

Terms for ImpediMed Limited IPO Options

IPO Options will be issued by ImpediMed Limited (**Company**) on the basis of:

- one option for every two fully paid ordinary shares in the capital of the Company (**Share**) allotted pursuant to Public Offer at no additional consideration; and
- one option for every two Shares issued to holders of IPO Convertible Notes pursuant to the Redemption Issue at no additional consideration,

(collectively, **IPO Options**) on the following terms:

- (a) Each IPO Option entitles the holder to subscribe for one Share upon exercise of the IPO Option and payment of the Exercise Price (defined below).
- (b) Each IPO Option is exercisable at \$0.72 (**Exercise Price**), payable in full on exercise of the IPO Option.
- (c) The IPO Options expire at 5pm Australian Eastern Standard Time on the date which is five years from the date the Company is admitted to the official list of the Australian Securities Exchange (**Expiry Date**).
- (d) The Company must give the holder of each IPO Option a holding statement stating:
 - (i) the number of IPO Options issued to each holder;
 - (ii) the Exercise Price of the IPO Options; and
 - (iii) the date of issue of the IPO Options.
- (e) Holders may exercise IPO Options in whole or in part at any time prior to the Expiry Date. Any IPO Option not exercised, automatically expires on the Expiry Date.
- (f) IPO Options may only be exercised by the delivery to the share registry of a notice in writing (**Exercise Notice** – set out in Annexure A) stating the intention of the holder to:
 - (i) exercise all or a specified number of IPO Options; and
 - (ii) pay the Exercise Price in full for the exercise of each such IPO Option.
- (g) The Exercise Notice must be accompanied by the holding statement for the IPO Options being exercised, and a cheque made payable to the Company for the Exercise Price for the IPO Options being exercised.
- (h) The Company will allot the Shares to which a holder is entitled following exercise of IPO Options and deliver a holding statement with respect to such Shares within the timeframe required by the ASX Listing Rules (**Listing Rules**).
- (i) The exercise of only some IPO Options will not affect the rights of the holder to the balance of the IPO Options held by them.
- (j) If the holder of the IPO Options exercises less than the total number of IPO Options registered in the holder's name, the Company must issue the holder of the IPO Options a new holding statement stating the remaining number of IPO Options held by the holder and stating the information set out in item (d) above.

- (k) If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may give written notice to holders of IPO Options specifying a period of not less than five days during which IPO Options may be exercised. Change of Control Event means:
- (i) the Company entering into a scheme of arrangement with its members or any class thereof pursuant to section 411 of the Corporations Act;
 - (ii) a takeover bid being made to acquire some or all of the Shares; or
 - (iii) a person or a group of associated persons obtaining, subsequent to the issue of the IPO Options, a relevant interest in sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by that person or a person associated with such person or group of associated persons.
- (l) IPO Options will not confer an entitlement to receive dividends declared and paid by the Company, nor an entitlement to vote at general meetings of the Company unless the holder of the IPO Options has exercised its IPO Options before the record date for determining these entitlements and participates as a result of holding Shares.
- (m) All Shares issued on exercise of a IPO Option will:
- (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
 - (ii) be issued credited as fully paid;
 - (iii) be duly authorised and issued by all necessary corporate action; and
 - (iv) be allotted and issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emption rights and any transfer restrictions.
- (n) The Company will apply to ASX Limited for official quotation of the IPO Options and Shares issued upon exercise of IPO Options within the time period required by the Listing Rules.
- (o) The IPO Options may be transferred at any time in accordance with the Corporations Act and the Listing Rules.
- (p) A holder of IPO Options does not have the right to participate in bonus issues or new issues of securities offered to shareholders until Shares are allotted to the holder pursuant to the exercise of the relevant IPO Options.
- (q) In the event of a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holders of IPO Options (including, without limitation, the number of IPO Options to which the IPO Option holder is entitled to and the exercise price) will be changed (as appropriate) in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (r) If the Company makes a pro rata issue (other than a bonus issue) to existing shareholders and no Share has been issued in respect of the IPO Options before the record date for determining entitlements to the issue, the Exercise Price of each IPO Option will be reduced in the manner permitted by the Listing Rules applying at the time of the pro rata issue.

- (s) If the Company makes a bonus issue to existing shareholders and no Share has been issued in respect of a IPO Option before the record date for determining entitlements to the issue, then the number of Shares over which that IPO Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.
- (t) The Company is entitled to treat the registered holder of a IPO Option as the absolute holder of that IPO Option and is not bound to recognise any equitable or other claim to, or interest in, that IPO Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.

Annexure A
Exercise Notice

To: The Directors
ImpediMed Limited
Building 4B
2404 Logan Road
EIGHT MILE PLAINS QLD 4113

[#insert name of option holder#] of [#insert address#] (**Option Holder**) gives notice of exercise of [#number#] options (**Options**) in accordance with the terms of issue of those Options, and applies for [#number#] fully paid ordinary shares in the capital of the Company (**Shares**).

A cheque in favour of the Company in the sum of A\$[#insert amount#] representing A\$0.72 per Option (being the exercise price) is attached to this Exercise Notice.

The Option Holder requests the Company to issue the Shares to the Option Holder and agrees to accept the Shares on and subject to the terms and conditions of the Company's constitution. The Option Holder authorises the Company to enter the Option Holder's name on the Company's share register in respect of the Shares issued to the Option Holder.

For and on behalf of the Option Holder

Date _____
Signed _____
Name (print) _____

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