

# Calzada Limited

ACN 083 866 862

## Notice of Extraordinary General Meeting and Explanatory Memorandum

# Contents

<b>Glossary</b>	<b>4</b>
<b>Notice of Meeting</b>	<b>5</b>
2 <b>Voting entitlement</b>	<b>5</b>
3 <b>Voting prohibitions and exclusion statements</b>	<b>5</b>
4 <b>Quorum</b>	<b>5</b>
5 <b>Majority required for the Resolution to be passed</b>	<b>5</b>
6 <b>Proxies</b>	<b>5</b>
7 <b>Important information concerning proxy votes on the Resolution</b>	<b>6</b>
<b>Explanatory Memorandum</b>	<b>7</b>
<b>Annexure A – Terms and conditions of Director Options</b>	<b>9</b>
<b>Annexure B – Valuation of Director Options</b>	<b>10</b>

## **Notice of Extraordinary General Meeting**

**Date**            **01 July 2014**  
**Time**            **9.00am (Melbourne time)**  
**Location**       **Unit 2, 320 Lorimer St, Port Melbourne, Victoria**

### **Action required by Shareholders**

- Step 1**        **Read the Notice of Extraordinary General Meeting and the Explanatory Memorandum.**
- Step 2**        **Vote on the resolution: Your vote is important.**  
**You may vote by:**
- **attending and voting at the EGM, or**
  - **completing and returning the enclosed proxy form so as to be received by the Share registry by 9.00am Melbourne time on 29 June 2014.**

# Glossary

The defined terms below apply to the Notice of Meeting and Explanatory Memorandum. Unless the context otherwise requires, the singular includes the plural and vice versa, and the following terms will have the following meaning:

**ASX** means ASX Limited ACN 008 624 691.

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

**Board** means the board of Directors of the Company from time to time.

**Company or Calzada** means Calzada Limited ACN 083 866 862.

**Constitution** means the constitution of the Company as amended from time to time.

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

**Director Option** means an option issued on the terms set out in Annexure A.

**Directors** mean the directors of the Company from time to time.

**EGM** means the extraordinary general meeting of Shareholders to which the Notice of Meeting and Explanatory Memorandum relates.

**Explanatory Memorandum** means the explanatory memorandum that is annexed to the Notice of Meeting.

**Notice of Meeting** means this document, the notice of extraordinary general meeting of Calzada.

**Option** means an option which, if vested and exercised, will entitle the holder to subscribe for a Share.

**Resolution** means the resolution that is set out in the Notice of Meeting and explained in the Explanatory Memorandum.

**Shareholder** means a holder of Shares.

**Shares** means fully paid ordinary Shares in the capital of the Company.

# Notice of Meeting

Notice is given that the EGM of the Shareholders of Calzada Limited will be held at Unit 2/320 Lorimer St, Port Melbourne, Victoria at 9.00am (Melbourne time) on 01 July 2014.

The business to be considered at the EGM is set out below. Information on the resolution to which the business relates is contained in the Explanatory Memorandum.

## 1 Business

### Resolution – Approval of issue of options to Mr David Williams

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

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the grant to Mr David Williams (or his nominee) of 10,000,000 Options, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting, is approved.”

## 2 Voting entitlement

For the purposes of the EGM and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that the Shareholders entitled to attend and vote at the EGM shall be those persons who are recorded on the register of Shareholders at 9.00am (Melbourne time) on 29 June 2014.

## 3 Voting prohibitions and exclusion statements

### (a) Voting Exclusion Statement

In accordance with Listing Rule 10.13.6, the Company will disregard any votes cast on the Resolution by Mr Williams or any of his associates.

However, the Company need not disregard a vote on the Resolution if it is cast by a person as a 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.

### (b) Voting prohibition

In accordance with section 250BD of the Corporations Act, a vote on the Resolution must not be cast by a person appointed as a proxy if:

- (i) the proxy is either:
  - (A) a member of the key management personnel; or
  - (B) a closely related party of a member of the key management personnel; and

- (ii) the appointment does not specify the way the proxy is to vote on the relevant resolution.

However the above prohibition does not apply if the proxy is cast:

- (i) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and
- (ii) by the Chairman of the EGM 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.

## 4 Quorum

The Constitution provides that a quorum for a meeting of Shareholders is two Shareholders present personally or by representative, attorney or proxy.

## 5 Majority required for the Resolution to be passed

The Resolution will be passed if at least 50% of the votes on that Resolution (either in person, proxy, attorney or by corporate representative) are in favour of that Resolution.

## 6 Proxies

- (a) Any Shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on their behalf. The person or persons so appointed need not necessarily be Shareholders.
- (b) Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).
- (c) A proxy form is enclosed. Please ensure that your proxy instructions are received not later than 9.00am (Melbourne time) on 29 June 2014 at the Company's Share registry, Computershare Investor Services Pty Limited:
  - **Mail:** GPO Box 242, Melbourne VIC 3001
  - **Fax (within Australia):** 1800 783 447
  - **Fax (outside Australia):** +61 (03) 9473 2555
- (d) A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

- (e) If you return your proxy form but do not nominate a representative, the Chairman of the EGM will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman of the EGM and he will vote on your behalf as you direct on the proxy form.
- (f) Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on the Resolution".
- (g) Custodian voting – For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## 7 Important information concerning proxy votes on the Resolution

- (a) The Corporations Act places certain restrictions on the ability of key management personnel and their closely related parties to vote on resolutions connected directly or indirectly with the remuneration of the Company's key management personnel. Key management personnel of the Company are the Company's directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year ended 30 June 2013. Their closely related parties are defined in the Corporations Act and include certain of their family members, dependants and companies they control.
- (b) For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Company's key management personnel, as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on the Resolution. In particular, Shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on the Resolution.

- (c) If you do appoint the Chairman as your proxy but you do not direct the Chairman how to vote in respect of the Resolution, then **you must mark the box indicated on the proxy form** if you wish the Chairman to exercise your proxy vote in respect of the Resolution. Marking this box will constitute an express authorisation by you directing the Chairman to vote your proxy in **favour** of the Resolution (unless you have exercised your right to direct the Chairman otherwise by marking the 'against' or 'for' column). This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of the Resolution and that votes cast by the Chairman for that resolution, other than an authorised proxy holder, will be disregarded because of that interest.
- (d) If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called.

By order of the Board



**Christopher Mews**  
**Company Secretary**  
27 May 2014

# Explanatory Memorandum

## Introduction

This Explanatory Memorandum has been prepared to assist Shareholders to understand the Resolution specified in the Notice of Meeting that will be put to Shareholders at the forthcoming EGM.

## Resolution - Approval of issue of Options to Mr David Williams

### Background

The Directors have resolved to grant 10,000,000 Options to the Company's non-executive Chairman, Mr Williams, (**Director Options**) subject to Shareholder approval being obtained.

The grant of Director Options is considered to be a cost-effective mechanism to assist in the reward and retention of Directors of the Company. The Board considers the proposed grant of Director Options to Mr Williams reasonable in the circumstances, given the necessity to attract and retain high calibre professionals to the Company, whilst seeking to maintaining the Company's cash reserves.

The grant of the Director Options forms part of Mr Williams remuneration package and is designed to encourage Mr Williams to have a greater involvement in the achievement of the Company's objectives and to provide Mr Williams with the opportunity to participate in the future growth and prosperity of the Company through share ownership. The primary purpose of the grant of the Director Options is to form part of Mr Williams' remuneration package – it is not to raise capital.

The Board discussed with Mr Williams (but did not finally agree) the issue of equity incentives as part of Mr Williams' remuneration package when he agreed to join the Board in February 2014. At that time, the Company's Shares were trading at levels below the \$0.09 exercise price set for a portion of the Director Options proposed to be issued to Mr Williams.

Since joining the Company's Board in February 2014, Mr Williams has played a significant role in seeking to progress the development of the Company's products. The Company's Shares have also traded at levels above the prevailing share price when Mr Williams agreed to join the Company's Board.

The Board therefore determined it appropriate that the exercise price of a portion of the Director Options proposed to be issued to Mr Williams should be determined by reference to price at which the Company's Shares were trading prior to Mr Williams agreeing to join the Board. It is noted that the exercise price of the remaining portion of Director Options proposed to be issued to Mr Williams is significantly above the price at which the Company's Shares are currently trading on ASX.

The Board does not consider that there are any significant opportunity costs to the Company, or benefits foregone by the Company, in issuing the Director Options upon the terms proposed.

The number of Director Options proposed to be issued to Mr Williams has been determined taking into account the significant contribution that Mr Williams is likely to have to the Company's success, and to provide ongoing equity incentives to advance the Company and its assets. Regard has also been given to less tangible issues such as alignment of interests to the Company through an equity holding.

The Board considers the number of Director Options issued to Mr Williams will ensure that overall Director emoluments remain competitive with market standards.

### Regulatory requirements

As a Director, Mr Williams is a related party of the Company.

ASX Listing Rule 10.11 requires the Company to obtain Shareholder approval in order to grant Options to a related party (unless an exception applies).

Chapter 2E of the Corporations Act also requires shareholder approval to be obtained where a public company seeks to give a "financial benefit" to a "related party" unless the giving of the financial benefit falls within one of the prescribed exceptions.

The granting of the Director Options to Mr Williams will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, shareholder approval is also being sought for the grant of the Director Options to Mr Williams, being the subject of the Resolution for the purposes of Chapter 2E of the Corporations Act.

### Information provided for the purpose of obtaining Shareholder approval

In accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to Shareholders in connection with the Resolution:

- (a) A total of 10,000,000 Director Options will be granted to Mr Williams as follows:

Number of Options	Exercise Price
7,500,000	\$0.09 per Share
2,500,000	\$0.20 per Share

- (b) The Director Options will be granted no later than 1 month after the date of the EGM (or such later date as permitted by an ASX waiver or other modification of the ASX Listing Rules) and it is anticipated that the Options will be issued on the same date.

- (c) Each Director Option will be granted for no consideration and will entitle the holder to subscribe for and be allotted one Share at the relevant Exercise Price, and are exercisable on or before the date that is 3 years after their date of issue. Some or all of any unexercised Director Options will lapse if Mr Williams resigns or is otherwise removed as a Director of the Company for misconduct. The full terms of the Director Options are set out in **Annexure A**.
- (d) No funds will be raised from the grant of Director Options. Any funds raised from the exercise of the Director Options will be used for general working capital purposes.
- (e) The Director Options will only be transferable in the event that a change of control of the Company occurs or by force of law upon death of the option holder or upon bankruptcy of the option holder, or otherwise with the consent of the Board.
- (f) The Director Options will not entitle the holder to any dividends declared or issued by the Company.
- (g) As at the date of the Notice of Meeting to which this Explanatory Memorandum relates, Mr Williams and his associates held 190,000 interests in securities of the Company.
- (h) The proposed remuneration and emoluments for the current financial year ending 30 June 2014 (excluding the value of the Options the subject of the Resolution) will be \$25,946. The assessed value of the Director Options, and the pricing methodology, is set out in Annexure B.
- (i) If the Director Options proposed to be granted are exercised, a total of 10,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 418,509,426 to 428,509,426 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.39%.
- (j) The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.
- (k) The trading history of the Shares on ASX in the 12 months before the date of the Notice of Meeting to which this Explanatory Memorandum relates is set out below:

	Price	Date
Highest	A\$0.155	21/03/14
Lowest	A\$0.065	25/07/13
Last	A\$0.105	27/05/14

- (l) The Directors believe that there are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed. Mr Williams must each contribute their own money to the Company to fund the exercise price of the Director Options.
- (m) Australian International Financial Reporting Standards require the Director Options to be expensed which is guided by AASB 2 – *Share Based Payments*. In accordance with AASB 2, these Director Options will be expensed over the vesting period. Expensing the Director Options will have the effect of increasing both the expenses and contributed equity of the Company. Whilst there will be a reduction in profit, there will be no impact on the net assets or the cash position or financial resources of the Company as a result of expensing the Director Options. There are no tax implications for the Company in issuing these Director Options.
- (n) The primary purpose of the grant of the Director Options to Mr Williams is not to raise capital, but to form part of his remuneration package.
- (o) Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Mr Williams as approval is being sought under ASX Listing Rule 10.11. Accordingly, the issue of Options, if approved by Shareholders, will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

#### Directors' recommendation and undirected proxies

- (a) The Board (excluding Mr Williams), considers that the grant of Director Options to Mr Williams is an appropriate mechanism to assist in his reward and retention. All Directors (excluding Mr Williams) recommend that Shareholders vote in favour of the Resolution.
- (b) Mr Williams has a material personal interest in the outcome of the Resolution because it relates to the issue of Director Options to him. Mr Williams did not participate or vote on the Board resolution to approve the issue of Options to him. Mr Williams declines to make a recommendation to Shareholders in relation to the Resolution given his interest in the outcome of the Resolution.

#### Further information

If you have any questions or need more information about the Resolution above, please contact the Company Secretary, Chris Mews on:

Telephone: +61 (03) 8681 4056

Fax: +61 (03) 8681 4099



# Annexure A – Terms and conditions of Director Options

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The amount payable upon exercise of each Director Option will be A\$0.09 in respect of 7,500,000 Director Options, and will be A\$0.20 in respect of the remaining 2,500,000 Director Options (**Exercise Price**).
- (c) The Director Options will expire at 5.00pm (WST) on the date that is 3 years after their date of issue (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

However, if the Optionholder resigns as a Director of the Company [or is otherwise dismissed for committing any act of serious misconduct in relation to the Company] before the Expiry Date, then notwithstanding the Expiry Date, any unexercised Director Options up to the maximum number determined in accordance with the formula below, at the time of the Directors' resignation or removal, will immediately lapse and become incapable of being exercised:

$$(1 - x/3) \times 10,000,000$$

where x = the period of time between the issue of the Director Options and the date of resignation of the Optionholder as a Director of the Company, expressed in years.

Where there are unexercised Director Options with different Exercise Prices, then the proportion of unexercised Director Options in each class that will lapse upon resignation or removal of the Optionholder as a Director of the Company is determined based on the proportion that each class of Director Options comprises of the total Director Options issued to the Optionholder (regardless of whether such Director Options have been exercised).

- (d) The Director Options held by each 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 Director Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director 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 allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (h) The Director Options may be transferable subject to Board approval and compliance with the Corporations Act and the ASX Listing Rules (where applicable).
- (i) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment 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 shall use its best endeavours to seek the Approval and upon receipt, the Company will allot 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 Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (m) Subject to the ASX Listing Rules, a Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

## Annexure B – Valuation of Director Options

The Director Options to be issued to Mr Williams under the Resolution have been valued using a Black Scholes pricing model and based on the following assumptions:

- (a) the Director Options are granted on 01 July 2014, being the proposed date of the Company's EGM;
- (b) an underlying Share price at the grant date of 16 May 2014 of \$0.10, being the closing share price of the Company's Shares on the last trading day prior to conducting this valuation;
- (c) the exercise price will be A\$0.09 in respect of 7,500,000 Director Options and will be A\$0.20 in respect of the remaining 2,500,000 Director Options, in accordance with the Director Option terms set out in Annexure A;
- (d) have a life of 3 years, in accordance with the maximum life of Director Option as reflected in the terms set out in Annexure A;
- (e) an expected future volatility of the Company's Shares of 75%;
- (f) a risk free rate of 2.8%, being the yield on a Commonwealth Government three year bond; and
- (g) a dividend yield of 0%, as the Company has no history of paying dividends and is not expected to pay a dividend over the life of the Options.

The valuation date for the Director Options is 19 May 2014.

Based on the above, the Director Options have been valued at \$0.053 and \$0.033 each.

Accordingly, the total value of the Director Options to be issued pursuant to the Resolution is as follows:

Director	Number of Director Options	Value per Director Option	Value
Mr Williams	7,500,000	\$0.053	\$397,500
Mr Williams	2,500,000	\$0.033	\$82,500
<b>Total</b>	<b>10,000,000</b>	-	<b>\$480,000</b>

**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](http://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 9.00am (Melbourne time) Sunday 29 June 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 as they choose. 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](http://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](http://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 Extraordinary General Meeting of Calzada Limited to be held at Unit 2/320 Lorimer Street, Port Melbourne, Victoria on Tuesday, 1 July 2014 at 9.00am (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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** For Item 1, this express authority is also subject to you marking the box in the section below. 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 Item 1 by marking the appropriate box in step 2 below.

**Important for Item 1:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 1 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 1, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 1 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 1 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

## STEP 2 Item 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.

Item 1 Approval of issue of options to Mr David Williams

For  Against  Abstain

The Chairman of the Meeting intends to vote all available proxies in favour of the item of business.

## 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 / / \_\_\_\_\_