

ImpediMed Limited

ABN 65 089 705 144



Notice of Annual General Meeting

Monday 11 November 2013
11.30 am (Brisbane time)
Tattersall's Club
215 Queen Street (Corner of Edward Street)
Brisbane, Queensland
Australia

Part 1: Notice of Annual General Meeting

The Annual General Meeting of Members of ImpediMed Limited will be held at Tattersall's Club, 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Monday 11 November 2013 commencing at 11.30 am (Brisbane time).

The Annual Report is available on our website for viewing if you have elected not to receive a hard copy. Our website address is www.impedimed.com.au

Ordinary business

Item 1 – Annual financial report, Directors' report and auditor's report

To receive and consider the annual financial report of the Company, together with the Directors' report and auditor's report, for the year ended 30 June 2013.

Item 2 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **advisory only resolution**:

That the Remuneration Report for the year ended 30 June 2013 be adopted.

Item 3 – Election of Directors

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

- a. *That Cherrell Hirst AO, a Director retiring by rotation in accordance with the Constitution and being eligible, be re-elected as a Director.*
- b. *That Scott Ward, who was appointed by the Board as a Director on 12 July 2013, be elected as a Director in accordance with the Constitution.*
- c. *That David Adams, who was appointed by the Board as a Director on 3 October 2013, be elected as a Director in accordance with the Constitution.*

Special business

Item 4 – Share issue mandate

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

That for the purpose of ASX Listing Rule 7.1A, and for all other purposes, the Company approve the issue of up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.

The above resolution has been proposed to satisfy the requirements of ASX Listing Rule 7.1A and the Explanatory Statement sets out the information required by ASX Listing Rule 7.3A.

Item 5 – Approval of issues under the Option Plan

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

That, for all purposes, Members approve the issue of Options under the Option Plan, and the issue of Shares on the exercise of Options which have been issued under the Option Plan, the terms and conditions of which are summarised in the Explanatory Statement.

The above resolution has been proposed to satisfy the requirements of exception 9 of ASX Listing Rule 7.2 and the Explanatory Statement sets out the information required by that rule.

Item 6 – Approval of issues under the US Plan

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

That, for all purposes, Members approve the issue of Shares and Options under the US Plan, the terms and conditions of which are summarised in the Explanatory Statement.

The above resolution has been proposed to satisfy the requirements of exception 9 of ASX Listing Rule 7.2 and the Explanatory Statement sets out the information required by that rule.

Voting exclusion statement

The Company will disregard any votes cast on:

- Item 2 by any member of Key Management Personnel of the Group or any Closely Related Party of such a member;
- Item 4 by:
 - (i) any person (or any associate of a person) who may participate in the proposed issue; or
 - (ii) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed; and
- Items 5 or 6 by:
 - (i) any Director and/or any of their associates; or
 - (ii) proxy by any member of Key Management Personnel of the Group or any Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel).

Please refer to the important information about the appointment of proxies below.

Other information

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Proxies

Please note that:

- (a) a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Member of the Company;
- (c) a Member may appoint a body corporate or an individual as its proxy;

- (d) a body corporate appointed as a Member's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Member's proxy; and
- (e) Members entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Member appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, a certificate of the appointment of corporate representative should be completed and lodged in the manner specified below.

If proxy holders vote on a poll, they must vote all directed proxies as directed. Any directed proxies which are not voted on a poll will automatically default to the chairman of the Meeting, who must vote the proxies as directed.

Proxy forms must be lodged by 11.30 am (Brisbane time) on 9 November 2013.

Important information concerning proxy votes on Items 2, 5 and 6

The Corporations Act places certain restrictions on the ability of Key Management Personnel (including the chairman of the Meeting) and their Closely Related Parties to vote on Items 2, 5 and 6, including where they are voting as proxy for another Member.

To ensure that your votes are counted, you are encouraged to direct your proxy as to how to vote on Items 2, 5 and 6 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the proxy form.

The chairman of the Meeting intends to vote all undirected proxies in favour of Items 2, 5 and 6.

If you appoint the chairman of the Meeting as your proxy but you do not direct the chairman how to vote in respect of Items 2, 5 and 6, you will be directing the chairman to **vote in favour of Items 2, 5 and 6** and the chairman will vote in this way, even though Items 2, 5 and 6 are connected with the remuneration of Key Management Personnel.

Important note on voting exclusion statement for Item 4

At the date of this notice, the proposed allottees of the securities are not as yet known or identified. For a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted.

Corporate representatives

Any:

- corporate Member; or
- corporate proxy appointed by a Member,

which has appointed an individual to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry, Link Market Services Limited, in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. An Appointment of Corporate Representative form is available by contacting the Company's share registry, Link Market Services Limited, on +61 1300 554 474.

If you have any queries on how to cast your votes, please call the Company's share registry, Link Market Services Limited, on +61 1300 554 474.

Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Members as at 11.30 am (Brisbane time) on 9 November 2013. Accordingly, transactions registered after that time will be disregarded in determining Members' entitlements to attend and vote at the Annual General Meeting.

By order of the Board of Directors



Stephen Denaro
Company Secretary

Part 2: Explanatory Statement

1 Introduction

This Explanatory Statement has been prepared for the information of Members in connection with the resolutions to be considered by them at the Annual General Meeting to be held at Tattersall's Club, 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Monday 11 November 2013 commencing at 11.30 am (Brisbane time).

The purpose of this Explanatory Statement is to provide Members with the information known to the Company that the Board considers material to their decision on whether to approve the resolutions in the Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice.

Capitalised terms in this Explanatory Statement are defined in the Glossary in Section 4.

2 Ordinary business

Item 1 - Annual financial report and Directors' and auditor's reports

The first item of business of the Annual General Meeting is to receive and consider the financial report, together with the Directors' and auditor's reports, for the year ended 30 June 2013.

No resolution is required for this item of business. However, as a Member, you may submit a written question to the auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than five business days prior to the meeting.

All questions must be sent to the Company and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

The auditor will be attending the Annual General Meeting and will answer written questions submitted prior to the meeting.

The auditor will also be available to answer questions from Members relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;

- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Item 2 - Remuneration Report

Shareholders are entitled to vote on the question whether the Remuneration Report contained in the Annual Report is adopted.

Shareholders should note that Item 2 is an “advisory only” resolution which does not bind the Directors or the Company.

However, the Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the company’s directors (other than the managing director) who were in office at the date of the approval of the later directors’ report must stand for re-election.

The resolution to approve the remuneration report was passed unanimously on a show of hands at the Company’s 2012 annual general meeting.

Following consideration of the Remuneration Report, the Chair will give Members a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Directors unanimously recommend that Members vote in favour of Item 2.

Item 3 - Election of Directors

The third item of business of the Annual General Meeting relates to the election of Directors.

Rule 16.1 of the Constitution provides that at every Annual General Meeting of the Company one third of the Directors must retire from office. If the number of Directors is not a multiple of three, the number of Directors nearest to, but not less than, one third of the Directors must retire from office.

Mel Bridges, the Company’s founder and former chairman, will retire as a Director at the Meeting. As previously announced, Mr Bridges has advised the Board that he does not seek re-election as a Director. The Board wishes to express its sincere appreciation of Mr Bridges’ invaluable contribution to the Company since its establishment.

Rule 13.2 of the Constitution provides that a Director appointed by the Board may only hold office until the next annual general meeting, at which time the Director is eligible for election, and is not taken into account in determining the number of Directors to retire.

The election of each candidate must be considered and voted on as a separate resolution. Set out below are details of each resolution and of each candidate, together with the recommendation of the Board.

Re-election of Cherrell Hirst, AO FTSE MBBS BEdSt DUniv FAICD – non-executive Director

In accordance with rule 16.1 of the Constitution, Cherrell Hirst AO will retire at the Annual General Meeting and being eligible, has offered herself for re-election.

Details of Dr Hirst's experience and qualifications can be found on page 2 of the Annual Report.

The Directors, with Dr Hirst abstaining, recommend that Dr Hirst be re-elected as a Director.

Election of Scott Ward MS BSc – non-executive Director

In accordance with rule 13.2 of the Constitution, Scott Ward holds office until the Annual General Meeting and being eligible, has offered himself for election.

Details of Mr Ward's experience and qualifications can be found on page 3 of the Annual Report.

The Directors, with Mr Ward abstaining, recommend that Mr Ward be elected as a Director.

Election of David Adams J.D. BSc – non-executive Director

In accordance with rule 13.2 of the Constitution, David Adams holds office until the Annual General Meeting and, being eligible, has offered himself for election.

Dave has over 25 years of experience in tax, financial planning and business development at the executive level. Throughout his career at Medtronic, Dave participated in a multitude of mergers and acquisition, due diligence and minority investment transactions. As Vice President Integrations, his role focused on creating and implementing the road map for making Medtronic's acquisition integration efforts world class. In addition, he participated with the cross functional teams involved in integrating new businesses into Medtronic to assure that the model was applied successfully in several divestitures including Physio-Control.

He graduated with a B.S. in Accountancy from the University of Illinois and a Juris Doctorate from William Mitchell College of Law.

The Directors, with Mr Adams abstaining, recommend that Mr Adams be elected as a Director.

3 Special business

Item 4 – Share issue mandate

General

ASX Listing Rule 7.1, subject to certain exceptions (none of which are relevant for the present purposes), requires prior approval of shareholders for an issue of securities if the securities will, when aggregated with all other issues during

the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that eligible entities may seek shareholder approval to issue equity securities up to 10% of the entity's issued capital at the time of issue or agreement, through placements¹ over a 12 month period after the date that shareholders approve the mandate to issue further securities (**Share Issue Mandate**).

An eligible entity for the purposes of ASX Listing Rules 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

As at 13 September 2013, the Company's market capitalisation was \$34.4 million, based on the closing trading price on that date. The Company is not included in the S&P/ASX300 Index as at the time of the Notice. The Company is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Share Issue Mandate is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1, and can provide the Company with capacity to issue up to 25% (in aggregate) of its issued share capital in any 12 month period.

The ability to issue securities under the Share Issue Mandate is subject to shareholder approval by way of a special resolution. This requires the approval of 75% of the votes cast by Members eligible to vote.

Specific information required by the ASX Listing Rules

For the purposes of ASX Listing Rule 7.3A, the Company advises as follows:

Minimum issue price	The Company's equity securities will be issued at an issue price of not less than 75% of the volume weighted average price of the Company's securities in that class over the 15 trading days immediately before: (a) the date on which the price at which the securities are to be issued is agreed; or (b) if the securities are not issued within five trading days of the date in paragraph (a) above, the date on which the securities are issued.
Type of securities that may be issued	Any equity securities issued under the Share Issue Mandate must be in the same class as an existing quoted class of securities of the Company.
Potential risk of dilution	There is a risk that the: (a) market price for equity securities in that class may be significantly lower on the date of the issue than on the date of the approval under ASX Listing Rule 7.1A; and

¹ To sophisticated, professional and institutional investors (as those terms are defined in the Corporations Act).

	(b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date. See the dilution table below for further information about the potential risk of dilution from the Share Issue Mandate.
Timing of potential issues	The Company will only issue and allot the securities during the 12 months after the date of the Annual General Meeting. The approval under the Share Issue Mandate Resolution for the issue of equity securities will cease to be valid in the event that holders of the Company's equity securities approve a transaction involving a significant change to the nature or scale of the Company's activities² or disposal of its main undertaking³.
Purpose of potential issues	The Company may seek to issue the equity securities for cash for the following purposes: • to expand reimbursement support; • for sales, marketing and training; • for clinical trial support; • for inventory growth; and • for general working capital purposes.
Allocation policy	The Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Share Issue Mandate. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following: • the methods of raising funds that are available to the Company; • the effect of the issue of the equity securities on the control of the Company; • the financial situation and solvency of the Company; and • advice from corporate, financial and broking advisers (if applicable). The allottees under the Share Issue Mandate have not been determined as at the date of this notice but may include existing substantial holders of equity securities who are not related parties or associates of a related party of the Company.
Prior	The Company has not previously obtained the approval of its

² ASX Listing Rule 11.1.2.

³ ASX Listing Rule 11.2.

shareholder approval	Members for the purpose of a Share Issue Mandate under ASX Listing Rule 7.1A.
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Dilution table

The table below shows the potential dilution of holders of Shares on the basis of three different assumed issue prices and numbers of Shares on issue:

Issued Share capital	Dilution when compared with the current issued Share capital	Issue of 10% of the enlarged Share capital		
		\$0.095 per Share (50% decrease in issue price)	\$0.19 per Share (Issue price)	\$0.285 per Share (50% increase in issue price)
181,314,055	10% dilution	18,131,405 Shares	18,131,405 Shares	18,131,405 Shares
Current issued Share capital	Funds raised	\$1,722,483	\$3,444,967	\$5,167,450
271,971,082	15% dilution	27,197,108 Shares	27,197,108 Shares	27,197,108 Shares
50% increase in issued Share capital	Funds raised	\$2,583,725	\$5,167,450	\$7,751,176
362,628,110	20% dilution	36,262,811 Shares	36,262,811 Shares	36,262,811 Shares
100% increase in issued Share capital	Funds raised	\$3,444,967	\$6,889,934	\$10,334,901

The table has been prepared on the following assumptions:

- (i) The issue price is \$0.19 based on the closing price of shares on 13 September 2013.
- (ii) The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at 13 September 2013.
- (iii) The Company issues the maximum number of equity securities available under the Share Issue Mandate.
- (iv) No options are exercised or converted into Shares.

- (v) The table shows only the effect of issues of the Company's equity securities under the Share Issue Mandate, not under the Company's 15% placement capacity.

Directors' recommendation

The Directors unanimously recommend that Members vote in favour of Item 4.

Item 5 – Approval of issues under the Option Plan

The Company adopted the Option Plan to assist in the attraction, motivation and retention of employees.

Summary of the terms of the Option Plan

Under the Option Plan, the Board may offer Options to directors, company secretaries and permanent full time and part time employees of the Group.

Options may not be issued under the Option Plan if the aggregate of the number of Shares issued during the preceding five years under any Company employee incentive scheme (but disregarding Excluded Shares) and the number of Shares which would be issued if each outstanding option issued under an employee incentive plan were exercised would exceed 5% of the total number of Shares on issue at the time of the proposed offer. Excluded Shares include Shares issued under offers which do not require disclosure under section 708 of the Corporations Act.

A total of 797,200 Options have been issued since 23 November 2010, the date of the annual general meeting at which issues under the Option Plan were last approved by Members.

Options may be offered under the Option Plan on terms, including exercise price, exercise period and any exercise conditions determined by the Board.

Options issued under the Option Plan are not quoted on ASX. Shares issued on the exercise of the Options are quoted on ASX, but may be subject to a holding lock which prevents Shares issued on the exercise of Options being transferred for a period determined by the Company.

The terms of Options issued under the Option Plan are subject to adjustment in the event of a rights issue, bonus issue or reconstruction in accordance with the ASX Listing Rules. Holders may only participate in new issues of shares following exercise of the Options.

Options issued under the Option Plan will vest (whether or not the exercise period has commenced) in the event of a takeover or scheme of arrangement which results in a change in control of the Company.

Options issued under the Option Plan which have not vested lapse in the circumstances described in the Option Plan, including where the exercise period expires or where the Option holder dies, becomes permanently disabled or is no longer employed by the Group.

Options which have vested at those times may be exercised within the time limits set out in the Option Plan.

No Options or Shares may be granted or exercised if to do so would contravene the Constitution, the Corporations Act or the ASX Listing Rules.

The Option Plan is administered by the Board and may be amended or terminated at any time by the Board. Any amendment or termination will not prejudice the existing rights of participants in the Option Plan.

Regulatory requirements – general approval for issues under the Option Plan

Under ASX Listing Rule 7.1, subject to certain exceptions, a company must not issue more than 15% of the company's total issued capital without shareholder approval. An exception is provided in ASX Listing Rule 7.2 (exception 9) where holders of ordinary securities approve the issue of securities under an employee incentive scheme as an exception to ASX Listing Rule 7.1.

The Company seeks approval of issues under the Option Plan in order to preserve its capacity to issue up to 15% of its issued capital without Member approval by allowing the Company to exclude any Options or Shares issued on the exercise of Options under the Option Plan from the 15% calculation.

Approval for the issue of Options and Shares under the Plan is sought by way of an ordinary resolution to satisfy the requirements of ASX Listing Rule 7.2, exception 9. If item 5 is passed, the Company may rely on this exception for issues under the Option Plan during the period of three years from the date of the Annual General Meeting.

Directors' recommendation

The Directors unanimously recommend that Members vote in favour of Item 5.

Item 6 – Approval of issues under the US Plan

To attract and retain employees, directors and consultants to the Group in the US, the Company established the US Plan in 2008.

Summary of the terms of the US Plan

The US Plan may be administered by the Board or a committee of the Board, which has the discretion to offer awards to any employee or executive or non-executive director of ImpediMed, Inc. or any consultant who provides services to ImpediMed, Inc. The Board or committee (as applicable) has the discretion to make all decisions relating to the US Plan, including eligible participants and any relevant vesting requirements or performance conditions.

The US Plan is effective for a period of 10 years from the date of its adoption by the Board (29 January 2008) (unless terminated earlier by the Board). The maximum number of Shares which may be issued under the US Plan is 9,061,453. The Board may amend or terminate the US Plan at any time and for any reason, subject to obtaining Member approval (if necessary). Any amendment or termination shall not affect any awards previously granted under the US Plan.

The total number of securities issued under the US Plan since Members approved issues under the plan on 23 November 2010 is 8,542,200.

Options

The Company may issue Options by entering into a stock option agreement with a selected participant. The exercise price of an Option will not be less than the fair market value of a Share on the date of grant of the Option. The fair market value is the volume weighted average price of Shares sold on ASX on the three business days immediately preceding the date of grant of the Option.

The term of an Option may not exceed 10 years.

Options are not quoted on ASX and may not be transferred. Shares issued on the exercise of Options may be issued subject to transfer restrictions.

The stock option agreement will specify any conditions for the vesting of an Option and may provide for accelerated vesting in the event of the Option holder's death, disability, retirement or other events.

Unless the stock option agreement provides otherwise, unvested Options lapse when a participant's service is terminated for any reason. If service is terminated for cause (for example, fraud or dishonesty), vested and unvested Options will then lapse. If service is terminated due to death or disability, vested Options (only) may be exercised for a period of 12 months following termination and in the case of termination involving other circumstances, vested Options (only) may be exercised for a period of 30 days.

The Board (or the Board committee appointed to administer the US Plan) has an overriding discretion to accelerate the vesting or extend the post-termination exercise term or waive restrictions of awards at any time and on such conditions as it deems appropriate.

The terms of Options issued under the US Plan are subject to adjustment in accordance with the ASX Listing Rules in the event of any reconstruction of the Company's share capital. Holders of Options have no right to participate in rights issues in respect of the Shares underlying the Options until the Options are exercised.

Shares

The US Plan permits the Company to provide awards in the form of Shares which may be issued immediately for cash or for no payment or in the form of 'stock units' which provide for the issue of Shares for no payment on the satisfaction of conditions which may include the lapse of time or the satisfaction of performance requirements specified in the relevant stock unit agreement.

The stock unit agreement may provide for accelerated vesting in the event of the participant's death, disability or other events.

Unless the stock unit agreement provides otherwise, unvested stock units will lapse if a participant's service is terminated for any reason.

Stock units may not be transferred.

Shares issued under the US Plan may be issued subject to transfer restrictions.

The Board (or the Board committee appointed to administer the US Plan) has an overriding discretion to accelerate the vesting or waive restrictions of stock units at any time and on such conditions as it deems appropriate.

General

Where the Company is subject to a change of control event, all Options and stock units awarded under the US Plan will vest. A change of control event is generally where a takeover bid, scheme of arrangement or other offer is made to acquire substantially all of the Shares or a person, or a group of associated persons, obtains the relevant interest in sufficient Shares to give it or them the ability, in general meeting, to replace all or the majority of the Board in circumstances where such ability was not already held by a person associated with such group of associated persons.

The Company's obligation to issue securities under the US Plan is subject to any restrictions in the Corporations Act or the ASX Listing Rules.

Participants must make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations.

Regulatory requirements – general approval for issues under the US Plan

Under ASX Listing Rule 7.1, subject to certain exceptions, a company must not issue more than 15% of the company's total issued capital without shareholder approval. An exception is provided in ASX Listing Rule 7.2 (exception 9) where holders of ordinary securities approve the issue of securities under an employee incentive scheme as an exception to ASX Listing Rule 7.1.

The Company seeks approval of issues under the US Plan in order to preserve its capacity to issue up to 15% of its issued capital without Member approval by allowing the Company to exclude any Shares, Options or Shares issued on the exercise of Options under the US Plan from the 15% calculation.

Approval for the issue of Options and Shares under the US Plan is sought by way of an ordinary resolution to satisfy the requirements of ASX Listing Rule 7.2, exception 9. If item 6 is passed, the Company may rely on this exception for issues under the US Plan during the period of three years from the date of the Annual General Meeting.

Directors' recommendation

The Directors unanimously recommend that Members vote in favour of Item 6.

4 Glossary

In this Explanatory Statement, and in the Notice, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting or **Meeting** means the annual general meeting of the Members convened pursuant to the Notice for the purposes of considering the resolutions set out in the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2013.

ASX means ASX Limited, or the stock market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means board of directors of the Company.

Closely Related Party of a member of Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company that the member controls; or
- (f) a person described by the *Corporations Regulations 2001* (Cth).

Company or **ImpediMed** means ImpediMed Limited.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Group means the Company and subsidiaries of the Company.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or not).

Member means holder of Shares.

Notice means the notice in **Part 1** pursuant to which the Annual General Meeting is convened.

Option Plan means the Staff Option Plan adopted by the Board on 15 April 2004 and amended on 31 July 2007.

Remuneration Report means the section of the Directors' report contained in the annual financial report of the Company for the year ended 30 June 2013 entitled "Remuneration Report".

Shares Issue Mandate means the mandate to issue up to 10% of the entity's issued capital at the time of issue or agreement, through placements over a 12 month period after the date that shareholders approve the mandate to issue further securities.

Shares Issue Mandate Resolution means a resolution under ASX Listing Rule 7.1A to approve the Share Issue Mandate.

Shares means fully paid ordinary shares in the Company.

US Plan means the ImpediMed Limited 2008 Equity Incentive Plan adopted by the Board on 29 January 2008.



ImpediMed Limited
ABN 65 089 705 144

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:
ImpediMed Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474

SHAREHOLDER PROXY FORM

I/We being a member(s) of ImpediMed Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

**the Chairman
of the Meeting
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **11:30am on Monday, 11 November 2013, at Tattersalls Club, 215 Queen Street (Corner of Edward Street), Brisbane, Queensland** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

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

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolution 2

Remuneration Report

For

☐

Against

☐

Abstain*

☐

Resolution 4

Share issue mandate

For

☐

Against

☐

Abstain*

☐

Resolution 3a

Re - Election of Cherrell Hirst AO as a Director

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Resolution 5

Approval of issues under the Option Plan

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Resolution 3b

Election of Scott Ward as a Director

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Resolution 6

Approval of issues under the US Plan

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Resolution 3c

Election of David Adams as a Director

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

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

IPD PRX301R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

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

Votes on Items of Business - Proxy Appointment

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

Signing Instructions

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

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

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am on Saturday, 9 November 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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



ONLINE  www.linkmarketservices.com.au

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



by mail:

ImpediMed Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

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

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



ABN 65 089 705 144

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: (02) 8280 7454
Facsimile: (02) 9287 0303
ASX Code: IPD
Registrars@linkmarketservices.com.au
Site: www.linkmarketservices.com.au

Everyone benefits from electronic securityholder communications. As an investor you will benefit from secure, convenient and prompt delivery of information by electing to receive your communications electronically which helps reduce the impact on the environment and costs associated with printing and sending materials by mail.

To receive your securityholder communications electronically via your nominated email address you can log on to the website: www.linkmarketservices.com.au and follow the instructions provided. Alternatively please tick the option below, insert your email address in the space provided and return the form.

If you do not select the option you will receive your securityholder communications (excluding annual report) by post and we will advise you when the annual report is available on our website.

SELECT YOUR PREFERENCE

ONLINE

www.linkmarketservices.com.au

OPTION



All communications electronically, including notification of the annual report and payment statements (if applicable).
I have provided my email address below.

My email address is:

Privacy Clause: Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

IPD CPE003

