

ImpediMed Limited

ABN 65 089 705 144



# Notice of Annual General Meeting

Monday 23 November 2009

4:30 p.m.

Tattersalls Club

215 Queen Street (Corner Edward Street), Brisbane, Australia

# Part 1: Notice of Annual General Meeting

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The Annual General Meeting of Members of ImpediMed Limited will be held at Tattersalls Club 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Monday 23 November 2009 commencing at 4:30 p.m. (Brisbane time).

The annual report is available on our website for viewing if you have elected not to receive a hard copy. Our website address is [www.impedimed.com.au](http://www.impedimed.com.au)

## Ordinary business

### **Item 1 – Annual financial report, directors’ report and auditor’s report**

To receive and consider the annual financial report of the Company, together with the Directors’ report and auditor’s report, for the year ended 30 June 2009.

### **Item 2 – Election of Directors**

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

- 1 *That James Hazel, a Director retiring by rotation in accordance with rule 16.1 of the Company’s constitution and being eligible, be re-elected as a director of the Company.*
- 2 *That Martin Kriewaldt, a Director retiring by rotation in accordance with rule 16.1 of the Company’s constitution and being eligible, be re-elected as a director of the Company.*

### **Item 3 – Remuneration Report**

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

*That the Remuneration Report for the year ending 30 June 2009 be adopted.*

## Special business

### **Item 4 – Approval of previous share placements**

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

*That, for all purposes, Members approve the issue of 10,669,643 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.*

The above resolution has been proposed to satisfy the requirements of Listing Rules 7.4 and 7.5. The Explanatory Statement sets out the information required under those Listing Rules.

**Voting exclusion statement**

The Company will disregard any votes cast on item 4 by any person who participated in the issues of the Placement Shares and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

## Other information

### Explanatory Statement

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

### Proxies

Please note that:

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

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

### Corporate representatives

Any:

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

which has appointed an individual to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry, Link Market Services, in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. An Appointment of Corporate Representative form is available by contacting the Company's share registry, Link Market Services, on +61 2 8280 7454 during business hours.

If you have any queries on how to cast your votes, please call the Company's share registry, Link Market Services, on +61 2 8280 7454 during business hours.

## **Voting entitlements**

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Members as at 4.30 pm (Brisbane time) on Saturday 21 November 2009. Accordingly, transactions registered after that time will be disregarded in determining Members' entitlements to attend and vote at the Annual General Meeting.

## **By order of the Board of Directors**



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Stephen Denaro  
Company Secretary

# Part 2: Explanatory Statement

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## 1 Introduction

This Explanatory Statement has been prepared for the information of Members in connection with the resolutions to be considered by them at the Annual General Meeting to be held at Tattersalls Club 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Monday 23 November 2009 commencing at 4:30 p.m. (Brisbane time).

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

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

## 2 Ordinary business

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

The first item of business of the Annual General Meeting is to receive and consider the financial report, together with the Directors' and auditor's reports, for the year ended 30 June 2009.

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

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

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

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

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

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

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

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

## **Item 2 - Election of Directors**

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

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

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

### **Resolution 1 - Re-election of James Hazel – non-executive Director**

In accordance with rule 16.1, James Hazel, a non-executive Director, will retire at the Annual General Meeting and being eligible, has offered himself for re-election.

#### ***Biography of James Hazel B.Ec, F Fin, FAICD***

Details of Mr Hazel's experience and qualifications can be found on page 3 of the annual report.

The Directors, with James Hazel abstaining, recommend that Mr Hazel be re-elected as a Director.

### **Resolution 2 - Re-election of Martin Kriewaldt – non-executive Director**

In accordance with rule 16.1 of the Constitution, Martin Kriewaldt, a non-executive Director, will retire at the Annual General Meeting and being eligible, has offered himself for re-election.

#### ***Biography of Martin Kriewaldt BA LLB (Hons) FAICD – non executive Director***

Details of Mr Kriewaldt's experience and qualifications can be found on page 2 of the annual report.

The Directors, with Martin Kriewaldt abstaining, recommend that Mr Kriewaldt be re-elected as a Director.

## **Item 3 - Approval of Remuneration Report**

Shareholders are entitled to vote on the question whether the Remuneration Report as contained in the Annual Report for 2009 is adopted.

Shareholders should note that item 3 is an "advisory only" resolution which does not bind the Directors or the Company.

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

### 3 Special business

#### **Item 4 – Approval of previous share placements**

On 30 January 2009, ImpediMed announced that it had issued 2,857,143 Shares at 70 cents each to raise \$2 million. On 2 June 2009, it announced that it had issued a further 7,812,500 Shares at 64 cents each to raise \$5 million.

Listing Rule 7.1 imposes a limit on the number of equity securities (eg shares or options to subscribe for shares) which a company can issue without shareholder approval. In general terms, the limit is that a company may not, without shareholder approval issue, in any 12 month period, equity securities which are more than 15% of:

- the number of fully paid ordinary shares on issue 12 months before the issue; plus
- the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholder approval.

Listing Rule 7.4 states that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 when made and the company's members subsequently approve it.

The Company was not required to obtain Member approval under the Listing Rules (or otherwise) for the issue of the Placement Shares. However, if the Company does not subsequently obtain Member approval of the issues under Listing Rule 7.4 it will reduce the number of additional equity securities the Company can issue in the 12 month periods following the issues. This restriction would reduce the Company's ability to raise additional capital by issuing equity securities during those periods.

Under item 4, the Company seeks approval from Members for, and ratification of, the issues of the Placement Shares.

Details of the Placement Shares are set out in the table below.

Listing Rule 7.5 requires the information set out below to be given to Members:

<b>Date of Issue</b>	<b>Allottee</b>	<b>Issue Price</b>	<b>Number of Fully Paid Ordinary Shares</b>
30 January 2009	<ul style="list-style-type: none"> <li>• HSBC Custody Nominees (Australia) Limited</li> <li>• JP Morgan Nominees Australia Limited</li> <li>• ANZ Nominees Limited</li> </ul>	\$0.70 per share	<ul style="list-style-type: none"> <li>• 2,223,691</li> <li>• 433,396</li> <li>• 200,056</li> </ul>
3 June 2009	<ul style="list-style-type: none"> <li>• 104 Excluded Offerees to whom offers were made by Wilson HTM Corporate Finance Limited, the underwriter of the placement</li> </ul>	\$0.64 per share	<ul style="list-style-type: none"> <li>• 7,812,500</li> </ul>
<b>Total</b>			<b>10,669,643</b>

The Placement Shares are fully paid ordinary shares which rank equally in all respects with the Shares.

The funds were raised to provide working capital to support market development in the United States for the breast cancer lymphoedema market, particularly in relation to the adoption of the L-Dex U400 device by United States breast surgeons and oncologists.

The Board believes that the ratification of the issue of the Placement Shares is beneficial for the Company. The Board recommends Members vote in favour of item 4 as it allows the Company to ratify the issue of the Placement Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without Member approval.

## 4 Glossary

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

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

**ASX** means ASX Limited.

**Board** means board of directors of the Company.

**Company** or **ImpediMed** means ImpediMed Limited.

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

**Director** means a director of the Company.

**Excluded Offerees** means persons to whom Shares may be offered without disclosure under Part 6D.2 of the Corporations Act.

**Listing Rules** means the listing rules of ASX.

**Member** means holder of Shares.

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

**Placement Shares** means the 10,669,643 Shares issued by the Company and referred to in item 4 of the Notice.

**Remuneration Report** means the section of the Directors' report contained in the annual financial report of the Company for the year ended 30 June 2009 entitled "Remuneration Report".

**Shares** means fully paid ordinary shares in the Company.



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

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

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 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.
- (b) return both forms together.

### Signing Instructions

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

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

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

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

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

### Corporate Representatives

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

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 4:30pm (Brisbane time) on Saturday, 21 November 2009, 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:



**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, Level 12, 680 George Street, Sydney NSW 2000.

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