



## Notice of Annual General Meeting 2007

The third Annual General Meeting of Giaconda Limited will be held on Monday, 15 October 2007 at 4:00pm at Rydges World Square Sydney, Meeting Room, 389 Pitt Street, Sydney.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

### Items of Business

#### A. Financial Statements and Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2007 and the related Directors' Report, Directors' Declaration and Auditor's Report on the Financial Report, as accompanying this Notice of Annual General Meeting.

#### B. Resolutions

##### Resolution 1:

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

*That, Professor Emeritus Anthony Moon, who retires from the office of Director by rotation under clause 11.3 of the Company's Constitution and being eligible, offers himself for re-election as a Director.*

##### Resolution 2:

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

*That, Mr Trevor Moore, who retires from the office of Director by rotation under clause 11.3 of the Company's Constitution and being eligible, offers himself for re-election as a Director.*

##### Resolution 3:

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

*That the Remuneration Report for the Company (which forms part of the Directors' Report) for the year ended 30 June 2007 be adopted.*

In accordance with section 250R of the *Corporations Act* (Cth) 2001 the vote on this resolution is advisory only and does not bind the Directors of the Company

##### Resolution 4:

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

*That the Company issue to entitled Non-Executive Directors:*

(a) *Up to 750,000 fully paid ordinary shares at "Market Price" as defined in the Rules for ESP001, to be acquired by Giaconda ESP001 Pty Limited as trustee for the ESP0001 Employee Share Plan in accordance with the details set out in the Explanatory Memorandum to the Notice of Meeting 2007".*

#### C. Other Business

Any other business which may be brought forward in conformity with the Constitution of the Company.



### **Explanatory Memorandum**

Members are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

### **Entitlement to Vote**

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Directors have determined that any Member registered at 7:00pm (Sydney time) on Thursday 11 October 2007 is entitled to attend and vote at the Annual General Meeting 2007.

### **Proxies**

Proxies may be appointed by using the Proxy Form accompanying this Notice of Meeting.

Please note that:

- (a) a member who is entitled to attend and vote is entitled to appoint not more than two proxies;
- (b) where more than one proxy is appointed, the proxy may be appointed to represent a specified proportion of the member's voting rights;
- (c) a proxy need not be a member; and
- (d) forms of proxy must be lodged as indicated on the Proxy Form at least 48 hours prior to the meeting (being no later than **4:00pm Saturday 13 October 2007**). Please note:
  - If you are hand delivering your completed proxy form, that Registries Limited is not open on Saturdays. Alternatively you can fax your proxy form so that it is received no later than 4:00pm on Saturday, 13 October 2007 on the fax number listed below.
  - If you are mailing your completed proxy form, the post is not delivered on Saturdays. Alternatively you can fax your proxy form so that it is received no later than 4:00pm on Saturday, 13 October 2007 on the fax number listed on the Proxy Form.

If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:

- (a) The proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- (b) If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- (c) If the proxy is the Chair, the proxy must vote on a poll and must vote that way; and
- (d) If the proxy is not the Chair, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

The Chair intends to vote any undirected proxies in favour of the resolutions.

### **Voting by Corporate Representative**

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act 2001 (9Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the Annual General Meeting.

By order of the Board.  
Dated 27 August 2007

Ms Kirrilli Parker  
Company Secretary



## Explanatory Memorandum

This Explanatory Memorandum should be read with, and forms part of Giaconda Limited's Notice of Annual General Meeting 2007 of which it accompanies. For the benefit of Members, each of the resolutions referred to in the Notice of Meeting 2007 is explained below.

### Introduction

This Explanatory Memorandum is an explanation of, and contains information, to assist Members to determine how they wish to vote on the resolutions set out in the Notice of Meeting to the Annual General Meeting to be held on:

**Monday, 15 October 2007 at 4:00 pm at Rydges World Square Sydney, Meeting Room, 389 Pitt Street, Sydney.**

### A. Financial Statements and Reports

The Financial Report, Directors' Report and Auditor's Report of Giaconda Limited for the financial year ended 30 June 2007 will be laid before the meeting, as required under the *Corporations Act 2001* (Cth). There is no requirement for a formal resolution on this item of business. The Auditor will be present to answer any questions regarding the conduct of the audit by Members.

### B. Resolutions

#### Resolution 1 and 2 - Elections of Directors

It is a requirement under clause 11.3 of the Company's Constitution that one third of all Directors other than the Managing Director retire at each annual general meeting. Accordingly, Professor Emeritus Anthony Moon and Mr Trevor Moore, the long standing Directors retire from office. Being eligible, they both offer themselves for re-election as Directors of the Company.

#### Details on the Candidates for Re-election

##### **Emeritus Professor Tony Moon**

Emeritus Professor Tony Moon, PhD, FAIP started his academic career at Melbourne University where he obtained his Bachelor of Science (Honours) and then his PhD. A widely respected and extensively published Physicist, Tony has had a prestigious history at the University of Technology, Sydney where he has been Dean of Science and of the University Graduate school, as well as acting Deputy Vice Chancellor and acting Pro Vice Chancellor (Research). Internationally, Tony has been Visiting Research Fellow at the University of Stockholm, Sweden; Faculty Research Associate at Arizona State University, US and Research Scientist at the Fritz Haber Institute in Germany. Currently, Tony is Emeritus Professor at UTS.

*Special Responsibilities:* Tony is Chair of the Audit, Risk & Compliance Committee and a member of the Nomination and Remuneration Committees. He is currently an Independent Non-Executive Director.

*Giaconda Directorship:* Tony became a Director on 14 December 2004.

*Directorship in other listed entities:* Nil

##### **Mr Trevor Moore**

Trevor Moore, MPS, PHC, JP a registered pharmacist, graduated from the University of Sydney in 1961. Since that time, he has owned and operated various retail pharmacies around Sydney. Trevor moved into Sales and Marketing with Burroughs Wellcome in Sydney and then progressed on to become Founder and Managing Director of Stephen Hunter Pty Ltd (of Chemist Own brand fame). In recent years, Trevor has become a full-time fund-manager and investor.

*Special Responsibilities:* Trevor is Chair of the Remuneration Committee and a member of the Nomination and Audit, Risk & Compliance Committees. He is currently an Independent Non-Executive Director.

*Giaconda Directorship:* Trevor became a Director on 14 December 2004.

*Directorship in other listed entities:* Nil



**Recommendation: Resolution 1 & 2**

The Board unanimously recommends that Members vote FOR the re-election of Professor Emeritus Anthony Moon and Mr Trevor Moore to the Board of Giaconda Limited.

**Resolution 3 – Adoption of Remuneration Report**

The Company is required to include in the Directors' Report a detailed Remuneration Report setting out certain prescribed information relating to Directors' and Executives' remuneration and submit to this to the Members for adoption by resolution at each annual general meeting.

The Remuneration Report forms part of the Directors' Report which is contained in the Annual Report accompanying this Notice of Meeting 2007. The Remuneration Report sets out Giaconda's remuneration policy and reports the remuneration received by Directors and certain Executives in FY07 and the remuneration to be received in FY08.

A reasonable opportunity will be provided to the Member for discussion of the Remuneration Report at the meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Recommendation: Resolution 3**

The Board unanimously recommends that Members vote FOR the adoption of the Remuneration Report.

**Resolution 4 – Issue of Shares under ESP001 to Non-Directors in Lieu of Cash Directors Fees Summary**

The non-executive Directors of Giaconda have all subscribed to the Giaconda Employee Share Plan ESP001 (ESP001). Under ESP001, the participants can elect to receive shares in the Company in lieu of all or part of their Salary. The shares are held on trust for the benefit of the participants. The trustee is Giaconda ESP001 Pty Limited.

**Entitlement of Directors**

The Non-Executive Directors have elected to convert the following amounts to be paid to them as directors fees to shares under this Scheme:

Prof Em Anthony Moon (subject to re-election)	\$43,000.00
Mr Trevor Moore (subject to re-election)	\$43,000.00
Mr Richard Woods, Chair	\$91,000.00
For Financial Year ending 30 June 2008:	\$177,000.00

The above amounts are the total amounts for all participating directors.

**The recommendation to issue**

ESP001 permits shares to be either bought on market or issued by the Company. If the shares necessary to cover the Director's current and future entitlements were bought on-market, this has the potential to create a false market in the company's shares because of the very light trading volumes. In order to prevent this, it is proposed to issue new shares to ESP001 to cover this entitlement. This also provides the Company with a cash conserving mechanism.

**Approval required**

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of shares to Directors or their associates under an employee incentive scheme. ESP001 constitutes an "Employee Incentive Scheme" as defined in Ch19 of the ASX Listing Rules. The directors of Giaconda Limited who are also eligible to participate in the Employee Share Plan (ESP001) are Prof Tom Borody, Mr Patrick McLean, Prof Em Tony Moon, Mr Trevor Moore and Mr Richard Woods.



### Proposed Issue Price

The directors have determined that the appropriate issue price for these shares is:  
For entitlements up to the end of 30 June 2008: the "Market Value" of the shares as defined in the ESP001 Scheme Rules.

### What is "Market Value"?

"Market Value" under the ESP001 Scheme Rules is defined as:

"Where Giaconda's Shares are listed on the ASX (or another approved stock exchange within the meaning of section 139GD of the Tax Act):

- (a) the weighted average of the prices at which those Shares are traded on that stock exchange during a five Business Day period up to and including that day; or
- (b) if no Shares are traded on that stock exchange during that period, the last price at which an offer to buy is made on that stock exchange during that period; or
- (c) if no such offer is made, the value determined under section 139FB of the Tax Act if that section applied to the Share. "

### Timing and details

The approval is for a maximum of 750,000 shares to cover the forward entitlements of the Directors to the end of June 2008. Only those shares necessary to meet these forward entitlements will actually be issued. It is anticipated that the actual number of shares required to be issued will be significantly less than the number approved, depending on movements in the share price. The shares will be issued within 12 months of approval.

Details of all shares issued to ESP001 pursuant to this approval will be published in the annual report of the Company.

The following shares were issued to non-executive directors for the period from their appointment to 30 June 2007, (as per the Members approval at the 2006 AGM):

Non-Executive Director			Prof Em Tony Moon	Mr Trevor Moore	Mr Richard Woods	
Date of Appointment			14.12.04	14.12.04	30.09.04	
Details of shares issued						
Period	Issue Date	Price per share	No. of shares issued	No. of shares issued	No. of shares issued	Total No. of shares issued
Appointment to 30.06.06	22.12.06	\$0.500	82,958	82,958	95,164	261,080
01.07.06 to 31.09.06	22.12.06	\$0.458	13,646	13,646	20,410	47,702
01.10.06 to 31.12.06	19.02.07	\$0.496	12,600	12,600	27,721	52,921
01.01.07 to 31.03.07	04.04.07	\$0.500	12,500	12,500	27,500	52,500
01.04.07 to 30.06.07	18.07.07	\$0.390	16,025	16,025	35,256	67,306
<b>Total No. of Shares issued</b>			<b>137,729</b>	<b>137,729</b>	<b>206,051</b>	<b>481,509</b>

This approval relates only to the persons listed below, those being the Non-Executive Directors of Giaconda Limited. No persons who become entitled to participate in ESP001 after the date of this resolution will be issued shares pursuant to this approval.

Persons entitled:

Professor Emeritus Tony Moon  
Mr Trevor Moore  
Mr Richard Woods

No loans will be or have been provided in relation to the acquisition or issue of shares pursuant to this approval.



### **Resolution**

The proposed resolution to provide such approval is as follows:

“That the Company issue to entitled Non-Executive Directors:

- (a) Up to 750,000 fully paid ordinary shares at “Market Price” as defined in the Rules for ESP001,  
to be acquired by Giaconda ESP001 Pty Limited as trustee for the ESP0001 Employee Share Plan in accordance with the details set out in the Explanatory Memorandum to the Notice of Meeting 2007”.

### **Voting Procedure**

The Company will disregard any votes cast on this resolution by the Non-Executive Directors and all associates of the Non-Executive Directors.

However, the company need not disregard a vote if:

- (a) 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
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Recommendation: Resolution 4**

The Board unanimously recommends that Members vote FOR the issue of shares to Non-Executive Directors in lieu of directors fees.

Dated 27 August 2007



ABN: 68 108 088 517

All correspondence to: Registries Limited P O Box R67 Royal Exchange, Sydney NSW 1223 Enquiries: 61 2 9290 9600 Facsimile: 61 2 9279 0664 www.registriesltd.com.au registries@registriesltd.com.au

PROXY FORM Annual General Meeting

Mark this box with an 'X' if you are Issuer Sponsored and want to make any changes to your address details (see reverse)

Giaconda Limited Shareholder

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions at the bottom of the page.

I/We being a shareholder/shareholders of Giaconda Limited pursuant to my/our right to appoint not more than two proxies, appoint

Form for appointing a proxy, including checkboxes for 'The Chairman of the Meeting' and 'OR' options, and input boxes for names.

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting. Write here the name of the other person you are appointing.

or failing him/her, (or if the box is not ticked and no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at Monday, 15 October 2007 at 4:00 pm at Rydges World Square Sydney, Meeting Room, 389 Pitt Street, Sydney and at any adjournment of that meeting.

This proxy is to be used in respect of % of the ordinary shares I/we hold.

Form with checkboxes for directing the proxy to vote and for the Chairman to vote on behalf of the proxy holder.

Voting directions to your proxy – please mark X to indicate your directions

Table with 4 columns: RESOLUTION, For, Against, Abstain\*. Rows include resolutions on director elections and remuneration.

\* 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.

Notification of Interest

Shareholders should be aware that the Chairman, (Mr Richard Woods) has an interest in resolution 4. The interest in respect of resolution 4 is set out in the Explanatory Memorandum for that resolution.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented. Executed in accordance with section 127 of the Corporations Act:

Signature lines for Individual or Shareholder 1, Joint Shareholder 2, and Joint Shareholder 3, with titles like Sole Director & Sole Company Secretary, Director, and Director / Company Secretary.

Dated this day of 2006

Contact Name Contact Business Telephone / Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of Giaconda Limited. If you are Issuer Sponsored and this information is incorrect, please mark the box at the top of the proxy form and make the correction on the form. Securityholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointments do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

### 8. **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, all of the shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- 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.

### 9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 4:00pm on Saturday, 13 October 2007 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### **Hand deliveries**

**Registries Limited  
Level 2  
28 Margaret Street  
Sydney NSW 2000**

Please note if you are hand delivering your completed proxy form that Registries Limited is not open on Saturdays. Alternatively you can fax your proxy form so that it is received no later than 4:00pm on Saturday, 13 October 2007 on the fax number listed below.

#### **Postal address:**

**Registries Limited  
PO Box R67  
Royal Exchange NSW 1223**

Please note if you are mailing your completed proxy form that post is not delivered on Saturdays. Alternatively you can fax your proxy form so that it is received no later than 4:00pm on Saturday, 13 October 2007 on the fax number listed below.

#### **Fax number:**

**(02) 9279 0664**