



IMPEDIMED LIMITED

ACN 089 705 144

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of ImpediMed Limited (**Company**) will be held at the offices of Johnson Winter & Slattery in Sydney, Level 25, 20 Bond Street, Sydney NSW 2000 on Wednesday 15 November 2017 at 9.00am (AEDT) (**Meeting**).

The Explanatory Notes to this Notice provide additional information on the matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this notice.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017.

Item 2: Remuneration Report

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

"To adopt the Remuneration Report for the year ended 30 June 2017."

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 3: Election of Directors

Item 3.1: Election of Ms Judith Downes

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

"That Ms Judith Downes, being a Director who was appointed by the Directors on 10 April 2017 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers herself for election, be elected as a director of the Company."

Item 3.2: Election of Mr Amit Patel

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

"That Mr Amit Patel, being a Director who was appointed by the Directors on 20 March 2017 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a director of the Company."

Item 3.3: Election of Mr Don Williams

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

"That Mr Don Williams being a Director who was appointed by the Directors on 20 March 2017 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a director of the Company."

Item 4: Grant of Options to Mr Richard Carreon, Chief Executive Officer and Managing Director

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

"That for the purposes of Part 2D.2 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant and issue of 1,553,000 Options to Mr Richard Carreon, and the issue of Shares on the exercise of those Options, under the ImpediMed Employee Incentive Plan and on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 5: Grant of Performance Rights to Mr Richard Carreon, Chief Executive Officer and Managing Director

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

"That for the purposes of Part 2D.2 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant and issue of 1,262,000 Performance Rights to Mr Richard Carreon, and the issue of Shares on the vesting of those Performance Rights, under the ImpediMed Employee Incentive Plan and on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 6: Approval to issue securities under the ImpediMed Employee Incentive Plan

To consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company:

"That for the purposes of Listing Rule 7.2, Exception 9(b) and for all other purposes, approval is given to the issue of securities under the ImpediMed Employee Incentive Plan (and US Sub-Plan) on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on Monday 13 November 2017 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

ANNUAL REPORT

Copies of the Company's full Annual Report may be accessed at our website www.impedimed.com by clicking on the "Investors" tab and then the "Financials" tab.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Annual General Meeting.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of the shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 4, 5 and 6 (see the Explanatory Notes below):

- if a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- if a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with the Chair's voting intention as stated in this Notice of Meeting.

Proxy Voting by the Chair

For Item 2 (Remuneration Report), Item 4 (Grant of Options to the CEO), Item 5 (Grant of Performance Rights to the CEO) and Item 6 (Approval of Employee Incentive Plan), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Items 2, 4, 5 and 6 the Shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Items 2, 4, 5 and 6 are connected directly or indirectly with the remuneration of Key Management Personnel.

The Chair intends to vote all undirected proxies in favour of the resolutions in Items 2, 4, 5 and 6 in the Notice of Meeting.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 9.00am (AEDT) on Monday 13 November 2017 (Proxy Deadline)**.

Proxy forms may be submitted in one of the following ways:

- (i) **By mail** to Link Market Services Limited using the reply paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- (ii) **By fax** to Link Market Services Limited on +61 2 9287 0309;
- (iii) **Online** via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information; or
- (iv) **By hand delivery** to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate Shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD

Leanne Ralph
Company Secretary
6 October 2017

Explanatory Notes

ITEM 1 – Financial Statements

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented at the meeting. The Financial Report contains the financial statements of ImpediMed Limited.

There is no requirement for a formal resolution on this Item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Ernst & Young (**EY**), questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 30 June 2017, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters. Written questions must be received no later than 5.00pm (AEDT) on Monday 6 November 2017. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the Share Registry.

ITEM 2 – Adoption of remuneration report

Reasons for Resolution

In accordance with section 300A of the Corporations Act the Company has prepared a Remuneration Report for the consideration of Shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

The Company's remuneration framework is designed to attract, engage, motivate and retain the key talent necessary to achieve our goals and create value for our shareholders. The Board is committed to ensure that the Group's remuneration policies and practices are fair, competitive and responsible and that we communicate the remuneration arrangements with clarity. We are also aware that executive KMP remuneration practices are continually evolving and therefore our practices remain under constant review.

The Company has designed a remuneration framework to support both a high performance culture and a team focus on adhering to agreed business objectives and directions. The key objectives of the Company's reward framework are to:

- Align remuneration with the Group's business strategy;
- Offer an attractive mix of remuneration benchmarked against the applicable market's region and country practices;
- Provide strong linkage between individual and Group performance and rewards;
- Offer remuneration based on internal equity with other employees' and individuals' skills, matching the role requirements with their experience and responsibilities;
- Align the interests of executives and shareholders and share the success of the Group with the employees; and
- Support the corporate mission statement, values and policies through the approach of recruiting, organising and managing people.

In addition, the Group operates in the United States and only 8% of employees are resident in Australia. Thus the majority of the Group's executives and senior managers are recruited and retained within the US employment environment. In

order to compete for talent in that environment, the Group must adopt at least some common US remuneration practices, a number of which are not standard practice in Australia.

As detailed more fully in the Remuneration Report, the remuneration philosophy at ImpediMed targets fixed remuneration for executives at the median of its US peers and variable compensation above the median for exceptional performance. In order to determine executive compensation, the Remuneration Committee uses benchmarking data from a peer group of comparable companies and reviews the pay plans and practices of other relevant companies. When considering companies for ImpediMed's peer group, the Remuneration Committee considers companies that are similar in size (i.e. revenue, market capitalisation and employee numbers), scope and complexity; operate in similar or related businesses to the Group; and, may compete with ImpediMed for key talent (e.g., companies based in southern California and the west coast of the US). The peer group is reviewed on a regular basis. The Remuneration Committee may also consider other factors such as internal equity, individual performance, tenure, leadership skills and an ability to impact the Group's performance. Reflecting this approach, the Company proposes to issue, subject to shareholder approval, Performance Rights to Mr Carreon, the vesting of which will depend on the Group's performance against specified benchmarks. These are described in more detail in relation to Item 5 below.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution.

Voting Exclusion Statement

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel (**Key Management Personnel** or **KMP**) or a Closely Related Party of any such member unless the person:

- (i) votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- (ii) is the Chair of the Meeting and votes as a proxy appointed by writing that authorises the Chair to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct her how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

ITEM 3 – Election of Directors

In accordance with the Company's Constitution and the ASX Listing Rules, an election of Directors must be held at each annual general meeting.

Clause 16.1 of the Constitution states that one-third of all Directors (excluding the Managing Director and Directors appointed during the year by the Board) must retire at every annual general meeting and are eligible to stand for re-election. The Directors to retire pursuant to clause 16.1 of the Constitution are the Directors (other than the Managing Director) who have held office the longest since being appointed or last being elected. In the case where Directors were elected on the same day, the Directors to retire are determined by agreement between the Directors, or a ballot.

Dr Cherrell Hirst is obliged to retire at the Meeting by virtue of ASX Listing Rule 14.4 and clause 16.1 of the Constitution. Dr Hirst is not offering herself for re-election and will retire from the Board at the end of the meeting. In addition, Ms Judith Downes, Mr Amit Patel and Mr Don Williams were appointed during the year as additions to the Board and must stand for election at the Meeting pursuant to ASX Listing Rule 14.4 and clause 13.2 of the Constitution.

The election of each of the candidates must be considered and voted on as a separate resolution. Details of the candidates are outlined below.

ITEM 3.1: Election of Ms Judith Downes

Ms Judith Downes chairs the Audit and Risk Management Committee and serves on the Nomination Committee.

Ms Downes brings over 20 years of accounting and senior management expertise to the Board with a strong focus on financial management and audit and risk management with large ASX listed companies. During her executive career she

held the roles of CFO at Alumina Limited (ASX: AWC) and as CFO/COO of Institutional Division, ANZ Banking Group Limited (ASX: ANZ).

Ms Downes currently serves as Board Chairman of Bank Australia Limited, and as a member of The Financial Reporting Council of Australia. She has also previously served as a Director of Devine Limited (ASX: DVN), Alcoa of Australia, ING Australia and the ANZ Staff Superannuation Fund. She is a Fellow of the CPA, Chartered Accountants Australia and New Zealand, and Australian Institute of Company Directors. Ms Downes is an Honorary Fellow of the University of Melbourne's Faculty of Business and Economics and was also a member of the University of Melbourne's finance committee.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Ms Downes to be an independent director.

Directors' Recommendation

The Board unanimously (other than Ms Downes) supports the election of Ms Downes and recommends that Shareholders vote in favour of this resolution.

ITEM 3.2: Election of Mr Amit Patel

Mr Amit Patel serves on the Audit and Risk Management and Nomination Committees.

Mr Patel is an expert in digital health, with a depth of experience in commercialising technologies across the software and healthcare industries. Mr Patel is a Co-Founder and CEO of Vios Medical. Vios has created a FDA-cleared patient management platform that integrates cleared Internet of Things (IoT) based monitoring, remote care services, and big data analytics to alleviate gaps in patient vigilance across in-hospital and home environments.

Prior to founding Vios, Mr Patel was with HeartFlow where he created a joint go-to-market strategy with GE Healthcare's imaging division, managed the DeFACTO clinical study across multiple UK sites, and developed a health economic story for the NHS. Prior to joining HeartFlow, Mr Patel was with Medtronic's Corporate Development group and was responsible for acquisitions, minority investments, and joint ventures spanning existing businesses and strategic whitespace areas.

Mr Patel has a MBA from Stanford University and a Bachelor of Biomedical Engineering from the University of Minnesota.

Having had regard to the ASX Principles, the Board considers Mr Patel to be an independent director.

Directors' Recommendation

The Board unanimously (other than Mr Patel) supports the election of Mr Patel and recommends that Shareholders vote in favour of this resolution.

ITEM 3.3: Election of Mr Don Williams

Mr Donald A. Williams serves on the Audit and Risk Management and Nomination Committees.

Mr Williams has over 35 years of experience in senior business leadership as a Certified Public Accountant (CPA) and an accredited company director. He has significant experience assisting companies and management teams with initial public offerings, complex business challenges and analysis of financial reporting matters.

Mr Williams is currently a Director and Chair of the Audit Committee of NASDAQ-listed companies Akari Therapeutics PLC (AKTX), Alphatec Holdings Inc. (ATEC), and Marina Biotech Inc. (MRNA).

Mr Williams was previously an Audit Partner and National Leader of Grant Thornton LLP's Life Sciences practice. Prior to this, he spent 26 years with Ernst & Young LLP. This tenure included six years as the Leader of the Pacific Southwest Strategic Growth Markets and Venture Capital Advisory Group.

Mr Williams has a Bachelor of Science from Southern Illinois University.

Having had regard to the ASX Principles, the Board considers Mr Williams to be an independent director.

Directors' Recommendation

The Board unanimously (other than Mr Williams) supports the election of Mr Williams and recommends that Shareholders vote in favour of this resolution.

ITEMS 4 and 5: Grant of Options and Performance Rights to Mr Richard Carreon, Chief Executive Officer and Managing Director

Item 4 seeks shareholder approval for the issue of Options to Mr Carreon under the Company's Employee Incentive Plan (EIP). If shareholder approval is obtained, the Company will issue Mr Carreon with 1,553,000 Options under the EIP and on the terms described below.

Item 5 seeks shareholder approval for the grant of 1,262,000 Performance Rights to, and the issue of Shares on the vesting of those Performance Rights, to Mr Carreon under the EIP. If shareholder approval is obtained, the Company will issue Mr Carreon with 1,262,000 Performance Rights under the EIP and on the terms described below.

A full copy of the EIP rules are available on the Company's website.

Details of Mr Carreon's remuneration

As noted in the Remuneration Report, and the discussion in the Explanatory Notes relating to Item 2 (Remuneration Report), the Remuneration Committee of the Board has reviewed the Company's remuneration framework in response to previous concerns raised by Shareholders. An important element of the revised framework is that the at-risk remuneration mix for Key Management Personnel will shift to a greater proportion of performance based remuneration, in line with US and Australian market practice.

The remuneration for Mr Carreon for FY18 will comprise the following components:

- Fixed remuneration of US\$501,295 per annum;
- An at-risk short term incentive of up to 120% of fixed remuneration subject to the achievement of specified targets; and
- An at-risk long term incentive (LTI) of up to 280% of Mr Carreon's fixed remuneration subject to the achievement of specified time-based and performance targets. This will comprise:
 - o If Item 4 is approved by Shareholders, 1,553,000 Options under the EIP as a long term retention incentive representing 120% of Mr Carreon's base salary; and
 - o If Item 5 is approved by Shareholders, 1,262,000 Performance Rights under the EIP as a long term performance incentive, representing 160% of Mr Carreon's base salary.

Item 4: Details of grant of Options

The number of Options to be issued to Mr Carreon has been calculated as follows:

- Maximum LTI awarded as Options (US\$): US\$ 601,554
- Maximum LTI awarded as Options (A\$): A\$756,672 (at an exchange rate of US\$1.00 = A\$0.795 as at 25 September 2017)
- Options to be granted: 1,553,000 = A\$756,672 divided by A\$0.49, being the calculated fair market value using the Black-Scholes valuation model based on the 5 day VWAP of A\$0.80 of Shares on 25 September 2017. The calculation has been rounded up to the nearest one thousand.

Timing of grant

If Item 4 is approved by Shareholders, the Company will offer Mr Carreon the Options under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant, and the Options will be issued shortly thereafter and in any case no later than 12 months after the Meeting.

Basis on which Options vest

Subject to Mr Carreon's continued employment with the Company, one-quarter of the total number of Options granted will vest annually, on the anniversary date of the grant. This equates to 388,250 Options vesting on the anniversary of the date of grant of the Options for four years.

The Options are exercisable after they vest, for an exercise price based on the five day volume weighted average market price of Shares at the close of trading on the day prior to the date of grant. On exercise, Mr Carreon will become entitled to receive one Share for each Option that has vested (subject to the terms of the issue of the Options relating to bonus issues and capital reorganisations of the Company).

The EIP only contemplates the grant of options or performance rights over Shares. There is no ability for the Company to provide any cash equivalent on exercise.

Subject to the terms of the EIP, all Options which have not vested shall automatically lapse and be forfeited without consideration upon cessation of Mr Carreon's employment with the Company.

Item 5: Details of grant of Performance Rights

The number of Performance Rights to be issued to Mr Carreon has been calculated as follows:

- Maximum LTI awarded as Performance Rights (US\$): US\$802,072
- Maximum LTI awarded as Performance Rights (A\$): A\$ 1,008,896 (at an exchange rate of US\$1.00 = A\$0.795 as at 25 September 2017)
- Performance Rights to be granted: $1,262,000 = \text{A\$}1,008,896 \text{ divided by A\$}0.80$, being the closing price of the Shares on 25 September 2017. The calculation has been rounded up to the nearest one thousand.

Timing of grant

If Item 5 is approved by Shareholders, the Company will offer Mr Carreon the Performance Rights under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant, and the Performance Rights will be issued shortly thereafter and in any case no later than 12 months after the Meeting.

Basis on which Performance Rights vest

Mr Carreon's Performance Rights will vest to the extent that the Performance Conditions set out below are satisfied at the end of the 3 year Performance Period (being from 1 July 2017 to 30 June 2020).

Upon vesting, ImpediMed will cause the relevant number of Shares (if any) to be issued or transferred to Mr Carreon. One vested Performance Right entitles Mr Carreon to one Share. No amount is payable by Mr Carreon for the issue or transfer of Shares on vesting of the Performance Rights.

As is the case with Options issued under the EIP, there is no ability for the Company to provide any cash equivalent on exercise.

Subject to the terms of the EIP, all Performance Rights which have not vested shall automatically lapse and be forfeited without consideration upon cessation of Mr Carreon's employment with the Company.

Opportunity

The total number of Performance Rights that vest will depend on the extent to which specific key performance indicator (KPI) targets are achieved. There are two Performance Conditions (see below), which are weighted equally such that one half of the award will be assessed independently against each measure. The extent to which Performance Rights will vest is as follows:

- Threshold performance – 50% of the Target number of Performance Rights will vest
- At target performance – 100% of the Target number of Performance Rights will vest
- Maximum performance – 200% of the Target number of Performance Rights will vest.

Threshold performance is the minimum level of performance required before any Performance Rights will vest. Target performance has been set with a level of 'stretch' built in, and therefore, the maximum number of Performance Rights will only vest in the case of exceptional performance.

The Performance Conditions were established by evaluating the key strategic objectives for the Company, with the focus being on supporting the Company's long-term business strategy and shareholder value. The Board is of the view that the attainment of these strategic objectives are key drivers for the Company's development and success over the performance period.

The number of Performance Rights that vest at relevant performance level for each Performance Condition (or KPI) established by the Board is summarised in the table below:

		Number of Performance Rights that vest at relevant performance level		
	Weighting	Threshold (50% of Target)	Target	Maximum (200% of Target)
KPI 1: CHF pivotal trial completed or enrolment in CHF registry	50%	157,750	315,500	631,000
KPI 2: Revenue growth over 3 years with 85% CAGR based on FY17 Revenue	50%	157,750	315,500	631,000
TOTAL		315,500	631,000	1,262,000

Performance Conditions

The Performance Rights offered are subject to the two Performance Conditions, with Threshold, Target and Maximum targets defined for each that reflect increasing levels of complexity, challenge and strategic value:

- (i) **KPI 1:** Completion of CHF pivotal trial or achieve planned enrolment in a CHF registry.
- (ii) **KPI 2:** Revenue growth over a 3 year period ended 30 June 2020 achieving a Compound Annual Growth Rate (CAGR) of 85% based on FY17 revenue.

KPI 1 has been adopted on the basis that the successful expansion of ImpediMed's platform technology into indications other than lymphoedema using new generation devices encompassing sophisticated data collection and management is considered by the Board to be key to the Company's future growth and success. At a minimum to achieve Threshold vesting, two of three CHF initial studies will need to be completed and be published or the results presented, and at a maximum to achieve Maximum vesting, a published manuscript or podium presentation at a major conference will need to be achieved.

KPI 2 has been adopted on the basis that revenue growth is a key measure of ImpediMed's progress. Achieving the target 85% compound annual growth rate over the 3-year performance period will result in revenue of approximately \$30 million. At a minimum to achieve Threshold vesting, a compound annual growth rate of 75% must be achieved, which would result in revenue of approximately \$25 million. Vesting at the Maximum level requires that revenue grows at an annual rate of 95% over the 3-year performance period, which would result in revenue of approximately \$35 million.

The extent to which a Performance Condition is satisfied will be determined by the Remuneration Committee at the end of the three year performance period. The Remuneration Committee may determine that a Performance Condition has been satisfied to an extent between Threshold and Maximum, in which case the percentage of Performance Rights of Target that vest will be that determined by the Remuneration Committee.

It should be noted that these Performance Conditions have been developed with regard to the current regulatory and competitive landscape in which ImpediMed operates. Should there be significant change in these environmental factors which necessitate a change in the Company's strategic direction, the Board will take this into account in assessing performance.

Why Shareholder approval is sought

ASX Listing Rule 10.14 provides that the Company must not permit any Directors to acquire securities under an employee incentive scheme without the approval of Shareholders.

Accordingly:

- Item 4 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant and issue 1,553,000 Options to Mr Carreon and to the issue of Shares on the exercise of those Options; and

- Item 5 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant and issue 1,262,000 Performance Rights to Mr Carreon and to the issue of Shares on the vesting of those Performance Rights.

If an approval under Listing Rule 10.14 is obtained then the securities issued to Mr Carreon will not be counted towards the Company's placement capacity under Listing Rule 7.1.

Shareholder approval – Corporations Act

Under Part 2D.2 of the Corporations Act, subject to a number of exemptions, Shareholder approval must be obtained before the Company (or a Related Body Corporate or prescribed superannuation fund in relation to the Company) can give a person a "benefit" in connection with the person's retirement from a managerial or executive office.

Under the EIP, where a participant in that plan ceases to be an employee of ImpediMed all unvested Options and Performance Rights held by that participant lapse. However, the Board has discretion as to how unvested Options or Performance Rights are to be treated in circumstances where the participant ceases employment because of death, total and permanent disability, retirement or redundancy, or for any other reason with the approval of the Board. In the context of exercising this discretion, providing Shares to the person may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act.

For a person who holds a managerial or executive office with the Company (or a Related Body Corporate), if Options or Performance Rights vest because a person ceases to be employed due to death, disability or any other reason in the Board's discretion, the person will receive a benefit in connection with retirement from office, or position of employment regulated by Part 2D.2 of the Corporations Act. The value of the benefit received will be the market price of the Shares that are received following the exercise of the Options or the vesting of the Performance Rights.

In determining the remuneration of Mr Carreon, including the number of Options and Performance Rights to be issued to him if Shareholders approve Items 4 and 5, the Board considered benchmarking data from a peer group of comparable companies and considered the pay plans and practices of other companies considered relevant. The proposed LTI has been structured to align Mr Carreon's maximum LTI value with that of the top quartile of the peer group used by the Board as a benchmark. The maximum number of Performance Rights will be achieved only if the Performance Conditions, which reflect the Company's key strategic objectives over the 3 year performance period, are achieved at the maximum level. These conditions are described in more detail above.

For the purposes of the exception contained in section 211(1) of the Corporations Act, the financial benefit to be given by the grant of Options and Performance Rights to Mr Carreon is considered to constitute reasonable remuneration given the circumstances of the Company and Mr Carreon's role and responsibilities. Shareholder approval is not therefore sought for the purposes of Chapter 2E of the Corporations Act.

Other information

Options and Performance Rights are issued subject to the following:

Cessation of employment: Where a participant ceases employment prior to vesting, the award is forfeited unless the Board applies its discretion to allow vesting at, or post, cessation of employment.

Clawback: The Board has introduced a clawback policy which provides the Board discretion to clawback variable pay of LTI participants in the event of a serious misconduct or fraud by the employee or other specific events.

Change of Control: In a situation where there is likely to be a change of control of the Group, the Board may have the discretion to determine whether some, none or all of the Options and Performance Rights will vest.

Additional information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Options and Performance Rights proposed to be granted to Mr Carreon under the EIP:

(i) Number and price of securities

The number of Options that may be acquired by Mr Carreon is 1,553,000. No payment for the Options is required by Mr Carreon and the exercise price of the Options will be calculated in accordance with the formula described above.

The number of Performance Rights that may be acquired by Mr Carreon is 1,262,000. The maximum number of Shares that may be acquired by Mr Carreon on the vesting of Performance Rights is 1,262,000. No payment for the Performance Rights is required by Mr Carreon and, on vesting, Shares will be issued to Mr Carreon for no consideration.

(ii) Securities issued under the EIP received since the last approval

872,000 Options and 470,000 Performance Rights were issued to Mr Carreon for a zero acquisition price during the financial year ended 30 June 2017 following approval at the annual general meeting held in November 2016.

(iii) Persons who are entitled to participate in the EIP

Participation in the EIP and the number of Options or Performance Rights offered to each individual participant is determined by the Board. Options or Performance Rights may be granted to certain senior executives of the Company on an annual basis as part of their annual remuneration review. Mr Carreon is the only person referred to in ASX Listing Rule 10.14 who is currently entitled to participate in the EIP.

(iv) Terms of any related loan

There is no loan provided in relation to the acquisition of Options or Performance Rights by Mr Carreon.

Voting exclusion

The Company will disregard any votes cast on Items 4 and 5 by Mr Carreon (being the only Director who is eligible to participate in the EIP) and any associate of Mr Carreon. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy does.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Items 4 or 5 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on Items 4 or 5 (as applicable); or
- b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on Items 4 or 5 (as applicable) even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon) recommends that Shareholders vote in favour of each resolution in Items 4 and 5.

ITEM 6: Approval to issue securities under the ImpediMed Employee Incentive Plan

Background and why Shareholder approval is sought

The Company established an Employee Incentive Plan (**EIP** or **Plan**) in October 2014 under which employees may be eligible to receive Shares, Options or Performance Rights. A US Sub-Plan to the EIP was also established as a means of providing incentives to employees who are residents or citizens of the United States. The purpose of the EIP (and the US Sub-Plan) is to align the interests of employees with those of the Company and Shareholders, and to retain and attract employees.

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. Listing Rule 7.2 allows certain issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period, including under exception 9(b), where an issue is made under an employee incentive plan, if within three years before the date of issue, the issue of securities under terms of the plan are approved by Shareholders.

Shareholders last approved the issue of securities under the EIP for the purposes of exception 9(b) of Listing Rule 7 at the AGM held on 30 October 2014 (**2014 AGM**). That approval will expire on 30 October 2017 and accordingly, the Company is seeking to refresh the approval of Shareholders so that securities issued under the EIP (and US –Sub-Plan) will continue to be excluded from any calculation of securities for the purposes of Listing Rule 7.1 for a further three years. In addition, in October 2017 the Board approved an increase to the maximum number of Shares that may be issued under the EIP (and the US Sub-Plan) and as a result the Company is also seeking re-approval for the issue of securities on the basis of the amended EIP.

Number of securities issued under the EIP since the date of the last approval at the 2014 AGM

The Plan provides for the issuance of Shares, Options and Performance Rights (**Incentives**). The number Incentives issued under the Plan since the date of the last approval at the 2014 AGM are as follows:

Options

Number of Options which have been issued under EIP	Number of Options which have been exercised	Number of Options which have expired	Total number of outstanding Options as at date of Notice of Meeting
16,505,000	130,187	2,898,813	13,476,000

Performance Rights

Number of Performance Rights which have been issued under EIP	Number of Performance Rights which have vested	Number of Performance Rights which have lapsed	Total number of outstanding Performance Rights as at date of Notice of Meeting
4,179,000	-	541,000	3,638,000

Summary of the terms of the ImpediMed Employee Incentive Plan.

A summary of the terms of the EIP and the US Sub-Plan, including the amendments noted above, are outlined in the **Schedule**. Capitalised terms in the summaries refer to definitions in the Plan rules.

Voting exclusion

The Company will disregard any votes cast on the proposed Item 6 by Mr Carreon (being the only Director who is eligible to participate in the EIP) and any associate of Mr Carreon. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy does.

In addition, no KMP of the Company or a closely related party of such a member may vote as a proxy on the proposed Item 6 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 6; or
- b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on the proposed Item 6 even though the resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon, being the only Director who is eligible to participate in the EIP) recommends that Shareholders vote in favour of this resolution.

GLOSSARY

2014 AGM means the annual general meeting of the Company held on 30 October 2014.

A\$ or \$ means Australian dollars.

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, Australia.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (3rd edition).

Board means the current board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means ImpediMed.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

EIP means the Employee Incentive Plan adopted by the Board on 2 October 2014 and approved by Shareholders at the 2014 AGM (and includes the US Sub-Plan).

Entitlement Time means 7.00pm (AEDT) on Monday 13 November 2017.

Explanatory Notes means the Explanatory Notes accompanying and forming part of the Notice.

FY17 means the financial year ended 30 June 2017.

FY18 means the financial year ended 30 June 2018.

Group means the Company and subsidiaries of the Company.

ImpediMed means ImpediMed Limited (ACN 089 705 144) (ASX code: IPD).

Incentive means a Share, an Option or a Performance Right.

ISO means incentive stock option.

Items means the resolutions set out in the Notice, or any one of them, as the context requires.

Key Management Personnel (or **KMP**) has the meaning as defined in section 9 of the Corporations Act.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the Explanatory Notes accompanying the Notice and the Proxy Form.

Option means an option to acquire a Share under the EIP or other employee incentive plan, as the context requires.

Performance Right means a performance right to acquire a Share under the EIP.

Proxy Deadline means 9.00am (AEDT) on Monday 13 November 2017.

Proxy Form means the proxy form accompanying the Notice.

Related Body Corporate has the meaning set out in section 50 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2017.

Right means a performance right to acquire a Share under the EIP.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

US\$ means United States of America dollars.

US Sub-Plan means the United States sub-plan of the EIP.

SCHEDULE

SUMMARY OF THE TERMS OF THE EMPLOYEE INCENTIVE PLAN

Plan overview	The Board may, in its absolute discretion, offer to issue Incentives as part of its long term incentive strategy to an Eligible Employee under the EIP, and such offer may be accepted by the Eligible Employee.
Eligible Employees and Participants	Any permanent full time or part time employee of the Group is eligible to participate in the EIP and to be offered Incentives if he or she satisfies the criteria or other performance conditions that the Board determines from time to time. Once an Eligible Employee accepts an offer they will become a Participant.
Plan limit	The Company must not issue Incentives if the maximum number of Shares issued or which may be issued under the EIP (including any sub-plan) on exercise or vesting of Incentives would exceed 10% of the Company's total issued share capital at the time of the proposed issue The limit on Shares issued under the EIP was previously set at 5% but this was increased to 10% by the Board in October 2017.
Vesting condition	The Board will determine whether any performance hurdles or other conditions (including as to time) will be required to be met (Vesting Conditions) before the Incentives which have been issued under the Plan can vest. Performance Rights will automatically vest on the business day after the relevant Vesting Conditions have all been satisfied, at which time the Company must issue Shares.
Issue price	Unless otherwise determined by the Board, Incentives will be issued for nil consideration under the EIP on the basis that they represent valid consideration for the Eligible Employee's performance as an employee.
Exercise price	The exercise price for Incentives is as determined by the Board at the time of issue. An Option will generally have a cash exercise price of greater than nil and a Performance Right will have an exercise price of nil.
Exercise period	The terms for exercise, including the exercise period, are stated in the offer letter. Any vested Incentives must not be exercised during a closed period prescribed in the Company's Trading Policy.
Lapse	Once on issue, Incentives will lapse on the first to occur of: <ul style="list-style-type: none"> the stated expiry date; a Participant failing to meet the stated vesting conditions within the prescribed period; a Participant ceasing to be employed by the Group due to resignation or retirement: <ul style="list-style-type: none"> for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); a Participant ceasing to be employed by the Group due to redundancy, or the Participant's death, permanent illness or permanent physical or mental incapacity: <ul style="list-style-type: none"> for vested Options, six months after the date of cessation of

	<p>employment (or such longer period as the Board determines); and</p> <ul style="list-style-type: none"> • for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); • a Participant ceasing to be employed by the Group for any other reason: <ul style="list-style-type: none"> • for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and • for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); and • a determination by the Board that causes the Incentive to be forfeited (e.g. fraud by the Participant).
Rights and restrictions of Incentives	<ul style="list-style-type: none"> • Incentives are not entitled to receive a dividend. Any Shares issued upon vesting of Incentives are only entitled to dividends if they are issued on or before the relevant dividend entitlement date. • Shares issued under the EIP rank equally in all respects with other Shares on issue. • In the event of a reconstruction of the Company (consolidation, subdivision, reduction, cancellation or return), the terms of any outstanding Incentives will be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of reconstruction. • Any bonus issue of securities by way of capitalisation of profits or share capital account, will confer on each Incentive the right: <ul style="list-style-type: none"> • to receive on exercise or vesting of those Incentives, not only an allotment of one Share for each of the Incentives exercised or vested but also an allotment of the additional Shares and/or other securities the Participant would have received had the Participant participated in that bonus issue as a holder of Shares of a number equal to the Shares that would have been allotted to the Participant had they exercised those Incentives or the Incentives had vested immediately before the date of the bonus issue; and • to have profits, reserves or share premium account, as the case may be, applied in paying up in full those additional Shares and/or other securities; • Subject to a reconstruction or bonus issue, Incentives do not carry the right to participate in any new issue of securities including pro-rata issues. • The Participant must comply with the Company's Trading Policy and the Constitution in respect of any Shares that may be issued under the EIP. Subject to law, any restriction in a Participant's offer letter and the Company's Trading Policy, there will be no other restrictions on the sale, transfer or disposal of Shares once issued. • Incentives will not be quoted on ASX. The Company will apply for quotation of any Shares issued under the EIP.
Assignability	A Participant cannot sell, assign, transfer or otherwise dispose of an Incentive except to his or her Associate.
Administration	The EIP is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation.

Change of control	<p>If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may declare an Incentive to be free of any Vesting Conditions. Incentives which are so declared may, subject to any other rule, be exercised at any time on or before the relevant expiry date and in any number.</p> <p>Change of Control means where:</p> <ul style="list-style-type: none"> • a takeover bid is made and a person obtains voting power (as that term is defined in the Corporations Act) of more than 50% and the takeover bid has become unconditional; • a court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company); or • any other transaction which the Board determines will result in a change in control of the Company.
Amendments	<p>Subject to the ASX Listing Rules, the Board may amend the EIP at any time, but may not do so in a way which reduces the rights of Participant's existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.</p> <p>The Board may also formulate (and subsequently amend) various sets of special terms to apply to persons employed, resident in or who are citizens of countries other than Australia. Each set of special terms is to be restricted in their application to those persons employed, resident in or who are citizens of the foreign country or countries specified by the Board.</p> <p>The Company has established the US Sub-Plan for Participants who are residents or citizens of the United States.</p>
Termination and suspension	<p>The EIP may be terminated or suspended at any time by resolution of the Board but any such suspension or termination will not affect nor prejudice rights of any Participant holding Incentives at that time.</p>

SUMMARY OF THE TERMS OF THE US SUB-PLAN

Administration	<p>The US Sub-Plan may be administered by the Board or a committee of the Board, which has the discretion to offer awards to any consultant, employee or executive or non-executive director of the Group.</p> <p>The US Sub-Plan is effective for a period of ten years from the date of its adoption by the Board (2 October 2014) (unless terminated earlier by the Board).</p> <p>The Board may amend or terminate the US Sub-Plan at any time and for any reason, subject to obtaining Shareholder approval (if required by applicable laws). Any amendment or termination does not affect any awards previously granted under the US Sub-Plan.</p>
Plan limit	<p>The maximum number of Shares which may be issued under the US Sub-Plan must not exceed 10% of the Company's total issued share capital from time to time, provided that in no case shall more than 35 million Shares be issued under the US Sub-Plan. The maximum aggregate number of Shares that may be issued under the US Sub-Plan pursuant to the exercise of ISOs also must not exceed 35,000,000 Shares.</p> <p>The limit on Shares issued under the US Sub-Plan (including pursuant to the exercise of ISOs) was previously 15 million Shares but this was increased to by the Board to match the new limit under the EIP in [August 2017].</p> <p>Please note that the limit on Shares issued under the EIP is inclusive of the Shares issued under the US Sub-Plan. Accordingly, the Board will not issue Incentives under the US Sub-Plan which, once exercised or vested, would result in Shares being issued under the EIP and the US Sub-Plan which <u>together</u> would comprise more than 10% of the Company's issued capital at the issue date (subject also to the 35 million Share limit under the US Sub-Plan).</p>
Options	<p>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 determination of "fair market value" under the US Sub-Plan shall in all cases be determined by the Board and in accordance with the EIP.</p> <p>An Incentive must be granted within ten years after 2 October 2014, being the date of</p>

	adoption of the US Sub-Plan by the Board.
US Internal Revenue Code section 422	<p>An Option issued under the US Sub-Plan may be intended to constitute an ISO within the meaning of Section 422 of the USA Internal Revenue Code of 1986 as amended (Code). An ISO may not be exercised after ten years of its date of grant.</p> <p>The US Sub-Plan is intended to contain the necessary plan documentation for shareholder approval to allow Options to be issued as ISOs.</p>
Taxes	<p>Participants must make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations.</p> <p>Each Option under the US Sub-Plan is intended to be exempt from the requirements of Code Section 409A and shall be interpreted and administered in a manner consistent with such intention.</p>
General	The Company's obligation to issue securities under the US Sub-Plan is subject to any restrictions in the Corporations Act or the ASX Listing Rules.

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



BY HAND

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



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

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 you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am (AEDT) on Wednesday, 15 November 2017 at the offices of Johnson Winter & Slattery in Sydney, Level 25, 20 Bond Street, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Items 2, 4, 5 and 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Item 2, 4, 5 and 6, even though the Items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

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 ☒

Items

For Against Abstain*

For Against Abstain*

2 Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Grant of Options to Mr Richard Carreon, Chief Executive Officer and Managing Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3.1 Election of Ms Judith Downes

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Grant of Performance Rights to Mr Richard Carreon, Chief Executive Officer and Managing Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3.2 Election of Mr Amit Patel

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval to issue securities under the ImpediMed Employee Incentive Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3.3 Election of Mr Don Williams

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

--

--

--

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

HOW TO COMPLETE THIS SHAREHOLDER 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 PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Items are connected directly or indirectly with the remuneration of KMP.

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.

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 or online at www.linkmarketservices.com.au.

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 **9:00am (AEDT) on Monday, 13 November 2017**, 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

* During business hours (Monday to Friday, 9:00am–5:00pm)

**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.**