



24 October 2014

Dear Shareholder,

Annual General Meeting

Attached is the Notice of the 2014 Annual General Meeting of the ordinary shareholders of Advanced Surgical Design & Manufacture Limited (the Company) which will be held at 10.00 am on Wednesday 26 November 2014, at the Company's offices at 2/12 Frederick Street, St Leonards, NSW.

The formal part of the Annual General Meeting will cover the ordinary business transacted each year. This year the Annual General Meeting will also cover the following resolutions:

- Change of Company Name
- Approval of 10% Placement Facility

Further details concerning these matters are contained in the Explanatory Notes that forms part of the Notice of Meeting.

If you are unable to attend the meeting in person, I encourage you to return the enclosed proxy form. The proxy form should be returned in the envelope provided, or faxed to our Share Registry on +61 2 9287 0309 so that it is received by 10.00 am (Sydney time) on Monday 24 November, 2014 being not less than 48 hours before the time for holding the meeting.

The Company's Annual Report for the year ended 30 June 2014 is available on our website at www.asdm.com.au. Printed copies of the report are distributed only to those shareholders who have elected to receive it in printed form.

Shareholders will have an opportunity to ask questions during the meeting, and are invited to join the Board for light refreshments at its conclusion. I look forward to welcoming you at the meeting.

Yours sincerely,

Richard Ulrick
Company Secretary

For personal use only



ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED

ABN 71 066 281 132

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2014 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 Wednesday 26 November 2014 at 10.00am.

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 2014.

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 2014 (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 Peter Kazacos as a Director

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

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

4. Change of Company Name

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

“That, in accordance with section 157(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, the name of the Company be changed to ‘Allegra Orthopaedics Limited’ with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company’s registration.”

5. Approval of 10% Placement Facility

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and 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, 24 October 2014

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 8 the Company’s Key Management Personnel for the financial year to 30 June 2014.

Item 5

The Company will disregard any votes cast on the resolution the subject of Item 5 by any person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

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 at 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;

by no later than 10.00am (AEDT) on Monday 24 November 2014.

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 Monday 24 November 2014. 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 Wednesday, 19 November 2014 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 2014 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 2014, 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 2014 is set out on pages 5 to 11 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 Peter Kazacos as a Director

Mr John O'Meara who is due to retire as a director in accordance with the Company's Constitution has advised that he does not intend to seek election as a director and his term in accordance with the Company's Constitution will expire at the conclusion of the AGM. The Board is conducting a process to identify a suitable candidate who is available for appointment as a director and who will add value to the Company as it transitions to the next phase in its development. The Board expects to be in a position to announce an appointment by the time of the AGM.

However, the ASX Listing Rules require that there be an election of directors.

Accordingly, Mr Kazacos B.E, B.Sc, retires as a director in accordance with the Company's Constitution and being eligible offers himself for election.

Mr Kazacos, aged 60, having been first appointed on 9 May 2006 and re-elected most recently on 30 October 2013, is non-executive Chairman of both the Company and the Nomination & Remuneration Committee and a member of the Audit & Risk Committee.

Mr Kazacos has over 37 years' experience in the IT industry. He founded KAZ in 1988, guided it from a small IT services company in NSW to one of Asia Pacific's leading IT services and business process outsourcing service providers with over 4,000 employees, as a fully owned subsidiary of Telstra.

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

The Board considers that Mr. Kazacos experience in successfully growing companies in conjunction with his strategic and capital markets experience will assist the Company in the rollout of its product range.

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

Item 4: Change of Company Name

Section 157(1) (a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

The resolution the subject of Item 4 seeks the approval of shareholders for the Company to change its name to Allegra Orthopaedics Limited.

The change of name has been proposed to emphasise the Company advancing into the next phase of its development with a focus on innovative ideas, agility and ability, through the Company's local manufacturing and design footprint.

If the resolution is passed the change of name will take effect when Australian Securities and Investments Commission ("ASIC") alters the details of the Company's registration.

The proposed name has been reserved by the Company and if the resolution the subject of this Item is passed, the Company will lodge a copy of the special resolution with ASIC following the AGM in order to effect the change.

The resolution the subject of Item 4 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

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

Item 5: Approval of 10% Placement Facility

The resolution the subject of Item 5 seeks shareholder approval in accordance with Listing Rule 7.1A. This enables eligible entities to issue equity securities of up to 10% of their issued share capital (10% Placement Facility) through placements over a 12 month period upon approval at an annual general meeting. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis).

The Company is an eligible entity.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information on the formula is set out below.

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of the Notice, has on issue only one class of equity securities, being fully paid ordinary shares ("Shares").

The effect of the resolution the subject of Item 5 will be to allow the directors to issue the equity securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1. Shareholder approval of the 10% Placement Facility is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (b) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking); (“10% Placement Period”).

Accordingly, shareholders’ approval of the 10% Placement Facility at the Company’s Annual General Meeting held on 30 October 2013 expires on 30 October 2014. No Shares have been issued under that Facility.

The resolution the subject of Item 5 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period, a number of equity securities calculated in accordance with the formula $(A \times D) - E$ where:

A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. (This does not include an issue of fully paid shares under the entity’s 15% placement capacity without shareholder approval);
- less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issue under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Minimum Issue Price

The issue price of equity securities under Listing Rule 7.1A must be no lower than 75% of the volume weighted average price (“VWAP”) of equity securities in the same class calculated over the 15 Trading Days immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the equity securities are issued.

Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 Trading Days immediately before:
 - i. the date on which the price at which the equity securities are to be issued is agreed; or
 - ii. if the equity securities are not issued within 5 Trading Days of the date in paragraph i above, the date on which the equity securities are issued.
- (b) if the resolution the subject of Item 5 is approved by shareholders and the Company issued equity securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table at the end of this paragraph (b). There is a risk that:
 - i. the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the meeting; and
 - ii. the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.

The table at the end of this paragraph (b) illustrates the dilution of existing shareholders on the basis of the latest market price of Shares as at the date of printing of this Notice and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 and assuming that 20,125,575 Shares are issued pursuant to the offer made under a prospectus dated 2 October 2014 for a non-renounceable pro rata rights issue at five cents per share ("Rights Issue").

The table also shows:

- i. two examples where 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (e.g. a pro rata entitlement issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% against the current market price.

The table has been prepared on the following assumptions:

- i. The Company issues the maximum number of equity securities available under the 10% Placement Facility.
- ii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issues. This is why the voting dilution is shown in each example as 10%.
- iii. This table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the meeting.
- iv. The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- v. The issue of equity securities under the 10% Placement Facility consists only of Shares.
- vi. The issue price is 5.5 cents, being the latest market price of Shares on ASX as at the date of printing of this Notice.

| Variable "A" in Listing Rule 7.1A.2 | | Dilution | Dilution | Dilution |
|--|---------------------|---|---|---|
| Note: Current Variable A assumes that 20,125,575 Shares are issued under the Rights Issue | | Issue Price of 2.75 cents (half the current market price) | Issue Price of 5.5 cents (the current market price) | Issue Price of 11 cents (double the current market price) |
| Current Variable A - 63,876,823 Shares | | 6,387,682 Shares issued (10% dilution) | 6,387,682 Shares issued (10% dilution) | 6,387,682 Shares issued (10% dilution) |
| | <i>Funds raised</i> | \$175,661.25 | \$351,322.51 | \$702,645.02 |
| 50% increase in current Variable A - 95,815,234 Shares | | 9,581,523 Shares issued (10% dilution) | 9,581,523 Shares issued (10% dilution) | 9,581,523 Shares issued (10% dilution) |
| | <i>Funds raised</i> | \$263,491.88 | \$526,983.76 | \$1,053,967.53 |
| 100% increase in current Variable A - 127,753,646 Shares | | 12,775,364 Shares issued (10% dilution) | 12,775,364 Shares issued (10% dilution) | 12,775,364 Shares issued (10% dilution) |
| | <i>Funds raised</i> | \$351,322.51 | \$702,645.02 | \$1,405,290.04 |

- (c) The Company will only issue and allot the equity securities during the 10% Placement Period. The approval under the resolution the subject of Item 5 for the issue of equity securities will cease to be valid in the event that shareholders

approve a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue the equity securities for the following purposes:
- i. non-cash consideration, in relation to the sale, manufacture and design of surgical implants or instrument sets, for the acquisition of new assets and investments or for the purposes of securing potential joint venture transactions for projects that may be finalised during the course of the year. In such circumstances the Company will provide valuation details of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards possible acquisitions of new assets or investments (including expenses associated with such an acquisition), the manufacturing of products or instrument sets, the research and development costs of projects, contributions under joint venture arrangements and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A upon issue of any equity securities.

- (e) The Company's allocation policy will be dependent on the purpose of the proposed issue and the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of equity securities, where the issue is made for cash consideration, will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- ii. the effect of the issue of the equity securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisors (if applicable).

The Company notes that:

- i. any funds raised from the issue of equity securities under the 10% Placement Facility are likely to be applied towards the Company's contributions under joint venture or other arrangements with development partners and/or general working capital;
- ii. it is not possible to determine whether any existing shareholders would be invited to apply for any equity securities under the 10% Placement Facility, or determine the category of any new investors that may be invited to participate in such a fundraising. The allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company; and

- iii. prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing shareholders at that time.

Further, where the issue is made for non-cash consideration, it is likely that the allottees under the 10% Placement Facility would be the vendors of the new assets or the proposed joint venture partners.

- (f) The total number of equity securities issued in the 12 months preceding the date of the AGM will be approximately 20,125,575 Shares. That represents 46% of the equity securities on issue at the commencement of that 12 month period.
- (g) The approximately 20,125,575 Shares are to be issued on 28 October 2014 as a result of the Rights Issue at a price of 5 cents per Share which represents a 9.09% discount to the latest market price of Shares as at the date of printing of this Notice.
- (h) It is expected that the Rights Issue will raise approximately \$1,006,279 (before costs) and the amount raised will be spent on acceleration of research & development/sales projects (\$820,000), corporate rebranding (\$56,279) and costs of the Rights Issue (\$130,000).
- (i) All Shares are of the same class and rank equally in all respects including the right to vote at meeting of shareholders and the right to be paid any dividends.
- (j) The Shares are to be issued to existing shareholders on a pro rata basis and, to the extent that there is any shortfall, to the underwriter, Kaz Capital Pty Ltd and sub-underwriter, Robinwood Investments Pty Ltd, up to a maximum \$1,000,000 as disclosed in the prospectus dated 2 October 2014.
- (k) A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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



Advanced Surgical Design & Manufacture Limited
 ABN 71 066 281 132

ONLINE > www.linkmarketservices.com.au

By mail:
 Advanced Surgical Design & Manufacture Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

All enquiries to: Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Advanced Surgical Design & Manufacture Limited and entitled to attend and vote hereby appoint:

STEP 1 **APPOINT A PROXY**

the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 26 November 2014 at 2/12 Frederick Street, St Leonards, NSW, 2065** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2 **VOTING DIRECTIONS**

| | For | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|
| Item 2 Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 Election of Peter Kazacos as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 Approval of 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

STEP 3 **SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

| | | |
|--|---|--|
| Shareholder 1 (Individual) <input type="text"/> Sole Director and Sole Company Secretary | Joint Shareholder 2 (Individual) <input type="text"/> Director/Company Secretary (Delete one) | Joint Shareholder 3 (Individual) <input type="text"/> Director |
|--|---|--|

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



For personal use only

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Monday, 24 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

 **by mail:**

Advanced Surgical Design & Manufacture Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

 **by fax:**

+61 2 9287 0309

 **by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**