

16 October 2014

Annual General Meeting

Calzada's 2014 Annual General Meeting will be held on Monday, 17 November 2014 at Unit 2/320 Lorimer Street, Port Melbourne commencing at 10.00am Melbourne time.

Notice of Meeting

The Notice of Meeting, Explanatory Memorandum and Proxy Form have been mailed to shareholders today. Copies of these documents follow this announcement and are available on Calzada's website at www.calzada.com.au.

In addition to resolutions relating to the accounts, the remuneration report and the election of directors, shareholders will be asked to vote on the following:

1. Change of Company Name

The Board is proposing to change the name of the Company from Calzada Limited to PolyNovo Limited. It is the view of the Board that the strategic direction of the Company is primarily focused on the PolyNovo business and as a result the Directors consider that the current name is no longer appropriate.

2. Constitutional Changes

In the Notice of Meeting the Board is asking shareholders to consider a number of changes to the Calzada constitution. Calzada's existing constitution was adopted on 27 October 2006. Since that time, there have been a number of significant amendments to Australian corporations legislation and to the ASX Listing Rules. As a result of these changes, parts of Calzada's Existing Constitution are inconsistent with the current requirements of the Corporations Act or the ASX Listing Rules, and some of its provisions have become redundant or outdated. As a result the Company has decided to propose a number of amendments to enhance the functionality of its existing constitution.

3. Employee Share Option Plan

Shareholder approval of the Company's employee options plan must be sought every 3 years so that options can be issued to employees and not counted towards the 15% limit under Listing Rule 7.1. A summary of the plan is contained in the Explanatory Notes section of the Notice of Meeting.

4. Issue of Options to Directors

Shareholders are asked to consider approving the issue of a total of 3,000,000 options to Directors. Details of the issue of options is contained in the Notice of Meeting.

Annual Report

The 2014 Annual Report has been mailed today to shareholders who have elected to receive a printed copy. The Annual Report is available on Calzada's website at www.calzada.com.au.

For further information please contact:

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calzada
L I M I T E D

2014
NOTICE OF
ANNUAL GENERAL
MEETING AND
EXPLANATORY NOTES

Calzada Limited

ABN 96 083 866 862

Notice of annual general meeting and explanatory notes

Date: Monday, 17 November 2014

Time: 10.00am Melbourne time

Place: Unit 2, 320 Lorimer Street
Port Melbourne Vic 3207

In this document you will find:

- a Notice of Annual General Meeting
- Explanatory notes which have an explanation of and information about, the resolutions set out in the Notice of Annual General Meeting.

Enclosed separately is a proxy form with attendance and registration details.

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of Calzada Limited (**Calzada** or **Company**) will be held at Unit 2, 320 Lorimer Street, Port Melbourne Vic 3207 at 10.00am (Melbourne time) on Monday, 17 November 2014.

Business

1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
- (b) the directors' report; and
- (c) the auditor's report of Calzada for the year ended 30 June 2014.

2. Other business

To deal with any other business that may legally be brought before the annual general meeting in accordance with Calzada's constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

Resolutions

3. Election of directors

To pass resolutions electing the following 3 Directors who have previously been appointed by the Directors and retire in accordance with clause 58.2 of Calzada's constitution:

- (a) David Williams;
- (b) Max Johnston; and
- (c) Philip Powell.

4. Re-election of directors

To consider and, if thought fit, to pass a resolution re-electing as a Director of the Company David McQuillan who retires in accordance with clause 59 of Calzada's constitution.

5. Remuneration Report

To consider and if thought fit to pass a resolution adopting the remuneration report for the Company for the year ending 30 June 2014.

Note: In accordance with section 250R(3) of the Corporations Act, the vote on this resolution will be advisory only and will not bind Calzada or its directors.

6. Employee Share Option Plan

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

That the terms of the Company's Employee Share Option, which are summarised in the explanatory notes which accompany the notice of this meeting, are approved for all purposes, including for the purpose of ASX Listing Rule 7.1 and Exception 9 in ASX Listing Rule 7.2.

7. Issue of options to certain directors

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

That approval is given for all purposes, including for the purpose of ASX Listing Rules 10.11 and 10.14, to the issue of a total of 3,000,000 options by Calzada to certain of the Directors to acquire by way of issue, a like number of shares in the Company for the provision of options to Directors, on the terms set out in the explanatory notes which accompany the notice of this meeting.

Note: If approval is given under ASX Listing Rule 10.11 (which will be an effect of passing the above resolution), approval is not required under Listing Rule 7.1.

Special Resolutions

8. Change of name

To consider and if thought fit to pass the following resolution which will be proposed as a special resolution:

That the Company change its name from Calzada Limited by adopting the new name, PolyNovo Limited.

9. Amendments to constitution

To consider and if thought fit to pass the following resolution which will be proposed as a special resolution:

That the constitution of the Company is amended as follows:

- (a) insert in clause 1.1 in alphabetical order the following:

'Direct Vote, in relation to a resolution or a meeting, means a specification in an appointment of proxy of the way that the proxy is to vote on the resolution or on a resolution proposed to be put at the meeting (as the case may be) where the appointment also indicates that the specification is to be regarded as a direct vote.;

- (b) delete clause 30 and insert in its place the following:

'30 Alteration of share capital

The Directors may do anything required to give effect to any resolution altering or approving the reduction of the Company's Share capital, including, where a Member becomes entitled to a fraction of a Share or other security on a conversion of some or all of the Shares into a larger or smaller number or on a reduction of capital:

- (a) causing the Company to make cash payments;
- (b) determining that fractions may be disregarded to adjust the rights of all parties;
- (c) appointing a trustee to deal with any fractions on behalf of Members; and

NOTICE OF ANNUAL GENERAL MEETING (CONT...)

Special Resolutions (cont...)

9. Amendments to constitution (cont...)

(b) delete clause 30 and insert in its place the following (cont...)

- (d) rounding up each fractional entitlement to the nearest whole Share or security by capitalising any amount for capitalisation under clause 98 even though only some of the Members participate in the capitalisation.

30A Reductions of capital

30A.1 Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital in any manner.

30A.2 Without limiting the generality of clause 30A.1, the Company when reducing its share capital may resolve that such reduction be effected wholly or in part by the distribution of specific assets (whether held in the name of the Company or in the name of any wholly owned subsidiary of the Company) and in particular fully paid shares, debentures, debenture stock or other securities of any other corporation or in any one or more of such ways. The Directors may fix the value for distribution of any specific assets.

30A.3 Where the Company pursuant to a reduction of its share capital distributes to its Members shares in another corporation:

(a) the Members will be deemed to have agreed to become members of that other corporation; and

(b) each of the Members appoints the Company or any of the Directors as its agent to execute any transfer of shares or other document required to effect the distribution or transfer of shares to that Member.

30B Ancillary powers

If a distribution, transfer or issue of specific assets, shares or securities to a particular Member or Members is, in the Directors' discretion, considered impracticable or would give rise to parcels of securities which do not constitute marketable parcels, the Directors may cause the Company to make a cash payment to those Members or allocate the assets, shares or securities to a trustee to be sold on behalf of, and for the benefit of, those Members, instead of making the distribution, transfer or issue to those Members.

30D Buy-backs

Subject to the Corporations Act and the Listing Rules, the Company may buy Shares on terms and at times determined from time to time by the Directors.;

(c) delete clause 39 and insert in its place the following:

'39 Postponement and Adjournment

39.1 The chairperson may postpone a meeting before it has started, whether or not a quorum is present, if, at the time and place appointed for the meeting, he or she considers that:

- (a) there is not enough room for the number of Members who wish to attend the meeting; or
- (b) a postponement is necessary in light of the behaviour of persons present or for any other reason so that the business of the meeting can be properly carried out.

39.2 A postponement under clause 39.1 will be to another time, which may be on the same day as the meeting, and may be to another place (and the new time and place will be taken to be the time and place for the meeting as if specified in the notice which called the meeting originally).

39.3 The chairperson may at any time during the course of the meeting:

- (a) adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting; and
- (b) for the purpose of allowing any poll to be taken or determined, suspend the proceedings of the meeting for such period/s as he or she decides without effecting an adjournment. No business may be transacted and no discussion may take place during any suspension of proceedings unless the chairperson otherwise allows.

39.4 The chairperson's rights under clauses 39.2 and 39.3 are exclusive and, unless the chairperson requires otherwise, no vote may be taken or demanded by the members present about any postponement, adjournment or suspension of proceedings.

39.5 Only unfinished business may be transacted at a meeting resumed after an adjournment.

39.6 Where a meeting is postponed or adjourned under this clause 39, notice of the postponed or adjourned meeting must be given to ASX, but except as provided by clause 39, need not be given to any other person.

39.7 Where a meeting is postponed or adjourned, the Directors may, by notice to ASX, postpone, cancel or change the place of the postponed or adjourned meeting.

39.8 Where a meeting is postponed or adjourned for 30 days or more, notice of the postponed or adjourned meeting must be given as in the case of the original meeting.;

(d) delete clause 43 and insert in its place the following:

‘43 Admission to general meetings

- 43.1 The chairperson of a general meeting may refuse admission to a person, or require a person to leave and not return to, a meeting if the person:
- (a) refuses to permit examination of any article in the person’s possession;
 - (b) is in possession of any:
 - (i) electronic or recording device;
 - (ii) placard or banner; or
 - (iii) other article, which the chairperson considers to be dangerous, offensive or liable to cause disruption;
 - (c) causes any disruption to the meeting including by refusal to comply with a request of the chairman to turn off a mobile telephone, personal communication device or similar device; or
 - (d) behaves, threatens to behave or the chairperson reasonably believes may behave in a dangerous, offensive or disruptive way.
- 43.2 The chairperson may delegate the powers conferred by clause 43.1 to any person he or she thinks fit.
- 43.3 A person, whether a Member or not, requested by the directors or the chairperson to attend a general meeting is entitled to be present and, at the request of the chairperson, to speak at the meeting.
- 43.4 If the chairperson of a general meeting considers that there is not enough room for the Members who wish to attend the meeting, he or she may arrange for any person whom he or she considers cannot be seated in the main meeting room to observe or attend the general meeting in a separate room. Even if the Members present in the separate room are not able to participate in the conduct of the meeting, the meeting will nevertheless be treated as validly held in the main room.
- 43.5 If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:
- (a) gives the general body of Members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
 - (b) enables the chairperson to be aware of proceedings in the other place; and
 - (c) enables the Members in the separate meeting place to vote on a show of hands or on a poll, a Member present at the separate meeting place is taken to be present at the general

meeting and entitled to exercise all rights as if he or she was present at the main place.

- 43.6 If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in clause 43.5 is not satisfied, the chairperson may:
- (a) adjourn the meeting until the difficulty is remedied; or
 - (b) continue to hold the meeting in the main place (and any other place which is linked under clause 43.5 and transact business, and no member may object to the meeting being held or continuing.
- 43.7 Nothing in this clause 43 is to be taken to limit the powers conferred on the chairperson by law.;

(e) insert immediately after clause 49 the following:

‘49A Direct Votes

- 49A.1 An appointment of proxy may indicate, either generally or in relation to a particular resolution or resolutions, that a specification of the way that the proxy is to vote is to be regarded as a Direct Vote.
- 49A.2 Except where the Directors determine, prior to the relevant meeting, that Direct Voting will not be permitted in relation to a particular resolution or resolutions, a Direct Vote on a resolution by a Member will, if a poll is demanded (but not on a show of hands), be effective to cast, at the meeting, the votes of the Member on the resolution as specified in the instrument appointing the proxy without the need for, and regardless of, any further action by the proxy, and the proxy will therefore have no authority to vote on a poll on the resolution on the Member’s behalf.
- 49A.3 If it is necessary to identify the individual who casts Direct Votes on a resolution, all Direct Votes will be cast at the Meeting by:
- (a) if the chairperson casts any votes, other than Direct Votes, on the resolution, the chairperson; and
 - (b) otherwise, the Member casting the first vote to be counted of any votes, other than Direct Votes.
- 49A.4 If the Directors determine, under clause 49A.2, that Direct Voting will not be permitted in relation to a particular resolution or resolutions, an indication, under clause 49A.1, that a specification of the way that the proxy is to vote is to be regarded as a Direct Vote is to be of no effect and the specification is to be treated as simply a specification of the way that the proxy is to vote.;

NOTICE OF ANNUAL GENERAL MEETING (CONT...)

Special Resolutions (cont...)

9. Amendments to constitution (cont...)

(f) delete clause 64 and insert in its place the following:

'64 Retirement benefits

64.1 Subject to the Corporations Act, the Company may give a person a benefit in connection with a Director's retirement from a managerial or executive office in the Company or a related body corporate of the Company.

64.2 Subject to the Corporations Act, the Company may enter into an agreement or contract with a person for the giving to the person or any other person of a benefit in connection with a Director's retirement from a managerial or executive office in the Company or a related body corporate of the Company.;

(g) delete clause 73 and insert in its place the following:

'73 Written resolutions

73.1 If:

(a) all the Directors who are eligible to vote on a resolution (other than any Director on leave of absence approved by the Directors, any Director who disqualifies himself or herself from considering the resolution in question and any Director who would be prohibited by the Corporations Act from voting on the resolution in question) are given a document setting out or identifying a proposed resolution;

(b) at least 75% of the Directors who are eligible to vote on a resolution (other than any Director on leave of absence approved by the Directors, any Director who disqualifies himself or herself from considering the resolution in question and any Director who would be prohibited by the Corporations Act from voting on the resolution in question) sign or consent to a resolution set out or identified in such a document; and

(c) the Directors who sign or consent to the resolution would have constituted a quorum at a meeting of Directors held to consider that resolution, then a resolution in those terms is taken to have been passed by the Directors without a meeting. The resolution is passed when the last eligible Director forming the required majority signs or provides their consent.

73.2 For the purposes of clause 73.1, separate copies of a document may be used for signing or the provision of consent by the Directors if the wording of the resolution is identical in each copy.

73.3 For the purposes of calculating the number of Directors that constitutes a 75% majority of the Directors who are eligible to vote on a resolution under clause 73.1, where a calculation results in a number that is, or includes, a fraction, the fraction must be rounded up to the nearest whole number.

73.4 This clause 73 does not prevent the exercise of a right or power of Directors, under clause 66.1, to call a meeting of the Directors.

73.5 Any document referred to in this clause 73 may be a document in the form of a facsimile transmission, electronic notification, or produced by other electronic or mechanical means.

73.6 A Director may consent to a resolution by:

(a) signing the document containing the resolution (or a copy of the document);

(b) sending the consent in any document produced under the name of the Director with the Director's authority;

(c) delivering to the Company's registered office a written document addressed to the company secretary or the chairperson of Directors, signifying assent to the resolution and either setting out its terms or otherwise clearly identifying the resolution; or

(d) telephoning the secretary or the chairperson of Directors and signifying assent to the resolution and clearly identifying its terms.

73.7 If a resolution is taken to have been passed in accordance with clause 73.6, the minutes must record that fact.

73.8 This clause 73 applies to meetings of Directors' committees as if all members of the committee were Directors.

73.9 Any document referred to in this clause 73 must be sent to every Director who is entitled to vote on the resolution.;

(h) delete clause 89 and insert in its place the following:

'89 Times for inspection

89.1 Except as otherwise required by the Corporations Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Members other than Directors.

89.2 A Member other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Member is authorised to do so by a court order or a resolution of the Directors.;

- (i) insert immediately after clause 93.3 the following:
- '93.4 Where the Company pays a dividend (interim or final) by the transfer of shares in another corporation:
- (a) the Members receiving the dividend will be taken to have agreed to become members of that corporation; and
- (b) each of those Members appoints the Company or any of the Directors as its agent to execute any transfer of shares or other document required to facilitate or effect the distribution and transfer of the shares to the Member.;

and

- (j) delete clause 94 and insert in its place the following:

'94 Payment

- 94.1 Any dividend or other money payable in respect of Shares may be paid:
- (a) by cheque sent through the mail directed to:
- (i) by the address of the Member shown in the Register or to the address of the joint holder of Shares shown first in the Register; or
- (ii) by an address which the Member has, or joint holders have, in writing notified the Company as the address to which dividends should be sent;
- (b) by electronic funds transfer to an account with a bank or other financial institution nominated by the Member and acceptable to the Company; or
- (c) by any other means determined by the Directors, and is at the risk of the Member who is (or joint holders one of whom is) the intended recipient as soon as it is given, posted or transferred, as applicable.
- 94.2 Any joint holder may give an effectual receipt for any dividend or other money paid in respect of Shares held by holders jointly.
- 94.3 If the Directors decide that payments will be made by electronic transfer into an account (of a type approved by the Directors) nominated by a Member, but no such account is nominated by the Member or an electronic transfer into a nominated account is rejected or refunded, the Company may credit the amount payable to an account of the Company to be held until the Member nominates a valid account.
- 94.4 Where a Member does not have a registered address or the Company believes that a Member is not known at the Member's registered address, the Company may credit an amount payable in respect of the Member's Shares to an account of the Company to be held until the Member claims the amount payable or nominates an account into which a payment may be made.

- 94.5 An amount credited to an account under clause 94.3 or 94.4 is to be treated as having been paid to the Member at the time it is credited to that account. The Company will not be a trustee of the money and no interest will accrue on the money.
- 94.6 If a cheque for an amount payable under clause 94.1 is not presented for payment for 11 calendar months after issue or an amount is held in an account under clause 94.3 or 94.4 for 11 calendar months, the Directors may reinvest the amount, after deducting reasonable expenses, into Shares on behalf of, and in the name of, the Member concerned and may stop payment on the cheque. The Shares may be acquired on market or by way of new issue at a price the Directors accept is market price at the time. Any residual sum which arises from the reinvestment may be carried forward or donated to charity on behalf of the Member, as the Directors decide. The Company's liability to pay the relevant amount is discharged by an application under this clause 94.6. The Directors may do anything necessary or desirable (including executing any document) on behalf of the Member to effect the application of an amount under this clause 94.6. The Directors may determine other rules to regulate the operation of this clause 94.6 and may delegate their power under this clause 94.6 to any person.;

Required voting majorities

Resolutions 3(a) – (c) (inclusive) and 4 – election and re-election of Directors

As resolutions, these resolutions to elect and re-elect Directors of the Company require a simple majority of the votes cast by shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate shareholders or proxies, by a natural person representative to be cast in favour of the Resolutions. A separate resolution is proposed for each Director.

Resolution 5 – adoption of Remuneration Report

Resolution 5 to approve the adoption of the Company's 2014 Remuneration Report requires a simple majority of the eligible votes cast by shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate shareholders or proxies, by a natural person representative to be cast in favour of the Resolution.

The vote is advisory only and does not bind the directors or the Company. However, if Resolution 5 is not passed or is passed with 25% or more of the votes cast on the Resolution being cast against the Resolution:

NOTICE OF ANNUAL GENERAL MEETING (CONT...)

Required voting majorities (cont...)

Resolution 5 – adoption of Remuneration Report (cont...)

- (a) the Company's Remuneration Report for the year ending 30 June 2015 will be required to provide an explanation of how the Board has responded or proposes to respond (if at all) to any comments made at the meeting on the Remuneration Report proposed to be adopted by Resolution 5; and
- (b) the Company will receive a 'first strike' and must propose at the Company's annual general meeting for 2015 a resolution to call a meeting to spill the Board of the Company (other than the Managing Director and Chief Executive Officer) if the Company receives a 'second strike' at that annual general meeting.

Resolution 6 – approval of Employee Share Option Plan

As a resolution, Resolution 6 to approve the adoption/renewal of the Company's employee share option plan requires a simple majority of votes cast by shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate shareholders or proxies, by a natural person representative to be cast in favour of the Resolution.

Resolution 7 – issue of options to certain Directors

As a resolution, Resolution 7 to make available a total of 3,000,000 options to certain Directors requires a simple majority of votes cast by shareholders present and voting at the meeting, whether in person by proxy or attorney, or in the case of corporate shareholders or proxies, by a natural person representative to be cast in favour of the Resolution.

Resolution 8 and 9 – change of name and constitution

As special resolutions, each of resolutions 8 and 9 requires a majority of 75% of votes cast by shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate shareholders or proxies, by a natural person representative to be cast in favour of the Resolutions.

Directors' recommendations and voting

Resolutions 3(a) – (c) (inclusive) and 4 – election and re-election of Directors

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolutions 3(a) – (c) (inclusive) and 4.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of these Resolutions.

Resolution 5 – adoption of Remuneration Report

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 5.

Voting exclusions apply to members of the key management personnel of the Company details of whose remuneration are included in the Remuneration Report (KMP) as well as 'closely related parties' of such members. Closely related parties of a member of the KMP include certain family members, dependants as well as companies they control. Voting exclusions also apply to members of the Company's key management personnel and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

Resolution 6 – approval of adoption/renewal of Employee Share Option Plan

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 6.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's key management personnel and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

Resolution 7 – issue of options to Directors

The Board of Directors (other than those Directors who will be entitled to participate if the Resolution is passed) recommend that all Shareholders entitled to vote, vote in favour of Resolution 7.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's key management personnel and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

Resolution 8 – adoption of new name

The Directors recommend that all Shareholders who are entitled to vote, vote in favour of Resolution 8.

Each Director who is a Shareholder as at the Voting Entitlement Time and who is otherwise entitled to vote, intends to vote their Shares in favour of Resolution 8.

Resolution 9 – amendments to constitution

The Directors recommend that all Shareholders who are entitled to vote, vote in favour of Resolution 9.

Each Director who is a Shareholder as at the Voting Entitlement Time and who is otherwise entitled to vote, intends to vote their Shares in favour of Resolution 9.

Voting Exclusion Statements

Resolution 5 – adoption of remuneration report

Calzada will disregard any votes cast on Resolution 5 by or on behalf of:

- (a) a member of the KMP of the Company details of whose remuneration are included in the Company's Remuneration Report for the year ended 30 June 2014; and
- (b) a closely related party of such a member.

However, the Company will not disregard the vote of a person described in paragraph (a) or (b) above on the Resolution if the vote is not cast on behalf of a person described in either paragraph and either:

- (c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Resolution 6 – adoption/renewal of employee share option plan

Calzada will disregard any votes cast on Resolution 6 by:

- (a) any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (b) an Associate of any such Director.

However, Calzada need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the chair of the meeting as proxy for a person who is entitled to vote and the appointment of the chair as proxy expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Resolutions 7 – grant of options to Directors

Calzada will disregard any votes cast on Resolution 7 by:

- (a) any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any Director who is proposed to receive the options; and
- (b) an Associate of any such Director.

However, Calzada need not disregard a vote if:

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

- (d) it is cast by the chair of the meeting as proxy for a person who is entitled to vote and the appointment of the chair as proxy expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Resolutions 5, 6 and 7 – restrictions on KMP proxy voting

In addition to the voting restrictions specified above, a member of the key management personnel of the Company and any of their closely related parties must not vote as a proxy on Resolution 5, 6 or 7 unless the proxy appointment specifies the way the proxy is to vote on the Resolution.

However, the restriction outlined in the previous paragraph does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Appointing the Chair as your proxy

If you appoint the Chair as your proxy and you do not specify how the chair is to vote on a Resolution, the proxy appointment expressly authorises the chair to exercise the proxy even if the Resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

The Chair of the meeting intends to vote all available and undirected proxies in favour of all Resolutions, subject to the above Voting Exclusions. In exceptional circumstances the Chair's intentions may change subsequently. If there is a change to how the Chair intends to vote undirected proxies, the Company will make an immediate announcement to ASX stating that fact and explaining the reasons for the change.

How to Vote

Voting Entitlements

Calzada has determined that for the purposes of voting at the Meeting or at any adjourned meeting, Shares will be taken to be held by those persons recorded on the Register of Members at the Voting Entitlement Time.

Voting Entitlement Time

In accordance with Regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted on ASX at 10.00am Melbourne time on Saturday, 15 November 2014 being the Voting Entitlement Time, are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting on Monday, 17 November 2014.

NOTICE OF ANNUAL GENERAL MEETING (CONT...)

How to Vote (cont...)

Joint holders

When joint holders are named in the Register of Members only one joint holder may vote. If more than one of the joint holders is present at the Meeting, only the person whose name appears first in the Register of Members will be entitled to vote.

Voting in person or by attorney

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Attendees are asked to arrive at least 15 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the Register and their attendance noted. Shareholders should bring their bar coded proxy form with them to assist in Shareholder identification and registration. Attorneys should bring the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

Voting by corporate representative

Corporate Shareholders or proxies wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from Computershare Investor Services Pty Ltd;
- (b) complete and sign the form in accordance with the instructions on the form; and
- (c) bring the completed and signed form with them to the Meeting.

Proxies

Appointment

1. A Shareholder who is entitled to vote at the Meeting may appoint:
 - (a) one proxy if the Shareholder is only entitled to one vote; or
 - (b) one or two proxies if the Shareholder is entitled to more than one vote.
2. Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
3. A proxy need not be a Shareholder of Calzada. A proxy may be an individual or a body corporate.
4. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Meeting, the Chairman may either act as proxy or complete the proxy form by inserting the name of a Director or a Secretary of the Company.

5. If you require an additional proxy form, Calzada will supply it on request.
6. To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
7. Proxies given by corporate shareholders must be executed in accordance with their constitutions and section 127 of the Corporations Act, or signed by a duly authorised officer or attorney.
8. Please refer to the other notes appearing on the enclosed proxy form.
9. Shareholders wishing to vote by proxy must complete, sign, and deliver the enclosed personalised proxy form in accordance with the instructions on the form so that it is received prior to 10.00am Melbourne time on Saturday, 15 November 2014 by:
 - (a) post in the reply paid envelope provided, to:
Calzada Limited
C/- Computershare Investor Services Pty Ltd
PO Box Reply Paid 242
Melbourne, Victoria, 3001;
 - (b) hand delivered, to:
Calzada Limited
C/- Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067; or
 - (c) fax, to:
Calzada Limited
C/- Computershare Investor Services Pty Ltd
on 1800 783 447 (within Australia) or;
+61 3 9473 2555 (outside Australia).

Voting

10. If a member appoints one proxy, that proxy may, subject to the Corporations Act, vote on a show of hands. If a member appoints two proxies, neither proxy may vote on a show of hands, but each may vote on a poll.
11. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may only vote on the item as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
12. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll.
13. For Shareholders that use Intermediary Online subscribers only (custodians) - please visit **www.intermediaryonline.com** to submit your voting intentions.

Recording devices

In the absence of special permission, the Chairman will require that any recording or broadcasting device (including tape recorders, mobile telephones, still cameras and video cameras) and any article which may be dangerous, offensive or liable to cause disruption, be turned off or deposited outside the Meeting.

Further information

Further information on the Meeting and the Resolutions is contained in the remainder of the Booklet.

Dated 17 October 2014

By Order of the Board



Chris Mews
Secretary

QUESTIONS

1. In accordance with the Corporations Act, a reasonable opportunity will be provided to shareholders as a whole at the annual general meeting to ask questions about, or make comments upon, the management of the company including the Remuneration Report.
2. Any questions from shareholders may be directed to Calzada in writing at any of the contact details listed above under the heading, 'Proxies'.
3. Any shareholders who would like to submit a written question to Calzada's auditor, Ernst & Young (the Auditor), in relation to its conduct of the external audit of Calzada's financial statements for the year ended 30 June 2014, or the content of its audit report, may complete the enclosed Question Form and return it:
 - (a) in the reply paid envelope by mail or delivery to:
Computershare Investor Services Pty Ltd
GPO Box 242, Melbourne, Victoria, 3001, Australia; or
 - (b) by facsimile on:
1800 783 447 (within Australia); or
+61 3 9473 2555 (outside Australia).
4. Written questions to the Auditor must be received by no later than 5:00pm Melbourne time on Wednesday, 12 November 2014.
5. The Auditor may answer relevant submitted questions at the annual general meeting or may table a written answer to those questions at the meeting. Any written answers tabled will be made available as soon as practicable after the annual general meeting by posting them on Calzada's website.

EXPLANATORY NOTES

These explanatory notes accompany and form part of the notice of meeting.

1. Financial statements and reports

The Corporations Act requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the annual general meeting. There is no requirement either in the Corporations Act or Calzada's constitution for shareholders to approve the financial report, the directors' report or the auditor's report. Rather, the purpose of presenting the reports is to give shareholders an opportunity at the meeting to ask questions and to make comments on these reports.

2. Other business

Time will be allocated in the annual general meeting to deal with any business that may legally be brought before the annual general meeting in accordance with Calzada's constitution and the Corporations Act.

3. Election and re-election of directors

Background

3.1 The following 3 directors were appointed to Calzada's board of directors (**Board**) after the Company's 2013 AGM held on 15 November 2013:

- (a) David Williams – appointed 28 February 2014;
- (b) Max Johnston – appointed 13 May 2014;
- (c) Philip Powell – appointed 13 May 2014.

3.2 Pursuant to clause 58.2 of Calzada's constitution, a director appointed by the Board under clause 58.1 must retire at the next annual general meeting, and will then be eligible for re-election. Clause 58.2 does not apply to an Executive director who is not subject to retirement by rotation.

3.3 Accordingly, the following 3 directors seek re-election as directors of Calzada:

- (a) David Williams;
- (b) Max Johnston; and
- (c) Philip Powell.

3.4 David McQuillan retires by rotation in accordance with clause 59 of Calzada's constitution and offers himself for re-election.

Profiles of directors standing for election or re-election

3.5 David Williams

(a) Biographical details

Mr Williams is an experienced Director and Investment Banker with a proven track record in business development and strategy, as well as in corporate initiatives specialising in mergers and acquisitions and capital raising. He possesses 30 years experience working with and advising ASX listed companies in the food, medical device and pharmaceutical sectors.

Mr Williams was appointed chairman of the board on 13 March 2014.

(b) Other material directorships

Mr Williams is currently chairman of Medical Developments International Ltd (ASX: MVP), a director of IDT Ltd (ASX: IDT) and Managing Director of corporate advisory firm Kidder Williams Ltd. Previously he has been chairman of Tassal Group Ltd and been a director of Amcal Ltd and Select Harvests Ltd.

(c) Other information

Mr Williams has been a Director since 28 February 2014 and chairman since 13 March 2014.

No material adverse information has been revealed by the checks that Calzada has performed about Mr Williams.

Other than as set out above, Mr Williams is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

(d) Independent status

The Board considers that Mr Williams is an independent director.

3.6 Max Johnston

(a) Biographical details

Mr Johnston held the position of President and Chief Executive Officer of Johnson & Johnson Pacific, the world's largest Medical, Pharmaceutical and Consumer Healthcare company for 11 years. During his tenure he also served as Director of Johnson & Johnson Research and was a member of its Research Review Committee. Prior to joining Johnson & Johnson, Mr. Johnston's career also included senior roles with Diageo and Unilever in Europe.

EXPLANATORY NOTES (CONT...)

3. Election and re-election of directors (cont...)

Profiles of directors standing for election or re-election (cont...)

3.6 Max Johnston (cont...)

(a) Biographical details (cont...)

Mr Johnston has also held several prominent industry roles as a past President of ACCORD Australasia Limited, a former Vice Chairman of the Australian Food and Grocery Council and a former member of the board of ASMI. Max has had extensive overseas experience during his career in leading businesses in both Western and Central-Eastern Europe, Africa as well as Asia-Pacific.

(b) Other material directorships

Mr Johnston is currently a Non-executive Director of Medical Developments International Ltd (ASX:MVP), Enero Group Limited (ASX:EGG), and Acting Non-executive Chairman of Probiotec Ltd (ASX:PBP).

(c) Other information

Mr Johnston has been a director of the Company since 13 May 2014.

No material adverse information has been revealed by the checks that Calzada has performed about Mr Johnston.

Other than as set out above, Mr Johnston is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

(d) Independent status

The Board considers that Mr Johnston is an independent director.

3.7 Philip Powell

(a) Biographical details

Mr Powell has over 18 years experience in investment banking specialising in capital raisings, IPOs, mergers and acquisitions and other successful corporate finance assignments across a diverse range of sectors including utilities, IT, financial services, food and agriculture. He spent 10 years in senior financial roles at OAMPS Ltd, a former ASX listed financial services group and 10 years in audit with Arthur Andersen & Co. in Melbourne, Sydney and Los Angeles. Mr Powell has been involved in numerous IPO engagements, valuations and venture capital related raisings.

Mr Powell holds a Bachelor of Commerce degree (Honours) from the University of Melbourne, is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia.

(b) Other material directorships

Mr Powell holds no other directorships.

(c) Other information

Mr Powell has been a director of the Company since 13 May 2014.

No material adverse information has been revealed by the checks that Calzada has performed about Mr Powell. Other than as set out above, Mr Powell is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

(d) Independent status

Mr Powell has been engaged as an Acting Managing Director of the Company since 15 July 2014, sharing that role with David McQuillan. As the appointment is temporary and part-time, the Board considers that he is an independent director.

3.8 David McQuillan

(a) Biographical details

Dr McQuillan possesses extensive technical, medical, scientific and regulatory knowledge, as well as merger and acquisition expertise. He obtained his BSc (Hons) and PhD in Biochemistry from Monash University (Clayton, Australia) and spent 15 years in academic based research environments, including the National Institutes of Health (Bethesda, Maryland in the United States), The University of Melbourne (Parkville, Australia), and Texas A&M University Health Science Centre (Houston, Texas in the United States).

In 2000, Dr McQuillan joined LifeCell Corporation, serving a number of roles of increasing responsibility, finally as the Vice-President for Research and Development (R&D). He led LifeCell's R & D team focusing on the creation of market-leading products for reconstructive and plastic surgery applications. Following regulatory clearance in 2008 for its new reconstructive tissue matrix Strattice™, LifeCell was acquired by Kinetic Concepts Inc (KCI) for US\$1.8 billion. Following the acquisition, Dr McQuillan became the Senior Vice President of Advanced Research and Technology at KCI. Dr McQuillan left KCI in 2011 after its acquisition by a private consortium for US\$6.7 billion.

He is Co-Founder and Chief Science Officer for TELA Bio, a VC-funded development-stage biotechnology Company based in Pennsylvania in the United States. He also serves as an Operating Partner of 1315 Capital, a private equity partnership that provides capital to commercial-stage pharmaceutical, medical technology, and healthcare services companies.

(b) Other material directorships

Mr McQuillan holds no other directorships.

(c) Other information

Mr McQuillan has been a director of the Company since 6 August 2012.

No material adverse information has been revealed by the checks that Calzada has performed about Mr McQuillan.

Other than as set out above, Mr McQuillan is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

(d) Independent status

Mr McQuillan has been engaged as an Acting Managing Director of the Company since 15 July 2014 sharing that role with Philip Powell. As the appointment is temporary and part-time, the Board considers that he is an independent director.

4. Adoption of Remuneration Report

4.1 The Remuneration Report is set out on pages 15-26 of the 2014 Annual Financial Report which is available at <http://www.calzada.com.au> and www.asx.com.au, and which has been sent to those shareholders who have requested the Annual Report in hard copy form.

4.2 Please note that the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. The Company will take the outcome of the vote on Resolution 5 into consideration and the comments made by shareholders at the meeting when reviewing the Company's remuneration practices and policies.

4.3 In accordance with the Corporations Act, if twenty-five percent (25%) or more of the eligible votes cast are voted against the adoption of the Company's Remuneration Report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting of shareholders be held within 90 days at which all of the Company's Directors (other than the Managing Director and Chief Executive Officer) who were in office at the date of issue of the relevant second consecutive Remuneration Report must be put up for re-election.

4.4 Noting that each Director has a personal interest in his own remuneration from the Company, the Directors unanimously recommend that all Shareholders vote in favour of Resolution 5 approving the adoption of the Company's 2014 Remuneration Report.

4.5 As outlined in the Notice of Annual General Meeting, all Directors and other specified senior officers of the Company constituting the Company's Key Management Personnel (**KMP**) and those KMP's closely related parties, are precluded from casting a vote on Resolution 5.

5. Approval/Renewal of Employee Share Option Plan

5.1 Shareholder approval of the Company's Employee Share Option Plan (Plan) is sought so that options can be issued under the Plan and not counted towards the 15% limit on the ability of Calzada to issue securities under ASX Listing Rule 7.1.

5.2 In order to take advantage of the employee incentive scheme exception to ASX Listing Rule 7.1, contained in Exception 9 in Listing Rule 7.2, employee incentive schemes need to be approved by shareholders every three years.

5.3 850,000 options were previously issued under the Plan remain outstanding at the date of this Notice of Meeting.

5.4 A summary of the terms of the Plan follows.

Eligibility

The Board may offer Options to full or part-time employees (including executive directors) or any other person that the Board determines to be an employee (for the purposes of the Plan) of the Company or any subsidiary of the Company (**Employees**).

Subject to the Constitution, the Board is also able to determine the terms of issue that will apply to any offers, including the exercise price, exercise period and the restrictions, if any, on the exercise of the Options.

Entitlement

Each Option will, upon vesting and exercise, entitle the holder to subscribe for and be issued one fully paid ordinary Share in the capital of the Company. When issued, each Share will rank equally with all other Shares then on issue.

Issue of Options

There is no issue price for the Options.

Vesting

The Board will set the conditions under which the Options issued under the Plan will vest. Options vest earlier than the date set out in the offer in special circumstances (Special Circumstances), including:

- (a) death;
- (b) if an Employee retires from the Company after reaching the age determined by the Board to be normal retirement age;
- (c) if an Employee resigns due to total and permanent disablement or a dismissal due to redundancy; or
- (d) any other circumstances that the Board may consider relevant.

EXPLANATORY NOTES (CONT...)

5. Approval/Renewal of Employee Share Option Plan (cont...)

5.4 A summary of the terms of the Plan follows. (cont...)

Transfer of Options

Options may not be transferred except in the following circumstances:

- (a) with the prior consent of the Board:
 - (i) on the death of an Employee, to their legal personal representative; or
 - (ii) to an approved nominee or, after issue to a family member or a company or trust associated with and controlled by the Employee; or
- (b) without prior consent of the Board in the following circumstances:
 - (i) following an acceptance of an offer made under an off-market bid relating to Options;
 - (ii) to a bidder on the sale of the Options under Division 3 of Part 6A.1 of the Corporations Act;
 - (iii) to a 100% holder on the sale of the Options under Division 2 of Part 6A.2 of the Corporations Act;
 - (iv) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Options under section 661A or 664A of the Corporations Act; or
 - (v) as approved by the Board in those circumstances as may be determined by the Board.

Conditions

Subject to the discretion of the Board, conditions may be imposed on the exercise of Options. If exercise conditions are attached to Options, these conditions must also be satisfied before the Options vest. These conditions will be set out in the offer.

Term

The Option term will be fixed by the Board at the time of issue, but will not exceed five years from the date of issue.

Lapse of Options

The Board may provide the Options will lapse on the earliest of:

- (a) the date five years after the date the Options are granted;
- (b) 60 days after a Special Circumstance arises;
- (c) a determination of the Board that the Option should lapse because the Employee, in the Board's opinion:
 - (i) has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Employee without notice;
 - (ii) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence); or
 - (iii) has done an act which brings the Group or any body corporate in the Group into disrepute;
- (iv) the date of termination or cessation of employment of office with the Company (other than by reason of Special Circumstances); and

(d) such other date as may be determined by the Board.

The Options may only be exercised within the limitations imposed by the Corporations Act and the ASX Listing Rules.

Exercise Price

The exercise price for an Option will, subject to the ASX Listing Rules and the Constitution, be the amount determined by the Board at the time of the issue of the Option. The exercise price will be set out in the Offer. If an Employee elects to exercise a partial amount of the Options granted to him or her, the number must not be less than a marketable parcel.

New issue of Securities

An Employee may only participate in new issues of securities in the Company offered to Shareholders if his or her Options have been exercised and Shares have been issued in respect of the Options.

Rights issues

If the Company makes a pro rata rights issue of shares for cash to shareholders, there is a provision for adjustment of the Option entitlement and the exercise price of unexercised Options in accordance with the ASX Listing Rules to reflect the diluted effect of the issue.

Capital Reorganisations

If there is a reorganisation of the Share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled to and the exercise price) is charged to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Takeover Bids and Sales of Business

Subject only to the offer expressly providing to the contrary, if:

- (a) a takeover offer or a takeover announcement is made in respect of the Shares; and
- (b) the takeover offer or offer pursuant to the announcement (as the case may be) is accepted by the holders of not less than 50% in number of the Shares, each Employee will be entitled to immediately exercise all Options currently held by him or her within the period notified by the Company.
- (c) Subject only to the Offer expressly providing to the contrary, if:
- (d) a takeover offer or a takeover announcement is made in respect of the Shares; and
- (e) the takeover offer or offer pursuant to the announcement (as the case may be) is accepted by the holders of not less than 50% in number of Shares; and
- (f) is a takeover offer or other offer also made for the Options, each Employee will be entitled to immediately accept the offer for his or her Options.

Limit of Plan

The number of Shares to be received on exercise of an Option which is the subject of an Offer when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares and options to acquire unissued Shares, under an employee share scheme of the Company, to be accepted or exercised (as the case may be); and
- (b) the number of Shares in the same class issued during the previous five years pursuant to the Plan or any other employee share scheme extended only to eligible employees of the Company; but disregarding any offer made, or option acquired or Share issued by way of or as a result of an offer;
- (c) to a person situated at the time of receipt of the offer outside this jurisdiction; or
- (d) that was an excluded offer or invitation within the meaning of the Corporations Law as in force before the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999; or
- (e) that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (f) that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
- (g) made under a disclosure document or product disclosure statement, must not exceed 5% of the total number of issued Shares in that class as at the time of the Offer.

Overriding terms of issue

The Plan specifies that, despite any other terms of issue of the Options, an Option does not confer any right to vote at Shareholder meetings. The Plan is to be interpreted in accordance with the applicable laws.

Amendment

The Plan may be amended by the Board at any time in accordance with the ASX Listing Rules.

No quotation

The Company will not apply to the ASX for official quotation of the Options.

6. Issue of options to certain directors

- 6.1 Under ASX Listing Rule 10.11, an entity must not issue or agree to issue equity securities to a related party, which includes any director of the entity without shareholder approval. Exception 4 to that Rule applies to a director who receives the securities under an 'employee incentive scheme' with approval under ASX Listing Rule 10.14. An 'employee incentive scheme' is widely defined and the Company has taken the view that it applies to a proposal for the multiple grants of options to 2 or more directors. As a result Resolution 7 is proposed for the purposes of ASX Listing Rule 10.14.
- 6.2 Under ASX Listing Rule 10.14, no director can acquire securities under an employee incentive scheme without shareholder approval.
- 6.3 Resolution 7 is also proposed for the purposes of ASX Listing Rule 10.11 to remove any doubt that there is an 'employee incentive scheme' (as defined for the purposes of the ASX Listing Rules) in this context and also to ensure that the proposed grant of options will not restrict the capacity of the Company to issue securities within the 15% limit prescribed by ASX Listing Rule 7.1.
- 6.4 Resolution 7 is put to shareholders for the purpose of approving the grant of options to the following Directors for the financial year ending 30 June 2015:
 - (a) Bruce Rathie;
 - (b) David McQuillan;
 - (c) Max Johnston; and
 - (d) Philip Powell.
- 6.5 Each of the above Directors will receive a maximum of 500,000 options exercisable at \$0.20 per option. Max Johnston and Philip Powell will in addition receive a maximum of 500,000 options exercisable at \$0.14 per option.
- 6.6 The Board believes that the issue of options under the Plan is an important part of the directors' overall remuneration package and Calzada's plan to attract and retain quality directors that can add value. The options are designed to provide a long term incentive to pursue the growth and success of Calzada. The proposed grant of options is focused on individuals whose roles and contributions are identified as critical to the continued growth and success of Calzada.
- 6.7 In summary, the terms under which the proposed issues of options are to be made to the above 4 directors (participating directors) are as follows:
 - (a) the options will be issued to the participating directors;
 - (b) the maximum number of options to be granted is 3,000,000;
 - (c) the options will be granted as incentive options and will be issued for nil monetary consideration;

EXPLANATORY NOTES (CONT...)

6. Issue of options to certain directors (cont...)

- 6.7 In summary, the terms under which the proposed issues of options are to be made to the above 4 directors (participating directors) are as follows: (cont...)
- (d) 2,000,000 options will have an exercise price of \$0.20 per option with the remaining 1,000,000 options having an exercise price of \$0.15 per option;
 - (e) each option will vest immediately on issue and will expire on the third anniversary of the date of issue, or if the holder of the options ceases to be a director of the Company, by reason of resignation, removal or failing to be re-elected, death or incapacity, they will have 1 month after that cessation to exercise their options failing which unexercised options held by that option holder will be cancelled;
 - (f) the value of the options is calculated using the Black Scholes valuation methodology as follows:

	Exercise price \$0.20	Exercise price \$0.14
Volatility	74%	74%
Risk Free Rate	2.71%	2.71%
Share price	\$0.118	\$0.118
Estimated option valuation	\$0.043	\$0.054

- (g) no person referred to in ASX Listing Rule 10.14 (which includes all directors of Calzada) has received securities under the contemplated employee incentive scheme since the adoption of the Plan without the approval of holders of ordinary shares;
- (h) the persons referred to in ASX Listing Rule 10.14 who are currently entitled to participate in the scheme are:
- (i) no loan is granted by Calzada in relation to the acquisition of options; and
- (j) the options will be issued no later than 15 December 2014.

The full terms of the options proposed to be granted are set out in Schedule 1.

Recommendation

- 6.8 The directors recommend that shareholders vote in favour of this resolution. Each of Bruce Rathie, David McQuillan, Max Johnston and Philip Powell decline to make a recommendation to Shareholders in relation to Resolutions 7 so as to avoid any perceived conflict of interest in making a recommendation on the issue of Director Options.

7. Adoption of new name, PolyNovo Limited

The Company proposes to change its name from Calzada Limited to PolyNovo Limited.

The strategic direction of the Company is primarily focussed

on the PolyNovo business and as a result the Directors consider that the current name is no longer appropriate.

If the special resolution is passed, in accordance with section 157(2) of the Corporations Act, Calzada will lodge a copy of the special resolution with ASIC within 14 days together with an application to register PolyNovo Limited as the new name of the Company. ASIC will then issue a certificate of registration of the company with its new name.

8. Amendments to Constitution

- 8.1 A company's constitution is the core source of the rules governing its internal management, administration and corporate governance.
- 8.2 Calzada's existing constitution was adopted on 27 October 2006 (Existing Constitution). Since that time, there have been a number of significant amendments to Australian corporations legislation and to the ASX Listing Rules. As a result of these changes, parts of Calzada's Existing Constitution are inconsistent with the current requirements of the Corporations Act or the ASX Listing Rules, and some of its provisions have become redundant or outdated. There have also been many developments in corporate governance principles and general corporate practice since 2006.
- 8.3 As a result the Company has decided to propose a number of amendments to enhance the functionality of its existing constitution. They include amendments:
- (a) to allow the Company to satisfy returns of capital as well as interim and final dividends by the in specie distribution of assets, including shares in other companies, as well as in cash;
 - (b) to allow the Company to postpone, as well as to adjourn, meetings of its shareholders;
 - (c) allowing for direct voting by shareholders who are not able to attend a meeting and prefer to vote by that means rather than by appointing a proxy. Directors will have the power not to permit direct voting on one or more particular resolutions;
 - (d) clarifying that the Company may enter into binding agreements for the provision of retirement benefits to Directors subject always to the limits prescribed by the Corporations Act;
 - (e) facilitating various electronic and informal means for directors to pass resolutions without a formal meeting as well as allowing such resolutions to be passed with a 75%, rather than unanimous, vote of eligible Directors; and
 - (f) facilitating and in certain cases mandating direct or electronic payment of dividends and other shareholder distributions by the Company.

8.4 If this special resolution is passed, in accordance with section 136(5) of the Corporations Act, Calzada will lodge a copy of this special resolution with ASIC within 14 days.

8.5 Although many changes are proposed, the structure and effect of the amended Constitution will not be materially different from that of the Existing Constitution.

SCHEDULE 1 – TERMS OF OPTIONS

The Options entitle the holder to acquire by way of issue shares in the Company (**Shares**) on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to acquire by way of issue one Share.
- (b) The amount payable upon exercise of each Option will be A\$0.14 or A\$0.20 per option (**Exercise Price**).
- (c) The Options will expire at 5.00pm (Melbourne time) on the date that is 3 years after their date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
However, if an Optionholder ceases for any reason to be a Director of the Company before the Expiry Date, then notwithstanding the Expiry Date, any unexercised Options held by that Optionholder, will lapse and become incapable of being exercised on the date that is one month after the date of such cessation.
- (d) The Options held by an Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 business Days of receipt of the exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options may be transferable subject to Board approval and compliance with the Corporations Act and the ASX Listing Rules (where applicable).
- (i) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares then on issue.
- (j) The Company will not apply for quotation of the Options on ASX or any other financial market. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares. To the extent any Shareholder or regulatory approval is required by the Company for the issue of any Shares the subject of any exercise notice (**Approval**), the Company will use reasonable endeavours to seek the Approval and upon receipt, the Company will issue the relevant Shares within five (5) Business Days following Approval.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled in that capacity 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 4 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Subject to the ASX listing Rules, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10.00am (Melbourne time) Saturday, 15 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Calzada Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Calzada Limited to be held at Unit 2, 320 Lorimer Street, Port Melbourne, Victoria on Monday, 17 November 2014 at 10.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 5, 6 & 7 (except where I/we have indicated a different voting intention below) even though Items 5, 6 & 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 5, 6 & 7 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 3a Election of David Williams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b Election of Max Johnston as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3c Election of Philip Powell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of David McQuillan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of options to certain directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Change of name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9 Amendments to constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /