

Leatt Corp  
Form DEF 14A  
August 04, 2014

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, For Use of the Commission Only (As Permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material under Rule 14a-12

**LEATT CORPORATION**  
*(Name of Registrant as Specified In Its Charter)*

---

*(Name of Person(s) Filing Proxy Statement, if other than the Registrant)*

Payment of Filing Fee (Check the appropriate box):

- No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Edgar Filing: Leatt Corp - Form DEF 14A

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

50 Kiepersol Drive, Atlas Gardens,  
Contermanskloof Road, Durbanville  
Western Cape, South Africa, 7441

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON SEPTEMBER 18, 2014**

Dear Stockholder:

Notice is hereby given that the Annual Meeting of Stockholders (the **Meeting**) of Leatt Corporation, a Nevada corporation (the **Company**), will be held on Thursday, September 18, 2014, at 10:00 a.m. local time, at the offices of Allen & Carron Inc., 76 Fifth Avenue, Suite 604, New York, New York, USA, for the following purposes:

1. To elect the three individuals listed in the accompanying Proxy Statement to the Board of Directors of the Company, each to serve until the next annual meeting of stockholders of the Company or until such person shall resign, be removed or otherwise leave office;
  2. To ratify the selection by the Audit Committee of Fitzgerald as the Company's independent registered public accounting firm for the calendar year ending December 31, 2014;
  3. To transact such other business as may properly come before the Meeting or any adjournment thereof.
- If you owned our common stock at the close of business on July 24, 2014, you may attend and vote at the Meeting.

A Proxy Statement describing the matters to be considered at the Meeting is attached to this Notice. Our 2013 Annual Report accompanies this Notice, but it is not deemed to be part of the Proxy Statement.

**Your vote is important. Whether or not you plan to attend the Meeting, I hope that you will vote as soon as possible. You may vote your shares by either completing, signing and returning the accompanying proxy card or casting your vote via a toll-free telephone number or over the Internet.**

Sincerely,

/s/ Sean Macdonald  
Sean Macdonald  
Chief Executive Officer

August 4, 2014

---

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON SEPTEMBER 18, 2014**

This Notice and Proxy Statement and our 2013 Annual Report are available online at <https://www.iproxydirect.com/LEAT>.

In accordance with the Securities and Exchange Commission ( SEC ) rules and regulations, we have elected to provide access to our proxy materials over the Internet. Accordingly, the Company will mail, on or about August 4, 2014, a Notice of Internet Availability of Proxy Materials to its stockholders of record and beneficial owners. The Notice of Internet Availability of Proxy Materials will identify the website where the proxy materials will be made available; the date, time, and location of the Annual Meeting; the matters to be acted upon at the meeting and the Board of Directors recommendation with regard to each matter; a toll-free telephone number, an e-mail address, and a website where stockholders can request a paper or e-mail copy of the Proxy Statement, our Annual Report to stockholders and a form of proxy relating to the Annual Meeting; information on how to access the form of proxy; and information on how to obtain directions to attend the meeting and vote in person. These proxy materials will be available free of charge.

---

50 Kiepersol Drive, Atlas Gardens  
Contermanskloof Road, Durbanville  
Western Cape, South Africa, 7441

## PROXY STATEMENT

The Board of Directors (the **Board**) of Leatt Corporation, a Nevada corporation (the **Company, we, us** or **our**) is furnishing this proxy statement (the **Proxy Statement**) and the accompanying proxy to you to solicit your proxy for the 2014 Annual Meeting of Stockholders (the **Annual Meeting**). The Annual Meeting will be held on Thursday, September 18, 2014, at 10:00 a.m. local time, at the offices of Allen & Carron Inc., 76 Fifth Avenue, Suite 604, New York, New York, USA.

It is anticipated that the Notice of Internet Availability of Proxy Materials will be mailed to stockholders on or about August 4, 2014.

## QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

### *What is this proxy statement?*

You have received this Proxy Statement and our 2013 Annual Report (the **Annual Report**) because our Board is soliciting your proxy to vote your shares at the Annual Meeting. This Proxy Statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission (**SEC**) and that is designed to assist you in voting your shares.

### *What is the purpose of the Annual Meeting?*

At the Annual Meeting, our stockholders will act upon the matters described in this Proxy Statement. These actions include the election of directors; and ratification of the appointment of the independent registered public accounting firm (which we sometimes refer to as the **independent auditors**). An additional purpose of the Annual Meeting is to transact any other business that may properly come before the Annual Meeting and any and all adjournments or postponements of the Annual Meeting.

### *Who can attend the Annual Meeting?*

All stockholders of record at the close of business on July 24, 2014 (the **Record Date**), or their duly appointed proxies, may attend the Annual Meeting.

### *What proposals will be voted on at the Annual Meeting?*

Stockholders will vote on two proposals at the Annual Meeting:

- the election of directors; and
- the ratification of the appointment of Fitzgerald as the Company's independent auditors for the calendar year ending December 31, 2014;

*What are the Board's recommendations?*

Our Board recommends that you vote:

- **FOR** election of the three individuals listed in this proxy statement to the Board of Directors; and
- **FOR** ratification of the appointment of Fitzgerald as the Company's independent auditors for the calendar year ending December 31, 2014;

- 4 -

---

***Will there be any other business on the agenda?***

The Board knows of no other matters that are likely to be brought before the Annual Meeting. If any other matters properly come before the Annual Meeting, however, the persons named in the enclosed proxy, or their duly appointed substitute acting at the Annual Meeting, will be authorized to vote or otherwise act on those matters in accordance with their judgment.

***Who is entitled to vote?***

Only stockholders of record at the close of business on July 24, 2014, which we refer to as the Record Date, are entitled to notice of, and to vote at, the Annual Meeting. As of the Record Date, there were 5,200,623 shares of our common stock outstanding and 120,000 shares of our preferred stock issued and outstanding. Holders of common stock as of the Record Date are entitled to one vote for each share of common stock held for each of the proposals. Holders of our preferred stock as of the Record date are entitled to 100 votes for each share of preferred stock held for each of the proposals. No other class of voting securities is outstanding on the date of mailing of this Proxy Statement.

***What is the difference between holding shares as a stockholder of record and as a beneficial owner?***

*Stockholder of Record.* If your shares are registered directly in your name with our transfer agent, Interwest Transfer Company, Inc., you are considered, with respect to those shares, the stockholder of record. This proxy and our Annual Report have been sent directly to you by us.

*Beneficial Owner.* If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. This proxy and the Annual Report have been forwarded to you by your broker, bank or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instructions included in with your proxy materials.

***How do I vote my shares?***

Whether you hold shares directly as a registered stockholder of record or beneficially in street name, you may vote without attending the Annual Meeting. You may vote by granting a proxy or, for shares held beneficially in street name, by submitting voting instructions to your stockbroker, trustee or nominee. In most cases, you will be able to do this by using the Internet or telephone or by mail, if you received a printed set of the proxy materials.

**By Internet** If you have Internet access, you may submit your proxy via the Internet by following the instructions provided in the Notice of Annual Meeting of Stockholders accompanying this Proxy Statement (the **Notice** ), or if you received a printed version of the proxy materials by mail, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card.

**By Telephone or Mail** If you received printed proxy materials, you may submit your proxy by telephone by following the instructions provided on your proxy card or voting instruction card. If you received a Notice, you may submit your proxy by telephone after accessing the proxy materials via the Internet. You may also submit your proxy by mail by signing your proxy card if your shares are registered or, for shares held beneficially in street name, by following the voting instructions included by your stockbroker, trustee or nominee, and mailing it in the envelope provided. If you provide specific voting instructions, your shares will be voted as you have instructed. Voting by telephone is not available to persons outside of the United States.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (EDT) on September 17, 2014.

Edgar Filing: Leatt Corp - Form DEF 14A

If you vote by proxy, the individuals named on the proxy card (your **proxies** ) will vote your shares in the manner you indicate. You may specify how your shares should be voted for each of the proposals. If you grant a proxy without indicating your instructions, your shares will be voted as follows:

- FOR election of the three individuals listed in this proxy statement to the Board of Directors; and
- FOR ratification of the appointment of Fitzgerald as the Company's independent auditors for the calendar year ending December 31, 2014;

- 5 -

---



Each share of our common stock is entitled to one vote and each share of our preferred stock is entitled to 100 votes per share voting with the common stock.

***What constitutes a quorum?***

A quorum is the presence, in person or by proxy, of the holders of a majority of the shares of the common stock entitled to vote. Under Nevada law, an abstaining vote and a broker non-vote are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Annual Meeting.

***What is a broker non-vote and what is its effect on voting?***

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares does not have the authority to vote on the matter with respect to those shares. This is generally referred to as a broker non-vote.

Proposal 2 (ratification of auditors) involves a matter that we believe will be considered routine. All other proposals involve matters that we believe will be considered non-routine. We encourage you to provide voting instructions to the organization that holds your shares by carefully following the instructions provided on your proxy card.

***What is required to approve each item?***

- For Proposal No. 1 (election of directors), each director must be elected by a majority of votes cast with respect to such director (i.e., the number of shares voted for a director nominee must exceed the number of votes withheld from that nominee). Abstentions and broker non-votes are not counted for purposes of the election of directors.
- For Proposal No. 2 (ratification of independent auditors), the affirmative vote of the holders of a majority of the stockholders' shares present in person or represented by proxy at the Annual Meeting and entitled to vote, is required.
- For any other matters on which stockholders are entitled to vote, the affirmative vote of the holders of a majority of the stockholders' shares present in person or represented by proxy at the Annual Meeting and entitled to vote, is required.

For the purpose of determining whether the stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. If stockholders hold their shares through a broker, bank or other nominee and do not instruct them how to vote, the broker may have authority to vote the shares for routine matters.

Stockholders may not cumulate votes in the election of directors, which means that each stockholder may vote no more than the number of shares he or she owns for a single director candidate.

Our bylaws require that, in uncontested elections, each director be elected by the majority of votes cast with respect to such director. This means that the number of shares voted for a director nominee must exceed the number of votes withheld from that nominee in order for that nominee to be elected. Only votes for or withheld are counted as votes cast with respect to a director. Abstentions and broker non-votes will have no effect.

***How will shares of common stock represented by properly executed proxies be voted?***

All shares of common stock represented by proper proxies will, unless such proxies have previously been revoked, be voted in accordance with the instructions indicated in such proxies. If you do not provide voting instructions, your shares will be voted in accordance with the Board's recommendations as set forth herein. In addition, if any other matters properly come before the Annual Meeting, the persons named in the enclosed proxy, or their duly appointed substitute acting at the Annual Meeting, will be authorized to vote or otherwise act on those matters in accordance with their judgment.

***Can I change my vote or revoke my proxy?***

Any stockholder executing a proxy has the power to revoke such proxy at any time prior to your shares being voted. You may revoke your proxy prior to your shares being voted by calling 1-866-752-VOTE (8683), or by accessing the Internet website <https://www.iproxydirect.com/LEAT>, or in writing by execution of a subsequently dated proxy, or by a written notice of revocation, sent to the attention of the Corporate Secretary at Leatt Corporation, Suite 109, Private Bag X3, Bloubergrant, 7443, Western Cape, South Africa, or by attending and voting in person at the Annual Meeting. Unless revoked, the shares represented by timely received proxies will be voted in accordance with the directions given therein. Your most current proxy card or telephone or Internet proxy is the one that is counted.

If the Annual Meeting is postponed or adjourned for any reason, at any subsequent reconvening of the Annual Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the previously convened Annual Meeting (except for any proxies that have at that time effectively been revoked or withdrawn), even if the proxies had been effectively voted on the same or any other matter at a previous Annual Meeting.

***How are proxies solicited?***

In addition to the mail solicitation of proxies, our officers, directors, employees and agents may solicit proxies by written communication, telephone or personal call. These persons will receive no special compensation for any solicitation activities. We will reimburse banks, brokers and other persons holding common stock for their expenses in forwarding proxy solicitation materials to beneficial owners of our common stock.

***Who paid for this proxy solicitation?***

The cost of preparing, printing, assembling and mailing this proxy statement and other material furnished to stockholders in connection with the solicitation of proxies is borne by us.

***What is householding?***

The SEC has adopted rules that allow a company to deliver a single proxy statement or annual report to an address shared by two or more of its stockholders. This method of delivery, known as householding, permits us to realize significant cost savings, reduces the amount of duplicate information stockholders receive, and reduces the environmental impact of printing and mailing documents to you. Under this process, certain stockholders of record who do not participate in electronic delivery of proxy materials will receive only one copy of our proxy materials and any additional proxy materials that are delivered until such time as one or more of these stockholders notifies us that they want to receive separate copies.

Any stockholders who wish to opt out of, or wish to begin, householding may contact our Corporate Secretary through one of the following methods:

- by sending a written request by mail to:

Leatt Corporation  
Suite 109, Private Bag X3, Bloubergrant, 7443, Western Cape, South Africa  
Attention: Corporate Secretary

- by calling our Corporate Secretary, at +(27) 21-557-7257.

***How do I learn the results of the voting at the Annual Meeting?***

The preliminary voting results will be announced at the Annual Meeting. The final results will be published in our current report on Form 8-K to be filed with the SEC within four business days after the date of the Annual Meeting, provided that the final results are available at such time. In the event the final results are not available within such time period, the preliminary voting results will be published in our current report on Form 8-K to be filed within such time period, and the final results will be published in an amended current report on Form 8-K/A to be filed within four business days after the final results are available.

***Can I receive future stockholder communications electronically through the Internet?***

Yes. You may elect to receive future notices of meetings, proxy materials and annual reports electronically through the Internet. To consent to electronic delivery, vote your shares using the Internet. At the end of the Internet voting procedure, the on-screen Internet voting instructions will tell you how to request future stockholder communications be sent to you electronically.

Once you consent to electronic delivery, you must vote your shares using the Internet and your consent will remain in effect until withdrawn. You may withdraw this consent at any time during the voting process and resume receiving stockholder communications in print form.

***Whom may I contact for further assistance?***

If you have any questions about giving your proxy or require any assistance, please contact our Corporate Secretary:

- by mail to:

Leatt Corporation  
Suite 109, Private Bag X3, Bloubergrant, 7443, Western Cape, South Africa  
Attention: Corporate Secretary

- by telephone at +(27) 21-557-7257.

**DIRECTORS AND EXECUTIVE OFFICERS**

Set forth below are the names of our current directors, officers and significant employees, their ages, all positions and offices that they hold with us, the period during which they have served as such, and their business experience during at least the last five years.

| <b>Name</b>                 | <b>Age</b> | <b>Title</b>   |
|-----------------------------|------------|--|
| Dr. Christopher James Leatt | 46         | Founder, Chairman and Head of Research & Development |
| Sean Macdonald              | 37         | CEO, CFO, President and Director                     |
| Jeffrey Joseph Guzy         | 63         | Director   |

DR. CHRISTOPHER LEATT: Dr. Leatt, aged 46, has served as a director since 2005. Dr. Chris Leatt (MB ChB) studied medicine at the University of Cape Town and completed his internship in the United Kingdom before returning to South Africa to pursue his career in medicine. He held positions in General Surgery and General Medicine/Geriatrics/Gastroenterology before becoming a General Medical Practitioner and Chairman of ERIPO (Eerste River Independent Practitioners Association), an organization formed to look after both the Medical and Business interests of forty Independent Practitioners. Dr. Leatt then worked in casualty/trauma at various hospitals before becoming a surgical medical officer. A brief stint as an Orthopedic Registrar at Groote Schuur Hospital preceded his post as Neurosurgery Registrar at the Department of Neurosurgery, Tygerberg Academic Hospital. Dr. Leatt's duties as a surgical registrar in this discipline included ward work, High-Care duties, evaluation of referrals, outpatient consultations, emergency and elective surgery, logbook of all surgical procedures completed. He resigned from his post in Neurosurgery in order to develop and study the benefits and viability of a neck protection system (the Leatt-Brace®) for helmet clad sport and recreational users in an attempt to reduce devastating neck injuries. Dr. Leatt is a fixed wing and helicopter pilot and is an active participant in competitive cross-country motorcycle endurance races, as well as Super Sport and Battle of the Twins (BOTTS) track racing events. He won the Western Province BOTTS championship in 2011. When not participating in such events, Dr. Leatt is often involved in providing medical support there.

SEAN MACDONALD: Mr. Macdonald, CA (SA), aged 37, has served as the Company's Chief Executive Officer and President since November 2010, as its Chief Financial Officer since August 2009, and as a Director since May 2010. Prior to joining the Company, Mr. Macdonald served from August 2004 to December 2009, as the Chief Financial Officer of Cyclelab, the largest bicycle retailer in South Africa, where he was responsible for operational, financial and strategic leadership of the business including the implementation of a franchise model in order to grow the business. Mr. Macdonald holds a Bachelor of Commerce Degree in Finance and Information Systems from the University of Cape Town, as well as a Post-Graduate Diploma in Accounting, which included 3 years of articling at KPMG Cape Town. Mr. Macdonald is also a South Africa registered Chartered Accountant.

JEFFREY GUZY: Mr. Guzy, aged 63, has served as a director since April 2007. Mr. Guzy has a solid background in telecommunications, information systems, investor relations, emerging growth companies and the U.S. capital markets, and has served as an executive manager or consultant for business development, sales, customer service and management in the telecommunications industry, specifically, with IBM Corp., RCA Corp., Sprint International, Bell Atlantic Video Services, Loral Cyberstar and Facilicomm International. Since February 2013 he has served as the Chief Executive Officer of Central Oil & Gas Corporation of America, an U.S. oil and gas production company, and prior to that, he served, from October 2007 to August 2010 as our President. Mr. Guzy has a MBA in Strategic Planning and Management from The Wharton School of the University of Pennsylvania; a M.S. in Systems Engineering from the University of Pennsylvania; a B.S. in Electrical Engineering from Penn State University; and an Associate Degree in Theology from Georgetown University. He also serves as an independent director of CHDT Corporation, a Florida public corporation.

## Family Relationships

Except as otherwise disclosed herein, there are no family relationships among our directors or executive officers.

Except as set forth in our discussion below in Transactions with Related Persons, Promoters and Certain Control Persons Transactions with Related Persons, none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**) requires our executive officers, directors and beneficial owners of more than 10% of a registered class of our equity securities to file with the SEC statements of ownership and changes in ownership. The same persons are required to furnish us with copies of all Section 16(a) forms they file. Except as set forth below and in our previous reports filed with the SEC, we believe that all of our executive officers, directors and beneficial owner of more than 10% of a registered class of our equity securities complied with the applicable filing requirements during 2013.

In making these statements, we have relied upon examination of the copies of all Section 16(a) forms provided to us and the written representations of our executive officers, directors and beneficial owners of more than 10% of a registered class of our equity securities.

## CORPORATE GOVERNANCE

Our current corporate governance practices and policies are designed to promote stockholder value and we are committed to the highest standards of corporate ethics and diligent compliance with financial accounting and reporting rules. Our Board provides independent leadership in the exercise of its responsibilities. Our management oversees a system of internal controls and compliance with corporate policies and applicable laws and regulations, and our employees operate in a climate of responsibility, candor and integrity.

### The Board and Committees of the Board

We are governed by a Board that currently consists of three members as identified above. Our board of directors currently has two standing committees: the Audit Committee and Compensation Committee, which, pursuant to delegated authority, perform various duties on behalf of and report to the Board. From time to time, the Board may establish other committees.

#### *Audit Committee*

Our Audit Committee is currently composed of two members: Mr. Jeffrey Guzy and Mr. Macdonald. Mr. Guzy serves as Chair of the Audit Committee and our Board has determined that Mr. Guzy is an independent director within the meaning of the NASDAQ Marketplace Rules.

Our Audit Committee oversees our accounting and financial reporting processes and the audits of our financial statements. It is responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- reviewing with our independent auditors any audit problems or difficulties and management's response;





- reviewing and approving all proposed related-party transactions;
- discussing the annual audited financial statements with management and our independent auditors;
- reviewing the adequacy and effectiveness of our internal control over financial reporting;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- such other matters that are specifically delegated to our Audit Committee by our Board from time to time;
- meeting separately and periodically with management and our internal and independent auditors; and
- reporting regularly to the full Board.

Our Board has determined that Mr. Guzy is the audit committee financial expert as such term is defined in Item 407(d) of Regulation S-K promulgated by the SEC and also meets NASDAQ's financial sophistication requirements.

### ***Compensation Committee***

Our Compensation Committee is currently composed of one member: Mr. Jeffrey Guzy who serves as its Chair. Mr. Guzy is independent within the meaning of the NASDAQ Marketplace Rules.

Our Compensation Committee assists the Board in reviewing and approving the compensation structure of executive officers, including all forms of compensation to be provided to our executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated.

The Compensation Committee is responsible for, among other things:

- approving and overseeing the compensation package for our executive officers;
- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating the performance of our chief executive officer in light of those goals and objectives, and setting the compensation level of our chief executive officer based on this evaluation; and
- reviewing periodically and making recommendations to the Board regarding any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

### **Governance Structure**

The Board believes that the interests of all stockholders are best served at the present time through a leadership model with a separate Board Chair and CEO. However, the Board retains authority to combine the positions of Board Chair and CEO at any time. The current CEO and Board Chair possess an in-depth knowledge of the Company, its integrated operations, and the array of challenges to be faced, gained through years of combined experience in the industry. The Board believes that these experiences and other insights put them in the best position to provide broad leadership for the Company and the Board, respectively, as they consider strategy and exercise fiduciary responsibilities to stockholders, as the case may be.

### **The Board's Role in Risk Oversight**

The Board oversees that the assets of the Company are properly safeguarded, that the appropriate financial and other controls are maintained, and that the Company's business is conducted wisely and in compliance with applicable laws and regulations and proper governance. Included in these responsibilities is the Board of Directors' oversight of the various risks facing the Company. In this regard, the Board seeks to understand and oversee critical business risks. The Board does not view risk in isolation. Risks are considered in virtually every business decision and as part of the Company's business strategy. The Board recognizes that it is neither possible nor prudent to eliminate all risk. Indeed, purposeful and appropriate risk-taking is essential for the Company to be competitive on a global basis and to achieve its objectives.

While the Board oversees risk management, Company management is charged with managing risk. The Company has internal processes and an internal control environment to identify and manage risks and to communicate with the Board. The Board and the Audit Committee monitor and evaluate the effectiveness of the internal controls and the risk management program at least annually. The Board implements its risk oversight function both as a whole and through Committees. Much of the work is delegated to various Committees, which meet regularly and report back to the full Board. All Committees play significant roles in carrying out the risk oversight function. In particular:

- 10 -

---

- The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Audit Committee oversees the internal audit function and the Company's ethics programs, including the Code of Ethics. The Audit Committee members meet separately with representatives of the independent auditing firm; and
- The Compensation Committee evaluates the risks and rewards associated with the Company's compensation philosophy and programs. The Compensation Committee reviews and approves compensation programs with features that mitigate risk without diminishing the incentive nature of the compensation. Management discusses with the Compensation Committee the procedures that have been put in place to identify and mitigate potential risks in compensation.

### **Independent Directors**

Our Board has determined that Mr. Jeffrey Guzy qualifies as an independent director of the Board within the meaning of applicable NASDAQ Marketplace Rules and Section 301 of the Sarbanes-Oxley Act of 2002. Mr. Guzy serves as Chairman of each of the Audit Committee and Compensation Committee of the Board.

### **Board, Committee and Annual Meeting Attendance**

During 2013, the Board held four meetings and acted by written consent six times. During the same period, our Audit Committee held meetings and acted by written consent four times and our Compensation Committee held one meeting. Each director attended at least 75% of all Board and applicable committee meetings.

Our directors are expected to attend Board meetings as frequently as necessary to properly discharge their responsibilities and to spend the time needed to prepare for each such meeting. We encourage our directors to attend annual shareholder meetings, but we do not have a formal policy requiring them to do so.

### **Code of Ethics**

On April 30, 2012, our Board adopted a code of ethics, which applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, and principal accounting officer. The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC, and in other public communications that we made; compliance with applicable government laws, rules and regulations; the prompt internal reporting of violations of the code to the appropriate person or persons; and accountability for adherence to the code. We believe that our reputation is a valuable asset and must continually be guarded by all associated with us so as to earn the trust, confidence and respect of our suppliers, customers and stockholders.

Printed copies of our code of ethics may be obtained, without charge, by contacting the Corporate Secretary, Leatt Corporation, 50 Kiepersol Drive, Atlas Gardens, Contermanskloof Road, Durbanville, Western Cape, South Africa, 7441. During the fiscal year ended December 31, 2012, there were no waivers of our code of ethics.

### **Stockholder Communication with the Board**

Stockholders and other interested parties may communicate with the Board, including non-management directors, by sending a letter to our board of directors, c/o Corporate Secretary, Leatt Corporation, Suite 109, Private Bag X3, Bloubaerg, 7443, Western Cape, South Africa, for submission to the Board or committee or to any specific director to whom the correspondence is directed. Stockholders communicating through this means should include with the correspondence evidence, such as documentation from a brokerage firm, that the sender is a current record or beneficial stockholder of the Company. All communications received as set forth above will be opened by the Corporate Secretary or her designee, for the sole purpose of determining whether the contents contain a message to

one or more of our directors. Any contents that are not advertising materials, promotions of a product or service, patently offensive materials or matters deemed, using reasonable judgment, inappropriate for the Board will be forwarded promptly to the chairman of the Board, the appropriate committee or the specific director, as applicable.

- 11 -

---

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is comprised of one non-employee Director, who has also been determined by the Board to be independent under the meaning of Rule 10A-3(b)(1) under the Exchange Act. The Board has determined, based upon an interview of Mr. Jeffrey Guzy and a review of Mr. Guzy's responses to a questionnaire designed to elicit information regarding his experience in accounting and financial matters, that Mr. Guzy shall be designated as an

Audit Committee financial expert within the meaning of Item 401(e) of SEC Regulation S-K, as Mr. Guzy has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in his financial sophistication. The Audit Committee assists the Board's oversight of the integrity of the Company's financial reports, compliance with legal and regulatory requirements, the qualifications and independence of the Company's independent registered public accounting firm, the audit process, and internal controls. The Audit Committee operates pursuant to a written charter adopted by the Board. The Audit Committee is responsible for overseeing the corporate accounting and financing reporting practices, recommending the selection of the Company's registered public accounting firm, reviewing the extent of non-audit services to be performed by the auditors, and reviewing the disclosures made in the Company's periodic financial reports. The Audit Committee also reviews and recommends to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.

Following the end of the year ended December 31, 2013, the Audit Committee (1) reviewed and discussed the audited financial statements for the year ended December 31, 2013 with Company management; (2) discussed with the independent auditors the matters required to be discussed by SAS 61 as amended, (AICPA, Professional Standards, Vol.1 AU Section 380), as adopted by the Public Company Accounting Oversight Board (United States) and (3) received the written disclosures and the letter from the independent public accounting firms required by applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the independent public accounting firm its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the SEC.

/s/ Jeffrey Guzy

Mr. Jeffrey Guzy, Chair

Mr. Sean Macdonald

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the following persons for services rendered in all capacities during the indicated periods. No other executive officers received total annual salary and bonus compensation in excess of \$100,000.

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (No. of shares) <sup>(1)</sup> | Non-Equity Incentive Plan Compensation Earnings (\$) | Non-qualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|-----------------------------|------|-------------|------------|-------------------|--|--|---|-----------------------------|------------|
|                             | 2011 | 487,668     | 40,639     | --                | --   | --   | --  | 10,391                      | 538,699    |

Edgar Filing: Leatt Corp - Form DEF 14A

|   |      |         |        |    |       |    |    |        |        |
|---|------|---------|--------|----|-------|----|----|--------|--------|
| Dr. Christopher James Leatt, Chairman and Head of Research and Development <sup>(2)</sup>   | 2012 | 487,668 | --     | -- | 3,872 | -- | -- | 9,889  | 501,42 |
|   | 2013 | 487,668 | --     | -- | 1,291 | -- | -- | 9,468  | 498,42 |
| Sean Macdonald, President, CEO, CFO and Director  | 2011 | 183,173 | 36,614 | -- | --    | -- | -- | 9,269  | 229,05 |
|   | 2012 | 196,922 | --     | -- | 5,808 | -- | -- | 7,957  | 210,68 |
|   | 2013 | 189,502 | --     | -- | 1,936 | -- | -- | 10,467 | 201,90 |
| Philip Edward Davy, U.S. General Manager and International Marketing Manager <sup>(3)</sup> | 2011 | 130,000 | 25,000 | -- | --    | -- | -- | --     | 155,00 |
|   | 2012 | 168,000 | 5,500  | -- | 2,904 | -- | -- | --     | 176,40 |
|   | 2013 | 171,360 | --     | -- | 968   | -- | -- | --     | 172,32 |

- (1) The option awards reflect a 1-for-25 reverse split effected by the Company on September 20, 2012.
- (2) Reflects compensation to Dr. Leatt in his capacity as the head of our Research and Development department. Pursuant to an oral agreement with the Company, Dr. Leatt receives a monthly base salary of \$40,639, as well as other benefits.
- (3) On June 13, 2014, Mr. Davy resigned from his position as the Company's U.S. General Manager and International Marketing Manager for personal reasons, effective as of June 27, 2014.

### Summary of Employment Agreements and Material Terms

We have entered into a new employment agreement, effective as of January 1, 2014, with Sean Macdonald our President, CEO and CFO, pursuant to which we were obligated to pay him an annual base salary of ZAR1,800,000 (approximately \$171,628). Mr. Macdonald receives coverage under the Company's employment benefit plans and is entitled to an annual performance based bonus at the sole discretion of the Company's Board of Directors. Mr. Macdonald is also subject to the customary confidentiality covenants and South African Labor Laws entitle Mr. Macdonald to one week's severance pay for each year of service to the Company. The agreement may be terminated by either party with six months' written notice; provided that Mr. Macdonald will be obligated to assist in the appointment and orientation of his successor during such six-month period. Mr. Macdonald may also be terminated by the Company with no notice for gross misconduct, incapacity or for breach of the employment agreement.

On May 15, 2014, we renewed our employment agreement with Dr. Christopher Leatt, in his capacity as our Head of Research and Development, pursuant to which we are obligated to pay him an annual base salary of \$487,668. Dr. Leatt also receives coverage under the Company's employment benefit plans, is entitled to an annual performance based bonus at the sole discretion of the Company's Board of Directors, and is entitled to an annual leave of twenty-one working days. The agreement may be terminated by either party with twelve months' written notice, subject to Dr. Leatt's obligation to assist in the appointment and orientation of his successor for a period of six months following such termination. Dr. Leatt is also obligated to assist in the transfer of his responsibilities in the event that there is a sale of the Company and he is not retained as an employee. Dr. Leatt may be terminated by the Company with no notice for gross misconduct, incapacity or for breach of the employment agreement.

### Grants of Plan-Based Awards

The following table sets forth information regarding equity grants to named executive officers during the fiscal year ended December 31, 2013, including prior year grants that vested during the period.

| Name                  | Grant Date | All other stock awards:<br>Number of shares of stock or units | All other option awards:<br>Number of securities underlying options <sup>(1)</sup> | Exercise or base price of option awards (\$/Sh) <sup>(1)</sup> | Grant date fair value of stock and option awards (\$) |
|-----------------------|------------|---|--|--|---|
| Dr. Christopher Leatt | 2/1/2012   | -   | 52,000   | \$1.00   | \$52,000  |
| Sean Macdonald        | 2/1/2012   | -   | 78,000   | \$1.00   | \$78,000  |

(1) The Company effected a one-for-twenty-five reverse stock split on September 20, 2012, which decreased the number of option shares and increased the exercise price to \$1.00 per share.

**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth the equity awards outstanding at December 31, 2013 for each of our named executive officers.

| Name                  | OPTION AWARDS  |   |  |   |                        |
|-----------------------|--|---|--|---|------------------------|
|                       | Number of securities underlying unexercised options exercisable <sup>(1)</sup> | Number of securities underlying unexercised options unexercisable | Equity incentive plan awards: number of securities underlying unexercised unearned options | Option exercise price <sup>(1)</sup> (\$) | Option expiration date |
| Dr. Christopher Leatt | 41,600   | 10,400  | --   | \$1.00                                    | February 1, 2017       |
| Sean Macdonald        | 62,400   | 15,600  | --   | \$1.00                                    | February 1, 2017       |

<sup>(1)</sup> The Company effected a one-for-twenty-five reverse stock split on September 20, 2012, which decreased the number of option shares and increased the exercise price to \$1.00 per share.

On February 1, 2012, the Board of Directors of the Company approved the grant to Dr. Christopher Leatt, the Company's Chairman, of a 5-year option to purchase 1,300,000 shares of the Company's common stock at \$0.04 per share under the Company's 2011 Plan. The option to purchase 520,000 of the shares vested on February 1, 2012, the grant date, the option to purchase another 260,000 shares vested on December 31, 2012, and the option to purchase the remaining 520,000 shares will vest in two equal portions on each of December 31, 2013 and 2014. After giving effect to the reverse split effected on September 20, 2012, Dr. Leatt has vested options to purchase 41,600 shares of the Company's common stock at \$1.00 per share, with an additional 10,400 shares slated to vest on December 31, 2014.

On February 1, 2012, the Board of Directors of the Company approved the grant to Sean Macdonald, the Company's Chief Executive Officer and Chief Financial Officer, of a 5-year option to purchase 1,950,000 shares of the Company's common stock at \$0.04 per share under the Company's 2011 Plan. The option to purchase 780,000 of the shares vested on February 1, 2012, the grant date, the option to purchase another 390,000 shares vested on December 31, 2012, and the option to purchase the remaining 780,000 shares will vest in two equal portions on each of December 31, 2013 and 2014. After giving effect to the reverse split effected on September 20, 2012, Mr. Macdonald has vested options to purchase 52,400 shares of the Company's common stock at \$1.00 per share, with an additional 15,600 shares slated to vest on December 31, 2014.

**Option Exercises and Stock Vested**

On December 31, 2013, options to purchase an additional 26,000 shares of our common stock at \$1.00 per share (after giving effect to the reverse split effected on September 20, 2012) vested. Except for the foregoing, no named executive officers exercised stock options, stock appreciation rights or similar instruments or had vesting stock during the fiscal year ended December 31, 2013.

**Pension Benefits**

No named executive officers received or held pension benefits and the Company does not maintain a pension benefit plan during the fiscal year ended December 31, 2013.

**Nonqualified Deferred Compensation**



No nonqualified deferred compensation was offered or issued to any named executive officer during the fiscal year ended December 31, 2013.

- 14 -

---

### Potential Payments upon Termination or Change in Control

Our named executive officers are not entitled to severance payments or other benefit upon the termination of their employment agreements or following a change in control.

### Compensation of Directors

The following table sets forth the total director compensation earned by our directors during our fiscal year ended December 31, 2013:

| Name                      | Fees earned or paid in cash (\$) | Stock awards (\$) | Option awards (\$) | All other compensation (\$) | Total (\$) |
|---------------------------|----------------------------------|-------------------|--------------------|-----------------------------|------------|
| Jeffrey J. Guzy           | 6,192                            | -                 | -                  | -                           | 6,192      |
| Sean Macdonald            | 6,192                            | -                 | -                  | -                           | 6,192      |
| Zafiris M. Zafiroopoulos* | 4,718                            | -                 | -                  | -                           | 4,718      |

\* On October 9, 2013, Mr. Zafiroopoulos resigned from his position as a director of the Company for personal reasons, effective immediately.

### *Narrative to Director Compensation Table*

During the 2013 fiscal year, we paid our directors approximately ZAR 5,000 (approximately, \$477) per month compensation for their services as our directors. In the future, we may adopt a policy of paying independent directors a fee for their attendance at board and committee meetings. We also reimburse our directors for reasonable travel expenses related to their duties as our directors.

On February 14, 2014, the Board of Directors of the Company approved the grant to Jeff Guzy, one of the Company's Directors, of a 5-year option to purchase an aggregate of 15,000 shares of the Company's common stock at \$1.00 per share under the Company's 2011 Plan. The option to purchase an aggregate of 6,000 of the shares vested on February 14, 2014, the grant date, and the option to purchase another 9,000 shares will vest in three equal portions on each of December 31, 2014, 2015 and 2016.

### Limitation of Liability and Indemnification

Section 78.138 of the NRS provides that a director or officer will not be individually liable unless it is proven that (i) the director's or officer's acts or omissions constituted a breach of his or her fiduciary duties, and (ii) such breach involved intentional misconduct, fraud or a knowing violation of the law.

Section 78.7502 of NRS permits a company to indemnify its directors and officers against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending or completed action, suit or proceeding if the officer or director (i) is not liable pursuant to NRS 78.138 or (ii) acted in good faith and in a manner the officer or director reasonably believed to be in or not opposed to the best interests of the corporation and, if a criminal action or proceeding, had no reasonable cause to believe the conduct of the officer or director was unlawful.

Section 78.751 of NRS permits a Nevada company to indemnify its officers and directors against expenses incurred by them in defending a civil or criminal action, suit or proceeding as they are incurred and in advance of final disposition thereof, upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is

ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the company. Section 78.751 of NRS further permits the company to grant its directors and officers additional rights of indemnification under its articles of incorporation or bylaws or otherwise.

Section 78.752 of NRS provides that a Nevada company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the company, or is or was serving at the request of the company as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee or agent, or arising out of his status as such, whether or not the company has the authority to indemnify him against such liability and expenses.

Our Articles of Incorporation provide that no director or officer of the Company will be personally liable to the Company or any of its stockholders for damages for breach of fiduciary duty as a director or officer; provided, however, that the foregoing provision shall not eliminate or limit the liability of a director or officer (i) for acts or omissions which involve intentional misconduct, fraud or knowing violation of law, or (ii) the payment of dividends in violation of Section 78.300 of NRS. In addition, our Bylaws implement the indemnification and insurance provisions permitted by Chapter 78 of the NRS by providing that:

- The Company shall indemnify its directors to the fullest extent permitted by the NRS and may, if and to the extent authorized by the board of directors, so indemnify its officers and any other person whom it has the power to indemnify against liability, reasonable expense or other matter whatsoever.
- The Company may at the discretion of the board of directors purchase and maintain insurance on behalf of any person who holds or who has held any position identified in the paragraph above against any and all liability incurred by such person in any such position or arising out of his status as such.

Insofar as indemnification by us for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling the company pursuant to provisions of our articles of incorporation and bylaws, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification by such director, officer or controlling person of us in the successful defense of any action, suit or proceeding is asserted by such director, officer or controlling person in connection with the securities being offered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Other than as disclosed herein, there is no pending litigation or proceeding involving any of our directors or executive officers to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

#### Security Ownership of Certain Beneficial Owners and Management

The following table sets forth the current stock ownership of (i) each of our executive officers and directors, (ii) of all our executive officers and directors as a group, and (iii) of each person known by us to be a beneficial owner of 5% or more of our common stock. Except as otherwise noted, each person listed below is the sole beneficial owner of the shares and has sole investment and voting power of such shares. No person listed below has any option, warrant or other right to acquire additional securities of the Company, except as may be otherwise noted. Unless otherwise specified, the address of each of the persons set forth below is in care of Leatt Corporation, 50 Kiepersol Drive, Atlas Gardens, Contermanskloof Road, Durbanville, Western Cape, South Africa, 7441.

| Title of Class                  |  | Name & Address of Beneficial Owner | Office, If Any | Amount and Nature of Beneficial Ownership <sup>(2)</sup> | Percent Class |
|---------------------------------|--|------------------------------------|----------------|--|---------------|
| Common Stock, \$0.001 par value | Class A Voting Convertible Preferred Stock, \$0.001 par value <sup>(1)</sup> |                                    |                |  |               |
| Officers and Directors          |  |                                    |                |  |               |
| X                               | -  |                                    |                | 2,035,503  | 39.14         |

Edgar Filing: Leatt Corp - Form DEF 14A

|                        |   |  |   |                  |              |
|------------------------|---|--|---|------------------|--------------|
|                        |   | Dr. Christopher J. Leatt <sup>(4)</sup>                            | Founder, Innovation Officer and Chairman        |                  |              |
| -                      | X |  |   | 96,000           | 80.00        |
| X                      | - | Jeffrey J. Guzy <sup>(5)</sup>                                     | Director  | 32,667           | 0.63         |
| -                      | - | Sean Macdonald <sup>(6)</sup>                                      | Chief Executive Officer, President and Director | 62,400           | 1.20         |
| X                      | - | <b>All officers and directors as a group (persons named above)</b> |   | <b>2,130,570</b> | <b>40.97</b> |
| -                      | X |  |   | <b>96,000</b>    | <b>80.00</b> |
| <b>5% Shareholders</b> |   |  |   |                  |              |
| X                      | - | Jean-Pierre De Villiers  | Advisor   | 488,317          | 9.39         |
| -                      | X |  |   | 24,000           | 20.00        |
| X                      |   | Alfred Bjorn Christensen   |   | 460,800          | 8.86         |

- 16 -

- (1) The Preferred Stock votes with the Common Stock at a vote of 100-for-one, subject to adjustments resulting from any future stock splits. The Preferred Stock has priority over the Common Stock in any liquidation preferences but no dividend rights (except as may be declared by the Board). The Common Stock has dividend rights in respect of any dividend distributions when and if declared and paid by the Company. The Common Stock has a claim to any liquidation distribution, subject to the priority claim of the Preferred Stock. No dividends have been paid to date on any securities. There are no other classes of equity securities authorized and issued.
- (2) Beneficial Ownership is determined in accordance with the rules of the U.S. Securities and Exchange Commission or SEC and generally includes voting or investment power with respect to securities. Each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the shares of our common stock.
- (3) As of the date of this report and after giving effect to the Company's 1-for-25 reverse stock split effected on September 20, 2012 (the Reverse Split), the Company has 28,000,000 shares of common stock authorized with 5,200,623 shares issued and outstanding, and 1,120,000 shares of Preferred Stock authorized with 120,000 shares issued and outstanding. For each Beneficial Owner above, any options exercisable within 60 days have been included in the denominator.
- (4) Includes a vested 5-year option to purchase 41,600 shares of the Company's common stock at \$1.00 per share, issued to Dr. Leatt under the Company's 2011 Plan after giving effect to the Reverse Split. An additional 10,400 shares are slated to vest on December 31, 2014.
- (5) Includes a vested 5-year option to purchase 6,000 shares of the Company's common stock at \$1.00 per share, issued to Mr. Guzy under the Company's 2011 Plan. An additional 9,000 shares are slated to vest in three equal parts on December 31, 2014, 2015 and 2016.
- (6) Represents a vested 5-year option to purchase 52,400 shares of the Company's common stock at \$1.00 per share, issued to Mr. Macdonald under the Company's 2011 Plan after giving effect to the Reverse Split. An additional 15,600 shares are slated to vest on December 31, 2014.

#### **Changes in Control**

We do not currently have any arrangements which if consummated may result in a change of control of our Company.

### **TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS**

#### **Transactions with Related Persons**

The following includes a summary of transactions since the beginning of the last fiscal year, or any currently proposed transaction, in which we were or are to be a participant and the amount involved exceeded or exceeds \$120,000, and in which any related person had or will have a direct or indirect material interest (other than compensation described under Executive Compensation). We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm's-length transactions.

On March 1, 2006, we entered into a Licensing Agreement with Xceed Holdings (formerly, Leatt Brace Holdings), a South African company that is controlled by Dr. Leatt, the Company's Chairman, and by Mr. De Villiers until his resignation on August 29, 2006. Under the terms of the Licensing Agreement, we are obligated to pay Xceed Holdings 4% of all sales revenue billed and received by us, on a quarterly basis based on sales of the previous quarter. In

addition, pursuant to a separate license agreement between us and Mr. De Villiers, we are obligated to pay a royalty fee of 1% of all our billed and received sales revenue, in quarterly installments, based on sales of the previous quarter, to a trust that is beneficially owned and controlled by Mr. De Villiers. Royalties totaled \$465,316 and \$607,638 for the years ended December 31, 2013 and 2012.

Except as set forth in our discussion above, none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

### **Policies and Procedures for Review, Approval or Ratification of Transactions with Related Persons**

As we increase the size of our board of directors to include additional independent directors, we expect to prepare and adopt a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and approval or ratification of related-persons transactions. For purposes of our policy only, a related-person transaction will be a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any related person are participants involving an amount that exceeds \$120,000. Transactions involving compensation for services provided to us as an employee, director, consultant or similar capacity by a related person will not be covered by this policy. A related person will be any executive officer, director or a holder of more than five percent of our common stock, including any of their immediate family members and any entity owned or controlled by such persons.

We anticipate that, where a transaction has been identified as a related-person transaction, the policy will require management to present information regarding the proposed related-person transaction to our audit committee (or, where approval by our audit committee would be inappropriate, to another independent body of our board of directors) for consideration and approval or ratification. Management's presentation will be expected to include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available.

To identify related-person transactions in advance, we are expected to rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our board of directors will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

We also expect that the policy will require any interested director to excuse himself from deliberations and approval of the transaction in which the interested director is involved.

### **Promoters and Certain Control Persons**

We did not have any promoters at any time during the past five fiscal years.

### **Director Independence**

Our Board of Directors has determined that our director, Mr. Jeffery Guzy, is an independent director, as the term independent is defined by the rules of the Nasdaq Stock Market.

## **PROPOSAL 1**

### **ELECTION OF DIRECTORS**



The Board is responsible for establishing broad corporate policies and monitoring the overall performance of the Company. It selects our executive officers, delegates authority for the conduct of our day-to-day operations to those officers, and monitors their performance. Members of the Board keep themselves informed of our business by participating in Board and Committee meetings, by reviewing analyses and reports, and through discussions with the Chairman and other officers.

There are currently three directors serving on the Board. At the Annual Meeting, three directors will be elected. The individuals who have been nominated for election to the Board at the Annual Meeting are listed in the table below. Each of the nominees is a current director of the Company.

If, as a result of circumstances not now known or foreseen, any of the nominees is unavailable to serve as a nominee for director at the time of the Annual Meeting, the holders of the proxies solicited by this Proxy Statement may vote those proxies either (i) for the election of a substitute nominee who will be designated by the proxy holders or by the present Board or (ii) for the balance of the nominees, leaving a vacancy. The Board has no reason to believe that any of the nominees will be unwilling or unable to serve, if elected as a director. The three nominees for election as directors are uncontested. In uncontested elections, directors are elected by majority of the votes cast at the Annual Meeting. **Proxies submitted on the accompanying proxy card will be voted for the election of the nominees listed below, unless the proxy card is marked otherwise.**

**The Board of Directors recommends a vote FOR the election of the nominees listed below.**

The names, the positions with the Company and the ages as of the Record Date of the individuals who are our nominees for election as directors are:

| <b>Name</b>              | <b>Age</b> | <b>Position with the Company</b> | <b>Term as Director</b> |
|--------------------------|------------|----------------------------------|-------------------------|
| Dr. Christopher J. Leatt | 46         | Chairman of the Board            | March 2005 Present      |
| Sean Macdonald           | 37         | Director                         | May 2010 Present        |
| Jeffrey J. Guzy          | 63         | Director                         | April 2007 Present      |

**Director Qualifications**

The Board has identified particular qualifications, attributes, skills and experience that are important to be represented on the board as a whole, in light of our current needs and business priorities. The Board believes that each director is a recognized person of high integrity with a proven record of success in his or her field. Each director demonstrates innovative thinking, familiarity with and respect for corporate governance requirements and practices, an appreciation of multiple cultures and a commitment to the business and operations of the Company. In addition to the foregoing qualifications, the Board has assessed the intangible qualities including the director's ability to ask difficult questions and, simultaneously, to work collegially. The Board also considers diversity of age, cultural background and professional experiences in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process.

Set forth below is a tabular disclosure summarizing some of the specific qualifications, attributes, skills and experiences of our directors.

| <b>Name</b>                 | <b>Title</b>   | <b>Qualifications</b>  |
|-----------------------------|--|--|
| Dr. Christopher James Leatt | Founder, Chairman and Head of Research & Development | Dr. Leatt holds a Bachelor of Medicine and Bachelor of Surgery Degree and is the inventor of the Leatt Brace® and the Founder of the Company.<br><br>He heads up the Company's research and development department and has an intimate knowledge of the Company's innovative products. |

He contributes invaluable long-term knowledge of the Company's business and operations and extensive experience in the industry.

Sean Macdonald CEO, CFO, President and Director

Mr. Macdonald is a registered Chartered Accountant and holds a Bachelor of Commerce Degree in Finance and Information Systems and a Post-Graduate Diploma in Accounting.

His invaluable experience in finance and accounting provides insight for the implementation of effective operational, financial and strategic leadership of the Company.

Jeffrey Joseph Guzy Director

Through his Masters Degree in Business Administration in Strategic Planning & Management and his knowledge of U.S. capital markets, Mr. Guzy provides invaluable guidance and perspective to the Board.

He has also served as the Company's President and has invaluable long-term knowledge of the Company's business and operations.

## General Information

For information as to the shares of the Common Stock held by each nominee, see Security Ownership of Certain Beneficial Owners and Management, above.

See Directors and Executive Officers above for biographical summaries for each of our director nominees.

All directors will hold office for the terms indicated, or until their earlier death, resignation, removal or disqualification, and until their respective successors are duly elected and qualified. There are no arrangements or understandings between any of the nominees, directors or executive officers and any other person pursuant to which any of our nominees, directors or executive officers have been selected for their respective positions. No nominee, member of the Board or executive officer is related to any other nominee, member of the Board or executive officer.

## PROPOSAL 2

### RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Audit Committee has selected Fitzgerald & Co, CPAs, P.C. ( Fitzgerald ) to serve as the independent registered public accounting firm of the Company for the calendar year ending December 31, 2014. Fitzgerald was the Company's independent registered public accounting firm for the year ended December 31, 2013.

We are asking our stockholders to ratify the selection of Fitzgerald as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of Fitzgerald to our stockholders for ratification as a matter of good corporate practice. In the event our stockholders fail to ratify the appointment, the Audit Committee may reconsider this appointment.

The Company has been advised by Fitzgerald that neither the firm nor any of its associates had any relationship with the Company other than the usual relationship that exists between independent registered public accounting firms and their clients during the last fiscal year. Representatives of Fitzgerald are expected to attend the Annual Meeting with the opportunity to make a statement and/or respond to appropriate questions from shareholders present at the Annual Meeting.

### Services and Fees of Independent Public Accounting Firms

The following is a summary of the fees billed to the Company for professional services rendered for the fiscal years ended December 31, 2013 and 2012:

|                    | Year Ended December 31, |            |
|--------------------|-------------------------|------------|
|                    | 2013                    | 2012       |
| Audit Fees         | \$ 101,600              | \$ 122,100 |
| Audit-Related Fees | 6,466                   | 10,288     |
| Tax Fees           | 8,693                   | 7,793      |
| All Other Fees     | 0                       | 0          |
| TOTAL              | \$ 116,759              | \$ 140,181 |

- 20 -

**Audit Fees** consisted of fees billed for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our Form 10-K and 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.

**Audit-Related Fees** consisted of fees billed for assurance and related services by the principal accountant that were reasonably related to the performance of the audit or review of our financial statements and are not reported under the paragraph captioned **Audit Fees** above.

**Tax Fees** consisted of fees billed for professional services rendered by the principal accountant for tax returns preparation.

**All Other Fees** consisted of fees billed for products and services provided by the principal accountant, other than the services reported above under other captions of this Item 14.

### **Pre-Approval Policies and Procedures**

Under the Sarbanes-Oxley Act of 2002, all audit and non-audit services performed by our auditors must be approved in advance by our board of directors to assure that such services do not impair the auditors' independence from us. In accordance with its policies and procedures, our board of directors pre-approved the audit service performed by Fitzgerald & Co, CPAs, P.C. for our financial statements as of and for the year ended December 31, 2013.

**The Board of Directors recommends a vote FOR ratification of the selection of Fitzgerald as the Company's independent registered public accounting firm for the calendar year ending December 31, 2014.**

### **STOCKHOLDER PROPOSALS FOR ANNUAL MEETING**

If you wish to have a proposal included in our proxy statement for next year's annual meeting in accordance with Rule 14a-8 under the Exchange Act, your proposal must be received by the Corporate Secretary of Leatt Corporation at Suite 109, Private Bag X3, Bloubergrant, 7443, Western Cape, South Africa, no later than the close of business on December 31, 2014. A proposal which is received after that date or which otherwise fails to meet the requirements for stockholder proposals established by the SEC will not be included. The submission of a stockholder proposal does not guarantee that it will be included in the proxy statement.

Stockholder proposals to be brought before the 2015 Annual Meeting, made outside the Rule 14a-8 processes, must be submitted to the Company pursuant to Rule 14a-8, no later than December 31, 2014, or will be considered untimely and entitle the Company to discretionary voting under Rule 14a-4.

### **ANNUAL REPORT ON FORM 10-K**

**We will provide without charge to each person solicited by this Proxy Statement, on the written request of such person, a copy of our Annual Report on Form 10-K, including the financial statements and financial statement schedules, as filed with the SEC for our most recent fiscal year.** Such written requests should be directed to Leatt Corporation, c/o Corporate Secretary, Suite 109, Private Bag X3, Bloubergrant, 7443, Western Cape, South Africa. A copy of our Annual Report on Form 10-K is also made available on our website at <http://www.leatt-corp.com> after it is filed with the SEC.

### **OTHER MATTERS**

As of the date of this Proxy Statement, the Board has no knowledge of any business which will be presented for consideration at the Annual Meeting other than the election of directors, the ratification of the appointment of the independent public accounting firm of the Company and the advisory vote on executive compensation. Should any

Edgar Filing: Leatt Corp - Form DEF 14A

other matters be properly presented, it is intended that the enclosed proxy card will be voted in accordance with the best judgment of the persons voting the proxies.

August 4, 2014

By Order of the Board of Directors

/s/ Lara-Jane Pretorius

Lara-Jane Pretorius

Corporate Secretary

- 21 -

---



