry specialists, managers or other personnel cease for reasons of contract termination; ill health; death or disability, the continued development of TSI's business and implementation of TSI business plan may be adversely affected.

3.3 Additional requirements for funding

Pursuant to the Subscription Agreement, should TSI meet the commercial milestones, QED is required to make additional payments to TSI in respect to the subscription for TSI Shares. To fund the additional payments, QED will be required to raise additional funds. There can be no guarantee that QED will be able to raise the funds by issuing Shares at a subscription price at least equal to the current market price of QED's Shares.

Furthermore, TSI's funding requirements depend on numerous factors including TSI's ability to generate income from the implementation of its business plan. It is likely that TSI will require further financing in addition to amounts paid by QED pursuant to the Subscription Agreement. The additional funding may be required to fund current operations and/or to undertake new business opportunities.

Additional equity financing by TSI, if available, may be dilutive to shareholders of TSI (including QED) and/or at lower prices than the current subscription price. Debt financing, if available, may involve restrictions on financing and operating activities. If TSI is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

3.4 Joint venture parties and contractors

TSI currently intends to use joint ventures and strategic relationships, where considered appropriate, with local companies and businesses when entering new markets. This approach may, amongst other things, provide TSI with access to knowledge about local laws, business customs, consumer habits and business contacts.

These may include services for:

i) Sponsor and/or settlement agreements with an Indian financial institution;

ii) Financial switch company;

iii) Hardware and software supply and maintenance;

iv) Site agreements; and

v) Logistics and refilling ATM's with cash.

There can be no guarantee that the third parties chosen by TSI to enter into these arrangements with, will be suitable, or that they will always act in the best interest of TSI.

Furthermore, the Directors are unable to predict the risk of:

- financial failure, non compliance with obligations or default by a participant in any joint venture to which TSI is, or may become, a party; or
- insolvency or other managerial failure by any of the contractors used by TSI in its business activities; or
- insolvency or other managerial failure by any of the other service provider used by TSI for any activity.

Should any of these circumstances occur, it is likely to have a material adverse effect on TSI.

3.5 Development of In-house software

TSI will generally use software supplied by third parties for the operation of the financial payments hardware. However TSI may add other non standard functions to the hardware (for example advertising or ticket sales). Should this occur, additional software may need to be developed by TSI. There can be no guarantee that TSI will be able to successfully develop and operate the necessary software, which may limit the revenues and profits that TSI is able to generate in the future.

3.6 Accounting for the investment in TSI

Upon settlement of the Subscription Agreement, QED will have a 35% interest in TSI. QED will also have the ability to nominate one director of TSI. The Directors of QED currently expect that the investment in TSI will be accounted for using the equity method, as it is envisages that QED will have will significant influence over the decisions of TSI.

As TSI is developing its business activities and has not yet generated any operating revenues, TSI may initially record operating losses. In accordance with the relevant accounting standard, in general terms, QED will be required to bring to account its share of any loss (or profit as the case may be) recorded by TSI, which may materially impact on QED's financial results.

Furthermore, the accounting treatment of the investment in TSI by QED may change should the percentage interest in TSI held by QED or other parties increase and/or decrease. The accounting treatment may also change should QED or another party be able to control the decision making process of TSI.

QED OCCTECH LIMITED

ABN 98 057 335 672

PROXY FORM

The Company Secretary
QED Occtech Limited

By delivery:	*By post:*	*By facsimile:*
Level 9, 28 The Esplanade PERTH WA 6000	PO Box Z5083 PERTH WA 6831	+61 8 9322 6558

I/We [1]____

of ____

being a Shareholder/Shareholders of the Company and entitled to ________________________

votes in the Company, hereby appoint [2]____________________________________

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.00am on 13 April 2005 (WST) at Level 6, 28 The Esplanade, Perth, Western Australia and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * [ ]% of the Shareholder's votes*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

IMPORTANT: FOR RESOLUTION 1

☐ If the chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolution 1, please tick this box. By marking this box you acknowledge that the chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 1 and that votes cast by him, other than as proxy holder, would 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 of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this Resolution.

The chairman of the Meeting intends to vote undirected proxies in favour of the Resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	**Against**	**Abstain**
Resolution 1	Approval for the Issue of Securities	☐	☐	☐
Resolution 2	Adoption of a new Constitution	☐	☐	☐

Authorised signature/s This section ***must*** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
________________	________________	____________
Contact Name	Contact Daytime Telephone	Date

[1]Insert name and address of shareholder [2] Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:	where the holding is in more than one name all of the holders must sign.
Power of Attorney:	if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies:	a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).