

**CIRCULAR DATED 4 DECEMBER 2009**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your common shares of LMA International N.V. (the “**Company**”), please forward this Circular and the enclosed Shareholder Proxy Form or CDP Proxy Form (as the case may be) immediately to the purchaser or to the agent through whom the sale was effected for onward transmission to the purchaser.

The approval of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) shall not be taken as an indication of the merits of the proposed Shareholders’ Mandate for Interested Person Transactions.

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



**LMA International NV**

(Incorporated with limited liability in the Netherlands Antilles on 28 July 1998)

**CIRCULAR TO SHAREHOLDERS AND DEPOSITORS**

**In relation to**

**The proposed Shareholders’ Mandate for Interested Person Transactions**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Shareholder Proxy Form or CDP Proxy Form (as the case may be)	:	19 December 2009 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	21 December 2009 at 10.00 a.m.
Place of Extraordinary General Meeting	:	52 Neptunusweg Willemstad, Curaçao Netherlands Antilles
Date and time of Information Meeting	:	15 December 2009 at 11.00 a.m.
Place of Information Meeting	:	35 Joo Koon Circle Singapore 629110

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## CONTENTS

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	Page
<b>DEFINITIONS</b> .....	2
<b>LETTER TO SHAREHOLDERS AND DEPOSITORS</b>	
1. Introduction .....	4
2. General Background .....	4
3. The Proposed Shareholders' Mandate for Interested Person Transactions .....	5
4. Manufacturing Operations in Malaysia .....	7
5. Interests of Directors and Substantial Shareholders/Depositors .....	7
6. Voting Arrangements Relating to the Proposed Shareholders' Mandate for Interested Person Transactions .....	8
7. Directors' Recommendations .....	8
8. Extraordinary General Meeting and Information Meeting .....	9
9. Action to be taken by Shareholders and Depositors .....	9
10. Inspection of Documents .....	10
11. Responsibility Statement .....	10
<b>APPENDIX</b> .....	11
<b>NOTICE OF INFORMATION MEETING</b> .....	19
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	20

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

“ <b>2009 AGM</b> ”	:	The annual meeting of the Company held on 29 April 2009.
“ <b>Articles</b> ”	:	The Articles of Association of the Company.
“ <b>Board</b> ”	:	The Board of Directors of the Company.
“ <b>CDP</b> ”	:	The Central Depository (Pte) Limited.
“ <b>Common Shares</b> ”	:	Common shares of par value of US\$0.0001 in the capital of the Company.
“ <b>Company</b> ”	:	LMA International N.V.
“ <b>Directors</b> ”	:	The directors of the Company for the time being.
“ <b>EGM</b> ”	:	The extraordinary general meeting of the Company, notice of which is given on pages 20 and 21 of this Circular.
“ <b>General Meeting</b> ”	:	The general meeting of Shareholders of the Company.
“ <b>Group</b> ”	:	The Company and its subsidiaries.
“ <b>Latest Practicable Date</b> ”	:	The latest practicable date prior to the printing of this Circular, being 15 November 2009.
“ <b>Listing Manual</b> ”	:	The listing manual of the SGX-ST, including any amendments made thereto.
“ <b>Resolution 1</b> ”	:	Resolution 1 (as set out in the Notice of EGM on pages 20 and 21 of this Circular) that relates to the proposed Shareholders’ Mandate for Interested Person Transactions.
“ <b>SGX-ST</b> ”	:	Singapore Exchange Securities Trading Limited.
“ <b>Shareholders</b> ”	:	Registered holders of Common Shares.
“ <b>Singapore Companies Act</b> ”	:	The Companies Act, Chapter 50 of Singapore.
“ <b>Singapore Take-over Code</b> ”	:	The Singapore Code on Take-overs and Mergers.
“ <b>S\$</b> ”	:	Singapore Dollars.
“ <b>US\$</b> ”	:	United States Dollars.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Singapore Companies Act.

The term “**Associate**” shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

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## **DEFINITIONS**

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The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the Singapore Take-over Code or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Singapore Companies Act, the Singapore Take-over Code or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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### LMA INTERNATIONAL N.V.

(Incorporated with limited liability in the Netherlands Antilles on 28 July 1998)

#### Directors:

Robert Gaines-Cooper (*Group Chairman*)  
John Lim Kok Min (*Executive Deputy Chairman*)  
Lawrence Kinet (*Group Chief Executive Officer*)  
Jane Gaines-Cooper (*Director*)  
David Curtis-Bennett (*Director*)  
Trevor Swete (*Independent Director*)  
Lim Hock Beng (*Independent Director*)  
Alberto d'Abreu de Paulo (*Independent Director*)  
Col. (Ret.) David Wong Cheong Fook (*Independent Director*)  
David Chew Heng Ching (*Independent Director*)

#### Registered Office:

52 Neptunusweg  
Curaçao  
Netherlands Antilles

4 December 2009

To: The Shareholders and Depositors of LMA International N.V.

Dear Sirs

### 1. INTRODUCTION

- 1.1 **EGM.** The Directors are convening an EGM to be held on 21 December 2009 to seek Shareholders' approval for the proposed Shareholders' Mandate for Interested Person Transactions (the "**Shareholders' Mandate**").
- 1.2 **Circular.** The purpose of this Circular is to provide Shareholders and Depositors with information relating to the proposal to be tabled at the EGM.

### 2. GENERAL BACKGROUND

The relationship between the Directors and the Company is set out below.

Mr. Robert Gaines-Cooper, the Group Chairman of the Company, is the sole beneficiary of the Bird Island Trust, the assets of which comprise, amongst others, all the shares in Venner Capital S.A. ("**Venner**"). As at the Latest Practicable Date, Venner holds approximately 34% in the issued Common Shares in the Company and, by virtue of such shareholding, is deemed to be a controlling shareholder of the Company under the Listing Manual of the SGX-ST. Although Mr. Robert Gaines-Cooper would also be deemed to be a controlling shareholder by virtue of his beneficiary interest in the Bird Island Trust, he does not consider himself as dominating the decision-making process of the Company which he believes should be entrusted to the Board and the executive management of the Company collectively. Mr. Robert Gaines-Cooper is the Group Chairman and director of Venner. Mrs. Jane Gaines-Cooper is the executive president and director of Venner. Mr. Robert Gaines-Cooper and Mrs. Jane Gaines-Cooper are husband and wife. Mr. David Curtis-Bennett is a non-executive director of Venner and is also the Managing Director of Chelle Medical Ltd ("**Chelle**"), which is a wholly-owned subsidiary of Venner. Mr. Robert Gaines-Cooper, Mrs. Jane Gaines-Cooper and Mr. David Curtis-Bennett are also directors of other companies in the Venner group of companies.

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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A number of the Directors of the Company are directors of companies which supply or manufacture the reusable and single-use laryngeal mask products, endotracheal tubes, tracheotomy devices and related products (the “**Products**”) which the Group sell. Mr. Robert Gaines-Cooper and Mr. David Curtis-Bennett are directors of Chelle. Venner has an interest in VicPlas International Ltd (“**VicPlas**”) the holding company of Forefront Medical Technology (Pte) Ltd (“**FMT**”), and Chelle and Arrow Medical Ltd (a manufacturer of laryngeal masks) (“**Arrow**”). In addition, Indian Ocean Medical Inc. is a subsidiary of Venner.

Mr. Robert Gaines-Cooper and Mr. David Curtis-Bennett are directors of VicPlas, although are not involved in the day-to-day management of VicPlas. Mr. Robert Gaines-Cooper, and Mr. David Curtis-Bennett will abstain from participating in any discussion or voting in relation to any transactions the Group may have with VicPlas or any of the subsidiaries of VicPlas as part of the Company’s corporate governance arrangements. Mr. Lim Hock Beng and Mr. Trevor Swete who were directors of VicPlas at the 2008 AGM (as defined below) have since stepped down from the board of directors of Vicplas.

### 3. THE PROPOSED SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Background.** Chapter 9 of the Listing Manual of the SGX-ST allows the Company to obtain a mandate from the Shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the Company’s day-to-day operations.

3.2 **2009 AGM.** At the 2009 AGM, the Company sought Shareholders’ approval for the proposed modification to, and renewal of, the shareholders’ mandate (“**AGM Shareholders’ Mandate**”) which was previously renewed at the Annual Meeting of the Company held on 28 April 2008 (the “**2008 AGM**”). Particulars of the AGM Shareholders’ Mandate were set out in the Letter to Shareholders dated 7 April 2009 (“**AGM Letter to Shareholders**”), the Appendix to the AGM Letter to Shareholders (the “**AGM Appendix**”) and Resolution 11 of the Notice of Annual Meeting. Approval for the proposed AGM Shareholders’ Mandate was not obtained at the 2009 AGM.

3.3 **The Shareholders’ Mandate.** The Directors will be proposing to Shareholders at the EGM that a shareholders’ mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions as set out in the Appendix to this Circular (the “**Interested Person Transactions**”) be adopted (the “**Shareholders’ Mandate**”). Save for the modifications set out in paragraph 3.5 below, there are no changes to the class of interested persons for which the Shareholders’ Mandate is being sought or the methods or procedures for determining the transaction prices relating to transactions with the interested persons since the last Shareholders’ approval of the Shareholders’ Mandate.

The Company wishes to highlight to Shareholders that if the Shareholders’ Mandate is not approved the Company will not be able to carry out Interested Person Transactions beyond the 5% Limit (as defined in paragraph 7.2 below) and as a result the Company’s product supply and ability to trade will be seriously and adversely affected. Paragraph 7.2 below provides further details on the consequences if Shareholders do not approve the Shareholders’ Mandate.

3.4 **Renewal of General Mandate.** Under Chapter 9 of the Listing Manual, the Shareholders’ Mandate will be subject to annual renewal.

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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3.5 **Proposed Shareholders' Mandate.** The nature of the interested person transactions and the class of interested persons in respect of which the Shareholders' Mandate is sought are subject to certain modifications as set out below.

3.5.1 The class of interested persons for which the Shareholders' Mandate is being sought will be narrowed to only include FMT. In light of this, Venner, Indian Ocean Medical, VicPlas, Chelle and Arrow will be deleted from the class of interested persons in respect of which the Shareholders' Mandate is sought. In addition, effective September 2008, Mr. Stephen Marzen, a non-executive director of Venner and a partner of Shearman & Sterling LLP, a law firm which provides legal services to the Group as well as the Venner group of companies, resigned as a director of the Company and as such, Shearman & Sterling will also be deleted from the class of interested persons in respect of which the Shareholders' Mandate is sought. As a consequence of this, the interested person transactions provided by Venner, Indian Ocean Medical, VicPlas, Chelle, Arrow and Shearman & Sterling, will no longer be included as a category under the Interested Person Transactions as set out in the Appendix.

3.5.2 In December 2007, the Company entered into a Deed of Master Product Development with FMT where the Company will obtain product development services from FMT. As such, the Interested Person Transactions will be amended to include the acquisition of product development services from FMT under the Deed of Master Product Development. In addition, it is proposed that the Interested Person Transactions be amended to allow the Company to acquire moulds and associated tooling from FMT.

3.5.3 The Shareholders' Mandate is also proposed to be altered to further clarify the review procedures for the Interested Person Transactions.

Other than the foregoing modifications, the class of interested persons and the nature of the interested person transactions for which the Shareholders' Mandate is sought remain unchanged since the last Shareholders' approval of the Shareholders' Mandate.

3.6 **Appendix.** Particulars of the Shareholders' Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified class of interested persons, are set out in the Appendix to this Circular. The modifications set out in paragraph 3.5 above are highlighted in the Appendix for Shareholders' ease of reference.

3.7 **Audit Committee's confirmation.** The Audit Committee of the Company confirms that:

- (a) the methods or procedures for determining the transaction prices relating to transactions with the interested person have not changed since the last Shareholders' approval of the Shareholders' Mandate; and
- (b) the methods or procedures referred to in (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## LETTER TO SHAREHOLDERS AND DEPOSITORS

### 4. MANUFACTURING OPERATIONS IN MALAYSIA

On 6 August 2009, the Company announced its plans to set up Company owned manufacturing operations in Malaysia. The manufacturing facility will produce key products within the Company's laryngeal mask range, and in particular, the LMA Supreme™. Production by the manufacturing operations is expected to commence in early 2011. With its own manufacturing capabilities, the Company will be less dependent on interested persons to manufacture its Products.

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS/DEPOSITORS

5.1 **Directors.** Based on the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date, the shareholdings of the Directors are as follows:

#### As at the Latest Practicable Date

Name of Director	Direct Interest	Deemed Interest	Total Interest	Total Interest (%)
Robert Gaines-Cooper	602,000	195,383,885*	195,985,885	36.08
John Lim Kok Min	1,661,000	—	1,661,000	0.31
Lawrence Kinet	—	—	—	—
Jane Gaines-Cooper	8,250,000	—	8,250,000	1.52
David Curtis-Bennett	1,598,231	—	1,598,231	0.29
Trevor Swete	—	8,250,000	8,250,000	1.52
Alberto d'Abreu de Paulo	397,768	—	397,768	0.07
Col. (Ret.) David Wong Cheong Fook	260,000	—	260,000	0.05
David Chew Heng Ching	533,000	—	533,000	0.10
Lim Hock Beng	100,000	—	100,000	0.02

\* This number is calculated as follows: Robert Gaines-Cooper is the sole beneficiary of Bird Island Trust, which owns all the shares in Venner Capital S.A., which in turn is the holder of 186,633,885 Common Shares. This number also includes 8,250,000 Common Shares held by Jane Gaines-Cooper and 500,000 Common Shares held through Forefront Medical Technology Pte Ltd.

5.2 **Substantial Shareholders/Depositors.** Based on the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the substantial Shareholders/Depositors are as follows:

#### As at the Latest Practicable Date

Name of Substantial Shareholder	Direct Interest	Deemed Interest	Total Interest	Total Interest (%)
Venner Capital S.A.	186,633,885	9,352,000	195,985,885	36.08
UBS AG	—	95,112,000	95,112,000	17.51
Porter Orlin LLC	—	94,812,000	94,812,000	17.45
Maconstance Trust	34,995,292	38,106,000	73,101,292	13.46
Wasatch Advisors Inc	—	29,586,575	29,586,575	5.45

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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### 6. VOTING ARRANGEMENTS RELATING TO THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

**Abstention from voting on Resolution 1.** Mr. Robert Gaines-Cooper, Mrs. Jane Gaines-Cooper and Mr. David Curtis-Bennett (the “**Relevant Directors**”) and Venner and their associates will abstain from voting their shareholdings (if any) in the Company on Resolution 1 relating to the proposed Shareholders' Mandate at the forthcoming EGM. The Relevant Directors will also not accept any appointment as proxies or otherwise for voting on Resolution 1 unless specific instructions have been given in the proxy form(s) on how the votes are to be cast.

As the Interested Person (as defined in the Appendix) is an interested person in relation to the proposed Shareholders' Mandate, the Company will procure that it will abstain from voting its shareholdings (if any) in the Company, and that it undertakes to ensure that its associates (as defined in the Appendix) will abstain from voting their shareholdings (if any) in the Company, on Resolution 1 relating to the proposed Shareholders' Mandate at the forthcoming EGM.

### 7. DIRECTORS' RECOMMENDATIONS

7.1 **Proposed Shareholders' Mandate.** The Directors who are considered independent for the purposes of the proposed Shareholders' Mandate are Mr. John Lim Kok Min, Mr. Lawrence Kinet, Mr. David Chew Heng Ching, Mr. Alberto d'Abreu de Paulo, Mr. David Wong Cheong Fook, Mr. Lim Hock Beng and Mr. Trevor Swete. They are of the opinion that the entering into of the Mandated Transactions (as described in the Appendix) in the ordinary course of business will enhance the efficiency of the Group and is in the best interests of the Company. For the reasons set out in the Appendix, they recommend that Shareholders vote in favour of Resolution 1 for the proposed Shareholders' Mandate at the forthcoming EGM.

7.2 **Consequences of non-approval of the Shareholders' Mandate.** The transactions with the Interested Person entered into or to be entered into by our Group in its ordinary course of business. They are recurring transactions that occur frequently (monthly and quarterly). Our Directors are of the view that it will be beneficial to our Group to transact or continue to transact with the Interested Person as opposed to third parties as the manufactured products supplied by the Interested Person are patented and obtaining such products from third parties would require the Company to disclose confidential information and its trade secrets to them. In this regard, the Company has from time to time considered the feasibility of using third party manufacturers to produce the Company's laryngeal mask products. The Company has however decided not to do so due to the continued concern of disclosing confidential information to third party manufacturers and the fact that the Company has been satisfied and continues to be satisfied with the services provided by the Interested Person as it has consistently provided good quality products and services at competitive prices. One of the reasons the Company is setting up its own manufacturing operations is to address this risk of having to disclose confidential information. In addition, the Interested Person has over the years built up its experience and know-how in manufacturing the Company's products which would take time and effort for any new third party manufacturers to develop. If the Shareholders' Mandate is not approved:

- (a) the Company will not be able to carry out transactions amounting to an aggregate value equal to, or more than 5% of its last audited net tangible assets with the same Interested Person (the “**5% Limit**”) without approval of shareholders being sought for each transaction;
- (b) in particular, the Company will not be able to enter into transactions with FMT, being the Interested Person, to acquire, *inter alia*, supplies of laryngeal masks, accessories, assembly services and components, and moulds and tooling as the value of the contemplated

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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transactions with FMT is regularly likely to be in excess of the 5% Limit. If the Company is not able to enter into contracts with FMT, the Company's product supply and ability to trade will be adversely affected, as a substantial portion of the Company's product range will not be available to it and the Company's business in single-use laryngeal mask devices, will effectively be brought to a standstill. The sale of single-use devices currently accounts for approximately 60% of the total revenue of the Company; and

- (c) in order for approval to be sought from shareholders for each transaction, the Company will need to convene separate general meetings on a regular basis (monthly/quarterly) to seek Shareholders' approval whenever the Company's transactions with the Interested Person approach the 5% Limit, which will increase substantially the administrative time and expenses in convening such meetings and adversely affecting the business opportunities available to it.

### 8. EXTRAORDINARY GENERAL MEETING AND INFORMATION MEETING

The EGM, notice of which is set out on pages 20 and 21 of this Circular, will be held on 21 December 2009 at 52 Neptunusweg, Willemstad, Curaçao, Netherlands Antilles at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution as set out in the Notice of EGM.

Prior to the EGM, an information meeting of the Company will be held at 35 Joo Koon Circle, Singapore 629110 on 15 December 2009 at 11.00 a.m. to allow the Board an opportunity to appraise Shareholders and Depositors of information regarding the Ordinary Resolution as set out in the Notice of EGM and for Shareholders and Depositors to ask questions in respect of such Ordinary Resolution.

### 9. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

- 9.1 **Action to be taken by Shareholders.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Shareholder Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street #08-01, Samsung Hub, Singapore 049483, not less than 48 hours before the time of the EGM. Completion and return of the Shareholder Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.
- 9.2 **Action to be taken by Depositors.** Under Book 2 of the Civil Code of the Netherlands Antilles, only a person whose name is entered in the Registrar of Shareholders of a Netherlands Antilles company may have rights to attend and vote at general meetings of such company. Accordingly, under the laws of the Netherlands Antilles, a Depositor holding Common Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the EGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Articles and Book 2 of the Civil Code of the Netherlands Antilles. Where a Depositor is a corporation and wishes to be represented at the EGM, it must nominate a proxy/proxies to attend and vote at the EGM. Such CDP Proxy Form would need to be completed and deposited not less than 48 hours before the time of the EGM, to enable such Depositor/its nominee as proxy of CDP to attend and vote at the EGM. A proxy need not be a Shareholder in the Company.

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## LETTER TO SHAREHOLDERS AND DEPOSITORS

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If a Depositor wishes to attend, speak and vote at the EGM, or wishes to nominate a proxy to attend, speak and vote at the EGM in his/its place as proxy for CDP, he/it should complete, sign and return the enclosed CDP Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street #08-01, Samsung Hub, Singapore 049483, not less than 48 hours before the time of the EGM.

### 10. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the office of The Laryngeal Mask Company (Singapore) Pte Ltd. at 35 Joo Koon Circle, Singapore 629110 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) The Annual Report of the Company for the financial year ended 31 December 2008; and
- (b) The Articles of Association of the Company.

### 11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Circular are fair and accurate and that there are no material facts the omission of which would make any statement in the Circular misleading.

Yours faithfully

**Mr Robert Gaines-Cooper**  
Group Chairman  
LMA International N.V.

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## APPENDIX

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### GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### ***Entities At Risk***

For the purposes of the Shareholders' Mandate, an "Entity At Risk" means:

- (1) our Company;
- (2) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or
- (3) an associated company of our Company that is not listed on the SGX-ST or an approved exchange, provided that our Group, or our Group and our interested person(s), have control over the associated company.

#### ***Interested Persons***

The Shareholders' Mandate will apply to our Group's transactions with our Interested Persons, namely Venner Capital S.A. ("**Venner**") (and its subsidiaries), Indian Ocean Medical Inc. ("**Indian Ocean Medical**") a subsidiary of Venner, VicPlas International Ltd ("**VicPlas**"), Forefront Medical Technology Pte Ltd ("**FMT**"), a subsidiary of VicPlas, Chelle Medical Ltd ("**Chelle**"), Arrow Medical Ltd ("**Arrow**"), Shearman & Sterling LLP (collectively, the "**Interested Persons**"). Please refer to section 2 of the Letter to Shareholders for the relationships between us and the Interested Persons.

Transactions with our interested persons which do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

#### ***Interested Person Transactions***

The transactions with the Interested Persons which will be covered by the Shareholders' Mandate ("**Mandated Transactions**") relating to the provision to, or obtaining from, the Interested Persons of products and services in the normal course of business of our Group or which are necessary for the day-to-day operations of our Group (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of our day-to-day operations) comprising the following:

- (1) supply of laryngeal masks, accessories, assembly services and components from FMT, ~~Chelle and Arrow~~;
- (2) ~~acquisition of intellectual property rights from Venner (or, where applicable, Indian Ocean Medical) which may hold some of the intellectual property rights of the medical (including anaesthesia) products which it had been developing prior to the date of the product development agreement effective as of January 1, 2005 and entered into between our Company and Venner (the "Product Development Agreement") and those that were contemplated to be developed by Venner (the "New Products")) of New Products under development as at the effective date of the Product Development Agreement. This excludes New Products which Venner may develop in the future pursuant to the Product Development Agreement;~~
- (2) acquisition of product development services from FMT under a Deed of Master Product Development;
- (3) the acquisition of moulds and associated tooling from VicPlas, FMT and Arrow;

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## APPENDIX

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- (4) ~~legal services by Shearman & Sterling LLP;~~
- (5) ~~provision of office space by VicPlas;~~
- (6) ~~reimbursement of travelling, accommodation and related expenses paid by Venner and its subsidiaries; and~~
- (74) such other products or services which are incidental to or in connection with the provision or obtaining of products or services in sub-paragraphs (1) to (63) above.

~~The Shareholders' Mandate does not include the acquisition of intellectual property rights of New Products which were not under development as at the effective date of the Product Development Agreement, but which may be developed by Venner in the future pursuant to the Product Development Agreement. Accordingly, in the event that we acquire the New Products which are not covered under the Shareholders' Mandate, we may be required by the Listing Manual to make an announcement or obtain shareholders' approval. Given that the information related to these New Products may be commercially sensitive and confidential, and any premature public announcement may be detrimental to our commercial interests, we may not be able to provide as much information had we not have to balance such concerns.~~

### ***Rationale for and Benefits of the Shareholders' Mandate***

The transactions with the Interested Persons are entered into or to be entered into by our Group in its ordinary course of business. They are recurring transactions that are likely to occur with some degree of frequency and arise at any time and from time to time. Our Directors are of the view that it will be beneficial to our Group to transact or continue to transact with the Interested Persons.

Our Directors believe that our Group will be able to benefit from its transactions with the Interested Persons. The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential interested person transactions with the Interested Persons arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to us.

The Shareholders' Mandate is intended to facilitate transactions in our normal course of business which are transacted from time to time with the Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority shareholders.

Disclosure will be made in the format required by the Listing Manual, and to the extent required by the SGX-ST, of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the Annual Reports for the subsequent financial years during which a Shareholders' Mandate is in force.

### **REVIEW PROCEDURES FOR TRANSACTIONS WITH THE INTERESTED PERSONS**

We have established the following procedures to ensure that the interested person transactions are undertaken on an arm's length basis and on normal commercial terms.

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## APPENDIX

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### ***Mandated Transactions***

#### *Review Procedures*

In general, there are procedures established by our Group to ensure that the Mandated Transactions with the Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with our Group's usual business practices and policies, and on terms which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented.

#### *(1) Supply of laryngeal masks and accessories from FMT, Chelle and Arrow, the Manufacturers*

~~One of our executives~~ The supply director who does not have an interest, direct or indirect, in the transaction ("**The Executive**") is appointed to negotiate the prices to be charged for each Product, on an semi-annual basis or whenever a new product is available, with a senior executive of FMT the manufacturers. The Executive does not report to either our Group Chairman, Mr. Robert Gaines-Cooper or our non-executive Director, Mrs. Jane Gaines-Cooper regarding such price negotiations. The Executive and the Group ~~President & Chief Executive Officer~~<sup>\*</sup> collectively, may agree on our behalf on the price for the supply of laryngeal mask and accessories by FMT the Manufacturers taking into account, among others, the cost of manufacturing the Products, the projected volume of unit sales of each product, and our selling prices and provided that the price and terms offered by FMT the Manufacturers are on normal commercial terms and not prejudicial to us and the interests of minority shareholders. ~~We~~ Management (including our Group Chief Executive Officer and The Executive) will review the transactions and if required, negotiate on an arm's length basis the mark-up price increase of a Product, if any, semi-annually. Our senior management (including our Group ~~President & Chief Executive Officer~~ and The Executive) will report to our Audit Committee on an annual basis or whenever a new product is available. Our Audit Committee will be provided a report by our senior management regarding the price negotiations. Our Audit Committee may, in its review of such report, require our senior management to provide statistics (including historical and projected price trends or information) and market information for the purpose of establishing a framework (on a commercially practicable basis) for the estimation of the costs of and returns on manufacturing (including labour and material costs) and, if available, advice from experts on such matters. To the extent that it is commercially practicable and appropriate, our Audit Committee may require our senior management to obtain from third parties quotes or estimates for manufacturing or raw material costs.

~~\* during the interim period whilst a Group President & Chief Executive Officer is recruited (see Statement of Corporate Governance) the Executive reports to and with the Executive Deputy Chairman.~~

#### *(2) Product development*

~~Under the Product Development Agreement, we are entitled to audit the product development, mould and other associated costs. We will carry out such an audit. Our Audit Committee will consider whether the total acquisition costs based on the amount equal to the product development, mould and other associated costs and costs related to the prosecution and maintenance of applicable patents for a new product reasonably incurred by Venner the "**Acquisition Fee**") plus 20% is broadly commensurate with the expected benefits and potential upside of exploiting the right to develop such product. Our management will not agree to any revision to the mark up that exceeds 20% of the Acquisition Fee unless with the prior approval of the Audit Committee. In the event that we are required by the Listing Manual to make an announcement on the acquisition of a new product, our Audit Committee will~~

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## APPENDIX

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~~disclose in such announcement whether it has reviewed and is satisfied that such acquisition is carried out on an arm's length basis and on normal commercial terms.~~

### ~~(32) Acquisition of product development services from FMT~~

~~The review procedures for the acquisition of product development services from FMT (the "**FMT Review Procedures**") are the same procedures as that for the acquisition of product development from Venner (or where applicable, Indian Ocean Medical) which has previously been opined on by an independent financial adviser. In addition, the FMT Review Procedures have been strengthened as set out in the paragraph below.~~

~~For each project there is a Project Schedule. Under the Deed of Master Product Development, we are entitled to carry out tests to determine if the product development service conforms to the specifications and other requirements set out in the relevant Project Schedule, which confirms the services required by FMT. Each Project Schedule will be reviewed by the product development director, Group Chief Executive Officer and other senior managers to ensure that the estimated cost and proposed timeline for each project is reasonable and on an arm's length basis. The estimates will, *inter alia*, be based on the amount and type of materials required, the machinery and equipment to be used, and the time and labour cost required, for each project. On a quarterly basis, senior management will report on the progress of each project, including the amount paid and the cost incurred for each project to the Audit Committee with respect to the services received from FMT.~~

### ~~(3) Acquisition of moulds and associated tooling~~

~~Where reasonably practicable, we will obtain quotes from independent suppliers and require a full cost breakdown for comparative purposes to facilitate arm's length negotiations on the purchase of moulds and associated tooling from VicPlas, FMT and Arrow.~~

### ~~(4) Legal services~~

~~Our Group will only consider obtaining legal services from an Interested Person if we are satisfied that:~~

- ~~• such services are required, and are not available from the in-house resources of our Group;~~
- ~~• such Interested Person has the relevant and adequate experience, expertise, personnel, resources and good track record in providing such services; and~~
- ~~• the terms of such services are on an arm's length and normal commercial basis and are competitive. In determining whether such terms are on an arm's length and normal commercial basis and competitive, we will take into consideration such factors as the scope of the requisite service, costs, timing and expertise, and will compare the same against the terms and quotations obtained from unrelated third party professional service providers, where available.~~

~~In the event that comparative quotes cannot be obtained, we will evaluate and weigh the benefits of, and rationale for, transacting with the Interested Person to determine whether the price and terms offered to the Interested Person are fair and reasonable.~~

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## APPENDIX

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### ~~(5) Provision of office space by VicPlas~~

~~We will only lease or renew our existing leases with VicPlas if we are satisfied that the rent payable to VicPlas is in line with prevailing market rental rates for comparable space.~~

### ~~(6) Reimbursement of travelling, accommodation and related expenses~~

~~We have a corporate policy on travelling, accommodation and related expenses. This policy sets out guidelines for incurring such expenses, the applicable limits and periodic review of expenses incurred. Our Audit Committee will review this policy from time to time.~~

### *Threshold limits for Mandated Transactions*

For purchases orders of Laryngeal masks etc. from FMT the Manufacturers, if the purchase orders in aggregate for any quarter amounts to 150% or more of the budget for that quarter per supplier, such purchases are subject to the prior joint approval of the Group President & Chief Executive Officer and the Group Chief Financial Officer.

In addition to the review procedures, Mandated Transactions (other than those relating to the supply agreements with FMT the Manufacturers) entered into by our Group which are equal to or exceeding US\$50,000 in value will require the prior approval of the relevant approving authority in our Group who does not have any interest, whether direct or indirect, in the transaction to be approved. The following sets out the approval limits for Mandated Transactions and the approving authority who has to review and approve such Mandated Transactions:

#### **Approval Limits**

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#### **Approving Authority**

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- |  |  |
|--|--|
| (1) interested person transactions equal to, or exceeding, US\$50,000 but less than US\$300,000 in value   | Group Chief Financial Officer or such other designated senior executive approved by the Audit Committee  |
| (2) interested person transactions equal to, or exceeding, US\$300,000 but less than US\$2,000,000 in value  | Group <del>President &amp; Chief Executive Officer</del> and either of the Group Chief Financial Officer or such other designated senior executive approved by the Audit Committee |
| (3) interested person transactions equal to, or exceeding, US\$2,000,000 <del>or transactions to acquire intellectual property rights from Venner or Indian Ocean Medical under or pursuant to the Product Development Agreement</del> | Audit Committee  |

The procedures for reviewing and approving the entry into of Mandated Transactions are set out below:

- (1) A Mandated Transaction which is less than US\$50,000 does not require any prior approval or announcement.

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## APPENDIX

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- (2) Where the Mandated Transaction has to be reviewed by the approving authority (as described above) and if the approving authority (as described above) has any interest, direct or indirect, in the Mandated Transaction, such Mandated Transaction will be reviewed by the next level of approving authority.
- (3) All interested person transactions without any fixed duration will be subject to annual review at the commencement of each calendar year by the relevant approving authority.

In reviewing the Mandated Transactions, the approving authority (as described above) will have the discretion to seek independent professional advice.

In the event that a member of our Audit Committee or our Board of Directors has an interest, direct or indirect, in the Mandated Transaction, such Director will abstain from approving that particular Mandated Transaction.

If a Mandated Transaction requires shareholders' approval, it must be obtained either prior to the Mandated Transaction being entered into or, if the Mandated Transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Our Audit Committee will also review all Mandated Transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with.

### ***Other Review Procedures***

Our Group has also implemented the following procedures for the identification of the Interested Persons and the recording of all our interested person transactions:

- (1) our Group Chief Financial Officer will maintain a register of all transactions carried out with the Interested Persons whether mandated or non-mandated; and
- (2) on a quarterly basis, our Group Chief Financial Officer will submit a report to our Audit Committee of all recorded interested person transactions entered into by our Group. Our Company's annual internal audit plan shall incorporate a review of all interested person transactions, including the established review procedures for the monitoring of such Mandated Transactions, entered into or existing interested person transactions that are renewed or revised during the current financial year pursuant to the Shareholders' Mandate.

In addition, our Audit Committee shall also review from time to time such internal controls and review procedures for interested person transactions to determine if they are adequate and/or commercially practicable in ensuring that the transactions between our Group and the Interested Persons are conducted on normal commercial terms and not prejudicial to the interests of our Company and our minority shareholders. In conjunction with such review, our Audit Committee will also ascertain whether the established review procedures have been complied with. Further, if during these periodic reviews by our Audit Committee, our Audit Committee is of the view that the internal controls and review procedures for interested persons transactions are inappropriate or not sufficient to ensure that the interested persons transactions will be on normal commercial terms and not prejudicial to the interests of our Company and our minority shareholders, our Audit Committee will revert to our shareholders for a fresh Shareholders' Mandate based on new internal controls and review procedures for transactions with the Interested Persons.

## APPENDIX

For the purposes of the above review of the internal controls and review procedures, any of our Directors or a member of our Audit Committee who is not considered independent, will abstain from participating in the Audit Committee's review of the internal controls and review procedures.

Our Board of Directors and our Audit Committee will have overall responsibility for determining the review procedures with the authority to delegate to individuals or committees within our Group as they deem appropriate.

Our Audit Committee confirms that:

- (1) the methods or procedures for determining the transaction prices relating to transactions with the Interested Persons have not changed since the last Shareholders' Mandate; and
- (2) the methods or procedures above are sufficient to ensure that the transactions with the Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority shareholders.

The aggregate value of interested person transactions entered into with the interested persons ~~Interested Persons~~ since the beginning of the current financial year up to 15 November 2009 is indicated below.

Name of Interested Person	Aggregate value of all interested person transactions since the beginning of the current financial year up to 15 November 2009 (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (see Note)
Forefront Medical Technology	US\$96,000	US\$15,354,000
Chelle Medical Ltd	US\$97,000	US\$1,471,000
Arrow Medical Ltd	US\$184,000	US\$508,000
Venner Capital	US\$5,000	—
Venner Medical (Singapore) Pte Ltd	—	(US\$5,000)
Venner International Services	US\$25,000	US\$41,000
Venner Medical (Suisse) SA	US\$520,000	—
VicPlas	US\$38,000	US\$24,000
Note: Shareholders' Mandate as at Annual Meeting held on 28 April 2008		

### **Definitions**

Certain terms used in this Appendix have the following meanings unless the context otherwise requires.

"we", "us", "our", "ourselves" and "our Group" refer to LMA International N.V. and its subsidiaries.

"associate" has the following meanings:

- (1) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

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## APPENDIX

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- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (2) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

“associated company” means a company in which at least 20% but not more than 50% of its shares are held by the Company or the Group.

“Company” means LMA International N.V.

“control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

“controlling shareholder” means a person who:

- (i) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
- (ii) in fact exercises control over a company.

“Directors” means directors of the Company.

~~“Interested Person~~ interested persons” means a Director, chief executive officer, or controlling shareholder of our Company, or an associate of any such Director, chief executive officer, or controlling shareholder.

“SGX-ST” means Singapore Exchange Securities Trading Limited.

~~“Venner Manufacturing Associates” means any manufacturing corporation in which Venner owns directly, or indirectly through a subsidiary, at least 10% of the total voting shares in such manufacturing corporation.~~

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## NOTICE OF INFORMATION MEETING

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### **LMA INTERNATIONAL N.V.**

(Incorporated with limited liability in the Netherlands Antilles on 28 July 1998)

### **NOTICE OF INFORMATION MEETING**

NOTICE IS HEREBY GIVEN THAT the information meeting of LMA International N.V. (the "**Company**") will be held at 35 Joo Koon Circle, Singapore 629110 on 15 December 2009 at 11.00 a.m. prior to the Extraordinary General Meeting of the Company which will be held on 21 December 2009 ("**EGM**") to allow the Board of Directors an opportunity to appraise Shareholders and Depositors of information regarding the Ordinary Resolution as set out in the Notice of EGM dated 4 December 2009 and for Shareholders and Depositors to ask questions in respect of such Ordinary Resolution.

BY ORDER OF THE BOARD

**Robin Sims**  
**Company Secretary**  
4 December 2009

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### LMA INTERNATIONAL N.V.

(Incorporated with limited liability in the Netherlands Antilles on 28 July 1998)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of LMA International N.V. (the "**Company**") will be held at 52, Neptunusweg, Willemstead, Curaçao, Netherlands Antilles, on 21 December 2009 at 10.00 a.m. for the purpose of considering and, if though fit, passing with or without modifications, the following Ordinary Resolution:

#### Resolution 1: **Ordinary Resolution**

#### **The Proposed Shareholders' Mandate for Interested Person Transactions**

That:–

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's letter to shareholders and depositors dated 4 December 2009 (the "**Letter**"), with any party who is of the class of interested persons described in the Appendix to the Letter provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "**Shareholders' Mandate**") shall, unless revoked or varied by the shareholders of the Company in an Extraordinary General Meeting continue in force until the conclusion of the next Annual Meeting of the Company; and
- (c) the Board of Directors of the Company be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

BY ORDER OF THE BOARD

**Robin Sims**  
**Company Secretary**  
4 December 2009

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. Persons holding shares in the capital of the Company through The Central Depository (Pte) Limited whose shares are entered in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) (“**Depositors**”) will only be admitted at the Extraordinary General Meeting when 48 hours before the time of the Extraordinary General Meeting such Depositor is shown in the records of The Central Depository (Pte) Limited to have shares credited to a securities account or sub-account maintained by the Depositor at The Central Depository (Pte) Limited. Depositors who wish to attend the Extraordinary General Meeting in person or by proxy will have to complete and deposit a CDP Proxy Form.
2. Holders of shares in the capital of the Company whose shares are recorded in the Stock Register held by the Registrar of the Company in Curaçao, Netherlands Antilles who want to attend the Extraordinary General Meeting in person or by proxy, will only be admitted at the Extraordinary General Meeting when at the time of the Extraordinary General Meeting such Shareholder is registered in the Stock Register as a Shareholder of the Company. Shareholders who wish to attend the Extraordinary General Meeting by proxy, will have to complete and deposit a duly completed Shareholder Proxy Form.
3. With the exception of The Central Depository (Pte) Limited (who may appoint more than two proxies), a Shareholder entitled to attend, speak and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf. A proxy need not be a shareholder of the Company.
4. A Shareholder Proxy Form that has been executed by a Shareholder, or a CDP Proxy Form that has been executed by a Depositor, must be lodged at the office of the Company’s Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street #08-01, Samsung Hub, Singapore 049483, not less than 48 hours before the time of the Extraordinary General Meeting.

