



# **Advanced Surgical Design & Manufacture Limited**

ABN 71 066 281 132

## **Notice of Annual General Meeting and Explanatory Notes**

Date of Meeting : Thursday 29 November 2012  
Time of Meeting : 11am  
Place of Meeting: 2/12 Frederick Street,  
St Leonards, NSW.



## **ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED**

ABN 71 066 281 132

### ***NOTICE OF ANNUAL GENERAL MEETING***

Notice is hereby given that the 2012 Annual General Meeting (“AGM”) of Shareholders of Advanced Surgical Design & Manufacture Limited (“the Company”) will be held at 2/12 Frederick Street, St Leonards, NSW, 2065 on Thursday 29 November 2012 at 11.00am.

### **BUSINESS**

#### **1. Financial and Other Reports**

To receive and consider the Financial Report of the Company and the Reports of the Directors and the Auditor in respect of the year ended 30 June 2012.

#### **2. Adoption of Remuneration Report**

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

“That, the Company’s Remuneration Report for the financial year ended 30 June 2012 (set out in the Directors’ Report) be adopted.”

*Note: The vote on this resolution is advisory only and the outcome will not be binding on the Directors or the Company.*

*If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must stand for re-election.*

#### **3. Election of John O’Meara as a Director**

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

“That Mr John O’Meara who retires by rotation in accordance with the Company’s constitution and, being eligible, offers himself for re-election, be elected as a Director of the Company.”

#### **4. Subsequent Approval of the Issue of 750,000 Shares**

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of 750,000 ordinary shares on the terms and conditions described in the Explanatory Notes, which are attached to and form part of this Notice.”

By Order of the Board

Richard Ulrick  
Company Secretary  
Sydney, 26 October 2012

## **PROXIES AND VOTING**

### **Voting Exclusions**

#### ***Item 2***

In accordance with the Corporations Act, any vote cast on the resolution the subject of Item 2 by Key Management Personnel of the Company or the consolidated entity of which the Company is a part and their Closely Related Parties, which include certain family members, dependants and companies they control (collectively “Excluded Persons”) will be disregarded if the remuneration of the Key Management Personnel appears in the Remuneration Report.

However, the Company need not disregard a vote if it is cast by:

- one of the Excluded Persons, as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Key Management Personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies at page 9 the Company’s Key Management Personnel for the financial year to 30 June 2012.

#### ***Item 4***

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

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Proxies**

A Proxy Form accompanies this Notice of Annual General Meeting. A member who is entitled to attend and vote at the meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote in their place.

A single proxy exercises all voting rights. Where a member wishes to appoint two proxies, an additional proxy form may be obtained by contacting the Company, or the member may copy the enclosed proxy form. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a

member appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. A member or proxy that is a corporation and entitled to vote may appoint an individual to act as its representative. Evidence of the appointment of a representative must be in accordance with the Corporations Act 2001 (Cth) and lodged with the Company before the meeting or at the registration desk on the day of the meeting.

If any instrument (including an Appointment of Corporate Representative or Proxy Form) returned to the Company is completed by an individual or a corporation under Power of Attorney, the Power of Attorney under which the instrument is signed, or a certified copy of that Power of Attorney, must accompany the instrument unless the Power of Attorney has previously been noted by the Company.

To be valid, Proxy Forms must be lodged by:

- (a) posting or facsimile to the Company's share registry as follows: Advanced Surgical Design & Manufacture Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Facsimile: (02) 9287 0309; or
- (b) delivering it to Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000;

by no later than 11am (AEDT) on Tuesday 27 November 2012.

#### **Appointment of the Chairman or other Key Management Personnel as your proxy**

Due to the voting exclusions and requirements referred to above, if you intend to appoint the Chairman, any other director or Key Management Personnel or their Closely Related Parties or associates as your proxy, you are encouraged to direct your proxy on how to vote on the resolution the subject of Item 2, by marking either "For", "Against" or "Abstain" on the proxy form for that item of business.

***The Chairman's stated voting intention would be to vote any undirected proxies in favour of all proposed resolutions including for the resolution the subject of Item 2 (Adoption of Remuneration Report).***

Further you should note that:

- if you execute a proxy form and do not nominate a person to act as your proxy, the Chairman will be appointed as your proxy by default;
- if you appoint the Chairman as your proxy or the Chairman is appointed as your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your undirected proxies held by the Chairman will be taken as a direction to the Chairman to vote in accordance with his stated voting intention, which is to vote in favour of all resolutions (including the resolution the subject of Item 2);
- you will be taken to authorise the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a

member of the Key Management Personnel or the Chairman has an interest in the outcome of the relevant resolution.

Shareholders always have the ability to appoint the Chairman as their proxy to cast the votes contrary to the Chairman's stated voting intention or to abstain from voting on a resolution.

If you appoint someone other than the Chairman as your proxy who is another director or member of Key Management Personnel or their Closely Related Parties or associates and do not direct them how to vote on the resolution the subject of Item 2, then your proxy will not be voted on that resolution.

### **Corporate Representatives**

Corporate shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative.

### **Eligibility to Vote**

For the purpose of voting at the meeting, the Directors have determined that all shares of the Company are taken to be held by the persons who are registered as holding them at 7.00 pm (AEDT) on Tuesday 27 November 2012. The entitlement of members to vote at the meeting will be determined by reference to that time.

### **Questions**

In addition to asking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the auditor's report and the conduct of the audit, may be submitted no later than Thursday, 22 November 2012 to the Company's Share Registry, Link Market Services Limited, the contact details being set out above.

## **EXPLANATORY NOTES**

The purpose of these Explanatory Notes is to provide shareholders of the Company with information that is reasonably required by shareholders to decide how to vote upon the resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether to support the resolutions.

### **Item 1- Financial and Other Reports**

The Company's Annual Report which contains the Financial and other Reports in respect of the year ended 30 June 2012 has been made available to shareholders and may be viewed on the Company's website.

No resolution is required for this item. Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company and to ask the Company's auditor questions about its audit report, the conduct of the audit of the Company's financial report for the year ended 30 June 2012, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

### **Item 2 – Remuneration Report**

The Remuneration Report of the Company for the financial year ended 30 June 2012 is set out on pages 6 to 13 of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for directors and senior executives.

The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on adoption of the Remuneration Report. However, this vote is of an advisory nature only and does not bind the Company nor its directors.

Acknowledging that each director has a personal interest in his own remuneration from the Company as described in the Remuneration Report, the directors unanimously recommend shareholders vote in favour of the resolution the subject of Item 2.

### **Item 3- Election of John O'Meara as a Director**

Mr O'Meara retires as a director in accordance with the Company's Constitution and being eligible offers himself for election.

Mr O'Meara, aged 59, having been first appointed as a director on 1 March 2010 and re-elected on 5 November 2010, is non-executive Chairman of the Audit & Risk Committee and a member of the Nomination & Remuneration Committee.

John is a business leader with over 27 years senior management experience in telecommunications and information technology industries in Australia, Asia Pacific and the United Kingdom. He is a seasoned strategy and project manager with expertise in strategic planning and the execution of large scale, complex and deadline dependent projects. He has held a series of senior leadership roles in Optus Pty Limited. John was the champion of sustainable quality-of-service working practices when he was with British Telecom in the Asia Pacific.

Further details of his qualifications, experience and achievements are contained on page 4 of the Annual Report.

The Board considers that Mr. O'Meara strengthens its strategic, operational and project related experience and assists the Company as it seeks to scale up the manufacturing of its product range.

The directors, with Mr O'Meara abstaining, unanimously recommend that shareholders vote in favour of this resolution.

### **Item 4: Subsequent Approval of the Issue of 750,000 Shares**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of ordinary securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting, unless an exception in ASX Listing Rule 7.2 applies.

However, ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1 if:

- the issue did not breach ASX Listing Rule 7.1; and
- holders of ordinary securities subsequently approve it.



The Company has issued 750,000 fully paid ordinary shares (“Shares”) to key employees at no cost to the employees in an endeavour to retain the services of the employees until at least 30 June 2015.

The issue of the 750,000 Shares did not result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of those Shares does not therefore depend upon shareholders passing the resolution the subject of Item 4.

The purpose of the resolution is to obtain shareholder approval for the purpose of ASX Listing Rule 7.4 and for all other purposes. If shareholders approve the issue of the Shares for the purpose of ASX Listing Rule 7.4, the issue of the Shares will not count towards determining the maximum number of equity securities that the Company can issue in any 12 month period without first obtaining shareholder approval.

However, if shareholders do not approve the issue of the Shares for the purpose of ASX Listing Rule 7.4, the issue of the Shares will count towards the maximum number of equity securities that the Company can issue in any 12 month period.

For the purpose of ASX Listing Rule 7.5 information regarding the Shares is provided as follows:

- 750,000 Shares have been allotted.
- The Shares have been issued for no consideration and as such have a NIL issue price.
- The terms and conditions of the Shares are the same as the terms and conditions of already issued fully paid ordinary shares in the Company and rank equally with all other fully paid ordinary shares in the Company, other than that the Shares:
  1. are subject to a trading lock which remains in place until the earlier of 30 June 2015 and the date the Board in its absolute discretion determines where a takeover bid causes or is likely to cause a change in control of the Company; and
  2. are cancelled in the event that the holder ceases to be an employee on or before that date.
- The allottees of the Shares are key employees of the Company who are not related parties.
- No funds are raised from the issue of the Shares.

The resolution the subject of Item 4 is an ordinary resolution.

The directors unanimously recommend that shareholders vote in favour of this resolution.