



ImpediMed Limited

ABN 65 089 705 144

Share Purchase Plan Offer

The Offer closes at 5.00 pm (Brisbane time) on
Thursday 24 April 2014

This is an important document and should be read in its entirety.

This document has been prepared by ImpediMed Limited. The Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase additional ImpediMed shares at a discount and without brokerage and transaction costs.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

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1 Key offer information

Key dates

Event	Date
Record Date	7.00 pm (Sydney time) on Thursday 27 March 2014
Announcement Date	Friday 28 March 2014
Offer opens	Friday 4 April 2014
Offer closes	5.00 pm (Brisbane time) on Thursday 24 April 2014
Allotment Date	Thursday 1 May 2014
Expected date New Shares commence trading	Friday 2 May 2014
Holding statements / confirmation advices sent to successful applicants	Monday 5 May 2014

The timetable is indicative only and ImpediMed may, at its discretion, vary any of the above dates by making an announcement to ASX.

Defined terms and abbreviations used in this document are set out in **clause 18** of the Terms and Conditions in **section 5**.

Important notices

The offer contained in this document is not a recommendation to purchase ImpediMed shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY^{®1} payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

ImpediMed recommends that you monitor its announcements and the Share price, which can be found on its website at www.impedimed.com and on the ASX website at

¹ [®] Registered to BPAY Pty Limited ABN 69 079 137 518. New Zealand-based shareholders cannot apply using BPAY[®] unless they have an Australian bank account.

www.asx.com.au (ASX code: IPD). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

Questions

If you have any questions in relation to the Offer or how to complete the Application Form, please call the Share Registry, Link Market Services Limited, on 1300 553 490 (callers within Australia) or +61 1300 553 490 (callers outside Australia), or consult your financial or other professional adviser.

2 Letter from the Chairman

4 April 2014

Dear Shareholder

ImpediMed Limited Share Purchase Plan Offer

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares in ImpediMed under the Offer.

The Offer is being made following the Company's successful institutional placement announced on Friday 28 March 2014 which raised approximately A\$8.8 million.

ImpediMed is seeking to raise up to A\$3.0 million under the Offer. If ImpediMed receives valid applications exceeding this amount, ImpediMed intends to scale back applications. If this occurs, excess funds will be returned to applicants without interest.

What will the proceeds from the Offer be used for?

Proceeds from the institutional placement and the Offer will be used towards:

- increasing sales and marketing activities in the US leading up to, and following, the expected publication of a CPT® Category I reimbursement code (1 January 2015) for the Company's L-Dex® system;
- sponsoring post-clearance clinical trials (including trials previously announced);
- new product development; and
- general working capital.

Offer details

Under the Offer you can acquire up to A\$15,000 worth of New Shares without paying any brokerage or other charges.

The Offer Price is A\$0.195 per New Share, representing a discount of 11.4% to ImpediMed's closing share price on ASX on Tuesday 25 March 2014 (being the last trading day before the details of the Offer were announced). This is the same price offered to investors under the institutional placement.

The Offer will open on Friday 4 April 2014 and will remain open until 5.00 pm (Brisbane time) on Thursday 24 April 2014.

Participation in the Offer is optional and is open to Eligible Shareholders who are holders of Shares in ImpediMed at 7.00 pm (Sydney time) on Thursday 27 March 2014 and whose registered address is in Australia or New Zealand.

Full details of the Offer and how to participate are contained in the Terms and Conditions in section 5 of this document which I encourage you to read and consider carefully (including the risks set out in section 4).

Further information on ImpediMed's recent activities are contained in the Company's ASX announcements which are available from the Company's website www.impedimed.com and from the ASX website at www.asx.com.au (ASX code: IPD), including the latest investor presentation released on 19 March 2014.

If you have any questions, please contact the Company's share registry, Link Market Services Limited, on 1300 553 490 (callers within Australia) or +61 1300 553 490 (callers outside Australia), or consult your financial or other professional adviser.

Thank you for your continued support of ImpediMed.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Cherrell Hirst', with a stylized flourish at the end.

Dr Cherrell Hirst AO
Chairman

3 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in **section 5**.

Question	Answer
What is the Offer?	The Offer enables Eligible Shareholders to apply to purchase up to A\$15,000 worth of ordinary shares in ImpediMed without paying any brokerage or other charges.
Am I eligible to participate?	You are eligible to participate if you fulfil the criteria set out in clause 2 of the Terms and Conditions. You must have been a holder of ImpediMed shares at 7.00 pm (Sydney time) on Thursday 27 March 2014 (Record Date) and your registered address must be in Australia or New Zealand for you to be eligible to participate. If you are a nominee, trustee or custodian holding Shares on behalf of one or more beneficial holders, you may also apply to purchase up to A\$15,000 worth of New Shares on behalf of each beneficial holder, subject to complying with the criteria set out in clause 7.2 of the Terms and Conditions.
Do I have to participate?	Participation is optional.
Can I transfer my entitlement to participate?	You cannot transfer your right to purchase New Shares under the Offer to anyone else.
How do I apply?	To apply for New Shares you can either: Option 1: Pay by BPAY® Make payment by BPAY as shown on the Application Form. New Zealand-based shareholders cannot apply using BPAY unless they have an Australian bank account. Option 2: Pay by cheque or money order Complete and return the enclosed Application Form together with a cheque or money order made payable to 'ImpediMed Limited' as shown on the Application Form.
What is the maximum investment that each shareholder can make?	The maximum investment for each shareholder is A\$15,000. If you receive more than one offer (eg due to multiple registered holdings), you may only apply for a maximum of A\$15,000 of New Shares in aggregate across those offers. For example, you may apply for one maximum parcel of A\$15,000 for one holding or, alternatively, apply for parcels of New Shares across multiple holdings so long as the aggregate amount applied for across those holdings does not exceed A\$15,000.
How many Shares will I receive?	You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in clause 6.2 of the Terms and Conditions. The Offer Price is A\$0.195 per New Share. This is a discount of 11.4% to ImpediMed's closing share price on ASX on Tuesday 25 March 2014 (being the last trading day before the details of the Offer were announced). The Offer Price also represents a discount of 13.5% to the five day VWAP of Shares up to and including Tuesday 25 March 2014. If ImpediMed receives valid applications exceeding the A\$3.0 million sought under the Offer, ImpediMed intends to scale back applications. If this occurs, excess funds will be returned to applicants without interest.
When will I receive my New Shares?	New Shares will be allotted on Thursday 1 May 2014 (Allotment Date). Holding statements / confirmation advices are expected to be sent to successful applicants on Monday 5 May 2014.

Question	Answer
When can I trade New Shares?	You can trade your New Shares after the Allotment Date (ie from Friday 2 May 2014 onwards). However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the Offer.

4 Risks

(a) Early stage company with limited revenue

ImpediMed is at an early stage in its commercialisation of its L-Dex[®] medical device. To date, it has operated at a loss and has an operating history of losses. ImpediMed's ability to generate sufficient revenue in the future depends on a number of factors, including:

- (i) reimbursement of its L-Dex[®] product, especially in the US;
- (ii) the success of ImpediMed's clinical trials;
- (iii) the ability to manufacture sufficient quantities of products to the required standard and at acceptable cost levels;
- (iv) the Company meeting its timeline for next generation product launch; and
- (v) the ability to obtain all necessary regulatory marketing approvals in a timely manner.

There is a risk that ImpediMed will continue to incur losses from its operations and may not achieve or maintain profitability. ImpediMed expects its expenses to increase in the short term in connection with the commercialisation of L-Dex[®], regulatory approval processes, and the continuing of research and development projects and clinical trials. Over the longer term, ImpediMed's costs will fluctuate, primarily dependant on commercialisation expenses, regulatory authorisations, and the number, type and size of clinical trials.

(b) Pricing and reimbursement – payment levels, pricing support and CPT[®] Category I Code success

The commercial success of ImpediMed's approved products is substantially dependent on achieving acceptable payment levels to medical providers to support pricing strategies for L-Dex[®]. Whether acceptable third-party coverage and reimbursement levels are available from government bodies, private health insurers and other third-parties will be reliant on clinical data and health economic arguments.

The American Medical Association has accepted a CPT Category I Code for L-Dex[®] which is expected to become effective on 1 January 2015. The initial level(s) of reimbursement to be applied to the code has not yet been determined.

Government bodies, national health authorities and other third parties are increasingly seeking to contain healthcare costs by delaying reimbursement for, and limiting both the coverage and the level of reimbursement of, new products. As a result, they may not cover or provide adequate payment for ImpediMed's products. Even if products receive acceptable pricing and reimbursement, pricing and reimbursement levels are subject to change under healthcare reforms to reduce costs.

(c) Sales and marketing

There is a risk that ImpediMed's direct sales and marketing efforts may not be successful. ImpediMed has a direct sales and marketing capability to surgeons and radiation oncologists. Third party options for distribution may be limited due to the 'first to market' nature of the business.

Co-marketing programs, with key radiation oncology chains, could have a material impact on pricing if the test is used as a loss leader to leverage other radiation product billable revenue. Marketing partners that do not pursue the reimbursement strategy of coverage under the category codes could impact on the Company's ability to build coverage and to establish appropriate payment levels to support the pricing strategy for the L-Dex®.

(d) Market acceptance of products and patient population

There is a risk that the L-Dex® and future products may not gain adequate market acceptance. The degree of market acceptance will depend on a variety of factors, including:

- (i) regulatory claims;
- (ii) the clinical trial outcomes;
- (iii) the level of support from target markets;
- (iv) the level of reimbursement coverage and payment;
- (v) the timing of new market introductions;
- (vi) clinical profile of conventional competitive products; and
- (vii) the success of marketing & sales efforts.

Additionally, there is a risk that market estimates do not accurately reflect the number of patients in the target markets.

(e) Change in laws and healthcare policy

ImpediMed's business and the business of the third parties with which it operates are subject to the laws and regulations in a number of jurisdictions. Unforeseen changes in laws and government policy in the US, the EU, Australia and elsewhere, including in relation to material and unforeseen changes to:

- (i) licensing and approval requirements;
- (ii) regulations relating to clinical trials;
- (iii) manufacturing;
- (iv) product approval; and
- (v) pricing,

could materially impact ImpediMed's operations, assets, contracts and profitability.

To date, the *Affordable Care Act (Obama Care)* in the United States has had a material impact in changing dramatically how healthcare has been administered/managed (Accountable Care Organisations). Higher entry hurdles in clinical utility validation, outcomes evidence and code requirements has impacted on coverage development as a result of Obama Care.

(f) Clinical trials and clinical development

To receive regulatory approvals for the commercial sale of products, ImpediMed must complete pre-clinical development and clinical trials to demonstrate safety and efficacy of the device on humans. Clinical trials are expensive, time consuming, subject to delay

and their outcome uncertain. There are numerous factors that could affect the timing of the commencement, continuation and completion of clinical trials which may delay the clinical trials or prevent ImpediMed from completing these trials successfully.

Due to ImpediMed's reliance on contract research organisations, hospitals and investigators to conduct clinical trials, ImpediMed is unable to directly control the timing, conduct and expense of clinical trials. Ongoing and future clinical trials may not show sufficient safety or efficacy to obtain regulatory and reimbursement acceptance.

Success in pre-clinical and early clinical trials is not a guarantee of future results nor does it ensure that later large scale trials will be successful. Additional clinical trials for the diagnosis of leg lymphoedema in men and women may also be required in order to obtain FDA approval. The outcome of these trials is uncertain and there is a risk that they may not be successful and may not demonstrate sufficient safety or efficacy to obtain regulatory clearance.

(g) Obtaining regulatory approvals

The clinical development, testing, manufacturing, sales and marketing of ImpediMed's products are subject to extensive regulation by regulatory authorities in the US, the EU, Australia and elsewhere.

To receive regulatory authorisation for the commercial sale of any product, ImpediMed must complete pre-clinical development and extensive clinical trials to demonstrate safety and efficacy and then apply for clearance/approval to the relevant regulatory authorities.

The process to obtain regulatory authorisation is expensive, complex, lengthy and the outcomes uncertain. ImpediMed may not be able to obtain marketing authorisations for all its targeted claims, including any necessary approval/clearance of next generation devices for bilateral legs or venous insufficiency.

Another possibility is that the targeted claims may be delayed or subject to significant limitations (narrower claims), warnings, precautions or contra-indications with respect to conditions of use.

(h) Ongoing regulatory issues

Even after its medical devices receive regulatory clearance, ImpediMed may still face developmental and ongoing regulatory compliance difficulties.

Regulatory agencies subject a marketed device, its manufacturer and the manufacturer's facilities to continual review and periodic inspections. Potentially costly follow-ups or post-marketing clinical studies may be required and previously unknown problems may result in restrictions on the marketing of the device and could include product withdrawal.

If ImpediMed fails to comply with applicable regulatory requirements, a regulatory agency may:

- (i) issue warning letters;
- (ii) impose civil or criminal penalties;

- (iii) suspend ImpediMed's regulatory authorisation or restrict or change the approved indications for use or impose additional safety reporting requirements;
- (iv) suspend any of ImpediMed's ongoing clinical trials;
- (v) refuse to approve pending applications or supplements to approved applications filed;
- (vi) impose restrictions on ImpediMed's operations, including closing ImpediMed's or its contract manufacturers' facilities or terminating its licenses to manufacture 'Good Manufacturing Practice'; or
- (vii) seize or detain devices or require a product recall.

In addition, the law or regulatory policies governing medical devices may change. New regulatory requirements or additional regulations may be enacted that could prevent or delay regulatory approval of ImpediMed's products or that may otherwise impact ImpediMed's ability to market, distribute and sell devices and or consumables. ImpediMed cannot predict the likelihood, nature or extent of adverse government regulation that may arise.

(i) Manufacturing

ImpediMed, or its contract manufacturers and suppliers, may fail to achieve and maintain required manufacturing standards which could result in device recalls or withdrawals, product shortages, delays or failures in product testing or delivery or other problems that could seriously harm ImpediMed's business.

ImpediMed may be impacted by industrial action. Operating equipment and facilities may not operate as intended or be available as a result of unanticipated failures or other events outside of ImpediMed's control (eg fires, catastrophic breakdowns or deliberate acts of destruction).

ImpediMed's and its contract manufacturers may not be able to obtain and maintain all licenses and approvals required to maintain manufacturing operations. Any interruption to ImpediMed's manufacturing capability could result in the cancellation of shipments and loss of product, resulting in delays and additional costs.

(j) Competition

ImpediMed conducts business in a highly regulated industry and there are a number of well established companies that could develop a competing product. There can be no assurances given in respect of ImpediMed's ability to compete with such companies.

(k) Product liability claims and insurance

ImpediMed faces product liability exposure with respect to its devices and consumables. This exposure is likely to increase as ImpediMed increases commercial sales.

Regardless of merit or eventual outcome, liability claims may result in:

- (i) decreased demand for ImpediMed's products;
- (ii) injury to ImpediMed's reputation;
- (iii) withdrawal of clinical trial participants;
- (iv) costly litigation;

- (v) substantial monetary awards to physicians or patients and others;
- (vi) loss of revenues; and
- (vii) an inability to commercialise ImpediMed's products.

ImpediMed may not be able to maintain insurance coverage at a reasonable cost or obtain suitable or reasonable insurance coverage in respect of any liability that may arise. Any claim for damages could be substantial.

(l) Patents and trade marks

ImpediMed uses patents or trade marks to protect its technology and applications from unauthorised use by third parties.

The term of patents may expire or may be challenged, invalidated or circumvented. There can be no assurances that ImpediMed's patents will afford significant commercial protection for its devices.

(m) Enforcement and infringement of intellectual property

Third parties may own or control patents or patent applications that ImpediMed may be required to license in order to commercialise product, that ImpediMed may infringe, or that could result in litigation that would be costly and time consuming.

As a result of intellectual property infringement claims, or to avoid potential claims, ImpediMed might be:

- (i) prohibited from selling or licensing a product;
- (ii) required to expend considerable amounts of money in defending the claim;
- (iii) required to pay substantial royalties or license fees;
- (iv) required to pay substantial monetary damages; or
- (v) required to redesign a product so it does not infringe, which may not be possible or could require substantial funds and time.

(n) Dependence on market for L-Dex®

Although ImpediMed has a pipeline of market targets for its platform, its success is currently substantially dependent on completion of development, regulatory approval and successful commercialisation of L-Dex® for secondary lymphoedema in all key markets in a timely manner.

(o) Litigation

There has been substantial litigation and other proceedings in the biotechnology and medical device industries.

If ImpediMed was forced to defend litigation or other third party claims, it could be costly, time consuming and divert management's attention from the business. This could lead to delays in ImpediMed's development or commercialisation efforts.

If third parties are successful in their claims, ImpediMed might have to pay substantial damages or take other actions that are adverse to the ImpediMed business.

(p) Resources

The loss of services of one or more of members of key personnel or the inability to recruit and retain high calibre staff could delay or compromise the successful commercialisation of products.

To achieve its commercialisation goals, ImpediMed may need to increase the number of employees and consultants, and it may experience difficulties in managing growth.

(q) Capital requirements

ImpediMed may require substantial additional funds which may be dilutive or that may not be available to ImpediMed on favourable terms, or at all.

If ImpediMed is unable to obtain additional funds when required, ImpediMed may be forced to:

- (i) delay;
- (ii) reduce the scope of; or
- (iii) eliminate,

one or more clinical trials, research and development programs or future commercialisation efforts.

(r) General economic factors

Material adverse changes in the general domestic and international economic climate may have an adverse effect on ImpediMed's performance. These factors may include fluctuations in foreign exchange rates (ImpediMed has no formal hedge policy although it does business in many countries and most overheads are denominated in US dollars), inflation, interest rates, rate of economic growth, taxation laws, consumer spending, unemployment rates, government fiscal, monetary and regulatory policies and consumer and business sentiment. Any of these factors have the potential to cause costs to increase or revenues to decline.

(s) Dividends

ImpediMed has never paid a dividend and does not intend on paying dividends in the foreseeable future which means that holders of Shares may not receive any return on their investment from dividends.

5 Terms and conditions

1 Offer

The Offer entitles eligible ImpediMed shareholders to apply to purchase up to A\$15,000 worth of Shares in ImpediMed.

2 Eligibility to participate

- 2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00 pm (Sydney time) on Thursday 27 March 2014 (**Record Date**) with a registered address in Australia or New Zealand, unless:
- (a) you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
 - (b) you are, or are acting for the account or benefit of, a US Person.
- 2.2 ImpediMed has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia and New Zealand to participate in the Offer.
- 2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for a maximum parcel of A\$15,000 of New Shares in aggregate across those holdings.
- 2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 7.1(j)** by one joint holder will be effective in respect of the other joint holder(s).
- 2.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of A\$15,000 of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 7.2**.
- 2.6 Directors and employees of ImpediMed who hold Shares may be Eligible Shareholders.

3 Rights are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4 Offer Price

- 4.1 The Offer Price for each New Share is A\$0.195 representing a discount of 11.4% to ImpediMed's closing share price on ASX on Tuesday 25 March 2014 (being the last trading day before the details of the Offer were announced).
- 4.2 The Offer Price also represents a discount of 13.5% to the five day VWAP of Shares up to and including Tuesday 25 March 2014.

- 4.3 The Offer Price is fixed, regardless of any changes in the market price of Shares during the Offer period.

5 Timing

- 5.1 The Offer opens on Friday 4 April 2014 and closes at 5.00 pm (Brisbane time) on Thursday 24 April 2014 unless extended. ImpediMed proposes to allot New Shares on Thursday 1 May 2014 and send holding statements / confirmation advices to successful applicants on Monday 5 May 2014.
- 5.2 ImpediMed reserves the right to extend the Offer or the proposed Allotment Date at any time by making an announcement to ASX.

6 Applying for New Shares

- 6.1 You may apply for a parcel of New Shares under the Offer with one of the application amounts set out in the table below. The maximum investment under the Offer is A\$15,000.
- 6.2 The number of New Shares you will receive, at each of the available levels, is set out below. Where applicable, the number of New Shares for each parcel has been rounded up to the nearest whole number of New Shares:

Application amount	Number of New Shares
A\$1,000	5,129
A\$2,500	12,821
A\$5,000	25,642
A\$7,500	38,462
A\$10,000	51,283
A\$12,500	64,103
A\$15,000	76,924

- 6.3 You may not apply for more than A\$15,000 of New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.
- 6.4 If you wish to apply for New Shares under the Offer you should either:
- (a) pay directly via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand-based shareholders cannot apply using BPAY unless they have an Australian bank account).² The Application Form does not need to be returned in this case; or
 - (b) complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to 'ImpediMed Limited' to the Share Registry, at the address set out on the

² Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received in time.

Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders.

- 6.5 Do not forward cash. Receipts for payment will not be issued.
- 6.6 Funds paid via BPAY or Application Forms (with application payments) must be received by the Share Registry by **5.00 pm (Brisbane time) on Thursday 24 April 2014**. ImpediMed may reject applications received after this time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.7 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, ImpediMed may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.8 You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY.

7 Effect of making an application

- 7.1 If you submit a BPAY payment or complete and return the Application Form:
 - (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you authorise ImpediMed to correct or amend your Application Form as contemplated by **clause 6.7**;
 - (c) you acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
 - (d) you accept the risk associated with any refund that may be dispatched to you at your address as shown on the Share register;
 - (e) you are responsible for any dishonour fees or other costs ImpediMed may incur in presenting a cheque for payment which is dishonoured;
 - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (g) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;

- (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
- (i) you acknowledge that you have not been provided with investment advice or financial product advice by ImpediMed or the Share Registry; and
- (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar ImpediMed arrangement in the 12 months prior to your application, exceeds A\$15,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

7.2 If you are a Custodian, you certify:

- (a) that as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have instructed you to apply for New Shares;
- (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- (c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar ImpediMed arrangement in the 12 months prior to your application, exceeds A\$15,000; and
- (d) you:
 - (i) hold an Australian financial services licence that covers the provision of a custodial or depositary service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in ASIC class order [CO 13/763]); or
 - (ii) do not hold an Australian financial services licence as described in the Class Order and are exempt from the requirement to hold such a licence; or
 - (iii) otherwise meet the definition of Custodian in the Class Order.

7.3 Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.

7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the Class Order, you cannot participate for beneficiaries in the manner outlined in

clause 7.2. In this case, the rules for multiple registered holdings as described in **clause 2.3** apply.

8 Rights attached to the New Shares

New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. ImpediMed will apply for the New Shares to be quoted on ASX.

9 Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the Offer.

10 Applications may be scaled back

- 10.1 If ImpediMed receives applications in excess of A\$3.0 million, ImpediMed intends to scale back applications.
- 10.2 If applications are scaled back, ImpediMed may, in its absolute discretion, apply the scale back to the extent and in any manner that it sees fit. If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded up to the nearest whole number of New Shares.
- 10.3 In the event of a scale back, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the Offer Price, will be refunded by ImpediMed, without interest, following allotment.

11 Refunds

- 11.1 Refunds under the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 11.2 If a refund is made, payment will be by cheque mailed to your address as shown on the Company's Share register.
- 11.3 You will not receive any interest on funds refunded to you.
- 11.4 Any refund made to you is dispatched at your risk.

12 United States

- 12.1 Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.

12.2 This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. ImpediMed's Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.

12.3 Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

13 Dispute resolution

ImpediMed reserves the right to settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer and the decision of ImpediMed will be conclusive and binding on all shareholders and other persons to whom the determination relates.

14 Waiver, amendment, suspension and termination

14.1 ImpediMed may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where ImpediMed does not notify you of the event.

14.2 ImpediMed is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

15 ASIC relief

15.1 The Offer is made in accordance with the Class Order. The Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares up to A\$15,000 under the Offer, subject to certain terms and conditions.

15.2 In accordance with the terms of the Class Order, ImpediMed lodged a notice with ASX on Friday 4 April 2014 that complies with section 708A(6) of the Corporations Act.

16 Governing law

These Terms and Conditions are governed by the laws in force in Queensland.

17 Binding terms

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of ImpediMed.

18 Definitions

In this document the following terms have these meanings:

Definition	Meaning
Allotment Date	The date the New Shares are allotted, expected to be Thursday 1 May 2014.
Application Form	The application form which accompanies this document.
ASIC	The Australian Securities & Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Class Order	ASIC class order [CO 09/425].
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	The meaning given in the Class Order.
Eligible Shareholder	A person who is eligible to participate in the Offer in accordance with clause 2 of the Terms and Conditions.
ImpediMed or Company	ImpediMed Limited ABN 65 089 705 144.
New Shares	The Shares offered under this document.
Offer	The offer of New Shares under this document.
Offer Price	A\$0.195 per New Share.
Record Date	The record date for the Offer being 7.00pm (Sydney time) on Thursday 27 March 2014.
Share Registry	Link Market Services Limited.
Shares	Fully paid ordinary shares in ImpediMed.
Terms and Conditions	The terms and conditions of the Offer set out in section 5 .
US Person	A "U.S. person" as defined in <i>Regulation S</i> under the US Securities Act.
US Securities Act	<i>US Securities Act of 1933</i> , as amended.
VWAP	Volume weighted average price.



ImpediMed Limited
ABN 65 089 705 144

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: IPD
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Record Date: 27 March 2014

Offer Opens: 4 April 2014

Offer Closes
5:00pm (Brisbane time): 24 April 2014

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Brisbane time) on 24 April 2014. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment. If you make a payment by BPAY® and ImpediMed Limited receives an amount which is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, ImpediMed Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



Billers Code: 136945

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- A. Tick the box beside the amount you wish to apply for, either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000.
- B. Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "ImpediMed Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, ImpediMed Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- C. Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ImpediMed Limited
ABN 65 089 705 144

Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

☐ 5,129 Shares A\$1,000 **OR** ☐ 12,821 Shares A\$2,500 **OR** ☐ 25,642 Shares A\$5,000 **OR** ☐ 38,462 Shares A\$7,500 **OR** ☐ 51,283 Shares A\$10,000 **OR** ☐ 64,103 Shares A\$12,500 **OR** ☐ 76,924 Shares A\$15,000

B Make your cheque, bank draft or money order payable to "ImpediMed Limited" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$.00

C Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

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IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the ImpediMed Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. ImpediMed Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as ImpediMed Limited may scaleback applications in its discretion.

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

ImpediMed Limited
C/- Link Market Services Limited
Locked Bag 3415
Brisbane QLD 4001

or

Hand Delivery

ImpediMed Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Brisbane time) on 24 April 2014. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. ImpediMed Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the ImpediMed Limited SPP Offer Information Line on 1300 553 490 if calling within Australia or +61 1300 553 490 if calling from outside of Australia.