



**IMPEDIMED LIMITED**  
**ACN 089 705 144**

**OFFER BOOKLET**

**3 FOR 13 NON-RENOUNCEABLE  
PRO RATA ENTITLEMENT OFFER OF NEW SHARES  
AT AN ISSUE PRICE OF \$0.60 PER NEW SHARE**

The Entitlement Offer closes at 5.00pm (AEDT) on  
5 December 2014

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE AN ELIGIBLE SHAREHOLDER YOU SHOULD READ THIS OFFER BOOKLET IN ITS  
ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR NEW SHARES.

IF YOU DO NOT UNDERSTAND ANY PART OF THIS OFFER BOOKLET, OR ARE IN ANY DOUBT AS TO  
HOW TO DEAL WITH IT OR YOUR ENTITLEMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR  
OTHER PROFESSIONAL ADVISER.

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## Important Information

### About this Offer Booklet

This Offer Booklet contains information relating to a proposed entitlement offer to be undertaken by ImpediMed Limited ACN 089 705 144 (**ImpediMed**). This Offer Booklet is important and requires your immediate attention.

The Entitlement Offer is being made in accordance with Section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35). Accordingly, this Offer Booklet is not a prospectus and does not contain all information which an investor may require to make an informed investment decision.

### Forward-looking statements

This Offer Booklet contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of ImpediMed, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Offer Booklet speak only at the date of this Offer Booklet. Subject to any continuing obligations under applicable law or the ASX Listing Rules, ImpediMed does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this Offer Booklet.

### Foreign jurisdictions

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities law.

No action has been taken to permit any offering of New Shares in any jurisdiction outside Australia and New Zealand.

This Offer Booklet and any accompanying Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction other than Australia and New Zealand. In particular, this booklet does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any securities in the United States.

The New Shares offered under the Entitlement Offer have not been, and will not be registered under the US Securities Act or the securities laws of any State or other jurisdiction in the United States.

Entitlements under the Entitlement Offer may not be taken up by US Persons, persons in the United States or by nominees or custodians who are acting for the account or benefit of a US Person or a person in the United States and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States or US Persons except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any applicable securities laws of any State or other jurisdiction of the United States.

### Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet or the Associated Offer Announcements. Any information or representation that is not contained in this Offer Booklet or the Associated Offer Announcements may not be relied on as having been authorised by ImpediMed in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of ImpediMed, or any other person, warrants or guarantees the future performance of ImpediMed or any return on any investment made pursuant to the Entitlement Offer.

### No financial product advice

This Offer Booklet is not financial product advice, does not purport to contain all the information that you may require to make an investment decision, and has been prepared without taking into account your personal investment objectives, financial situation or needs.

Before deciding whether to apply for New Shares under the Entitlement Offer, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If after reading this booklet, you have any questions about the Entitlement Offer, you should contact your financial or other professional adviser.

### Definitions and references to time

Capitalised words and expressions in this Offer Booklet have the meanings given in Section 6.

A reference to time in this Offer Booklet is to AEDT, unless otherwise stated.

All financial amounts in this Offer Booklet are references to Australian currency, unless otherwise stated.

### Date of this Offer Booklet

This Offer Booklet is dated 13 November 2014.

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## Chairman's Letter

13 November 2014

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in a fully underwritten pro rata, non-renounceable entitlement offer of new fully paid ordinary shares in ImpediMed (**New Shares**) at an issue price of \$0.60 per New Share, to raise up to approximately \$33 million<sup>1</sup> before costs and expenses (**Entitlement Offer**). The actual amount to be raised will depend on the shareholdings of Eligible Shareholders as at the Record Date. On 20 November 2014 (the day after the Record Date), ImpediMed will announce to the ASX the actual amount to be raised under the Entitlement Offer.

A key purpose of the Entitlement Offer is to ensure a strong balance sheet as ImpediMed accelerates its interactions with major customers and partners. It also intends to apply part of the proceeds from the Entitlement Offer towards:

- sales, marketing and training;
- the expansion of reimbursement;
- continued product development and enhancement;
- post-approval clinical trial support;
- inventory growth; and
- general working capital purposes.

As Shareholders know, the publication of the CPT Category I code for L-Dex was a significant milestone for our company and will be central to driving market adoption of L-Dex.

### Overview of Entitlement Offer

The Shareholders who will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are described in Section 1.2 of this Offer Booklet.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 3 New Shares for every 13 Shares of which they are the registered holder as at the Record Date, at an issue price of \$0.60 per New Share (**Issue Price**). The Entitlement Offer is non-renounceable.

The Issue Price represents:

- a 13% discount to ImpediMed's closing Share price on 10 November 2014, the trading day immediately prior to ImpediMed entering into a trading halt in connection with the Entitlement Offer; and
- a 10% discount to the 30 trading day volume weighted average price of ImpediMed's Shares ending on 10 November 2014.

ImpediMed's largest shareholder, a fund managed by Allan Gray, has indicated that it will take up at least a substantial portion of its entitlements, but in any event will not increase its Relevant Interest in ImpediMed Shares to above 19.9%<sup>2</sup> as a result of the Entitlement Offer.

In addition, each of the Australia-resident Directors (Cherrell Hirst AO, Jim Hazel and Michael Panaccio) have committed to take up some or all of their pro rata entitlements under the Entitlement Offer in respect of the Shares they own personally. The other Directors, David Adams and Scott Ward, will not be eligible to participate in the Entitlement Offer because they are not resident in Australia or New Zealand.

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<sup>1</sup> This is a maximum figure only. It assumes that all Shareholders on the Record Date are Eligible Shareholders. Based on its share register as at 11 November 2014, ImpediMed expects that the holders of approximately 98% of Shares are likely to be Eligible Shareholders. Please refer to Section 1.2 for further details.

<sup>2</sup> Allan Gray's most recent substantial holding notice, dated 3 April 2012, disclosed that at the date of the notice, Allan Gray and its related bodies corporate together had a total Relevant Interest in 19.85% of Shares.

## Underwriting Arrangements

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited pursuant to an Underwriting Agreement dated 13 November 2014.

If Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the shortfall will be allocated to the underwriter and sub-underwriters.

Further details regarding the underwriting arrangements are set out in Section 1.5 of this Offer Booklet.

### Action you should take

**The Entitlement Offer is currently scheduled to close at 5.00pm (AEDT) on 5 December 2014.** If you wish to subscribe for New Shares, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 3.2. This means that the Entitlement Offer will be open for acceptance by Eligible Shareholders for a period of ten business days. The Company has chosen this period to ensure that the Entitlement Offer can be completed in full before Christmas.

This Offer Booklet contains important information regarding the Entitlement Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

For further information regarding the Entitlement Offer, please call the Entitlement Offer Information Line on 1300 975 518 (within Australia) and +61 1300 975 518 (from outside Australia) between 8.30am and 5.30pm (AEDT) on business days during the offer period for the Entitlement Offer.

On behalf of the Board, I thank you for your continued support as an ImpediMed Shareholder and I invite you to consider this investment opportunity.

Yours sincerely



Cherrell Hirst AO  
Chairman

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## Key Dates

Event	Date
Announcement of Entitlement Offer	13 November 2014
Ex date	17 November 2014
Record Date to determine entitlement to participate in the Entitlement Offer	7.00pm on 19 November 2014
Announcement of amount to be raised and number of New Shares	20 November 2014
Dispatch Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	24 November 2014
Entitlement Offer opens	24 November 2014
Entitlement Offer closes	5.00pm on 5 December 2014
Shortfall announced to ASX	10 December 2014
Issue of New Shares under Entitlement Offer	12 December 2014
New Shares under Entitlement Offer commence trading on the ASX	15 December 2014
Dispatch of holding statements	16 December 2014

Dates and times in this Offer Booklet are indicative only and subject to change. All dates and times are references to AEDT.

ImpediMed, with the consent of the Underwriter, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, ImpediMed reserves the right to extend the Closing Date, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their applications as soon as possible after the Entitlement Offer opens.

ImpediMed also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time prior to the issue of the New Shares. In that event, application monies (without interest) would be returned to applicants.

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## **1 Overview of the Entitlement Offer**

### **1.1 Summary**

The Entitlement Offer is a pro rata offer of up to approximately 55 million New Shares at \$0.60 per New Share to raise up to approximately \$33 million before costs and expenses.<sup>3</sup>

Eligible Shareholders are entitled to subscribe for 3 New Shares for every 13 Shares held by them as at the Record Date.

The Entitlement Offer is non-renounceable, which means that to the extent that any entitlement under the Entitlement Offer is not taken up by any Eligible Shareholder prior to the Closing Date, the entitlement will lapse.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 3.

The Entitlement Offer opens at 9.00am (AEDT) on 24 November 2014 and is currently scheduled to close at 5.00pm (AEDT) on 5 December 2014.

### **1.2 Eligible Shareholders**

The Entitlement Offer is being made to those Shareholders who are:

- (a) registered as a holder of ImpediMed's Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) not in the United States, are not a US Person, and are not acting for the account or benefit of any person in the United States or any US Person; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

As a result, the actual number of New Shares to be issued under the Entitlement Offer, and therefore the actual amount to be raised by the Entitlement Offer, are not known as at the date of this Offer Booklet. The figures described in Section 1.1 are maximum figures only. To the extent that Shareholders on the Record Date are not Eligible Shareholders, the actual figures will be less. On 20 November 2014 (the day after the Record Date), ImpediMed will announce to the ASX the number of New Shares to be issued and the amount to be raised under the Entitlement Offer. As at 11 November 2014, more than 98% of Shares were held by Shareholders with registered addresses in Australia or New Zealand.

### **1.3 What is the entitlement of an Eligible Shareholder?**

The number of New Shares to which you are entitled under the Entitlement Offer is shown in the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. In calculating each Eligible Shareholder's entitlement, fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. Eligible Shareholders can subscribe for all, or part, of their pro rata entitlement under the Entitlement Offer. Detailed instructions on how to accept all, or part of, your pro rata entitlement are set out in Section 3.

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<sup>3</sup> The number of New Shares and the amount to be raised are maximum figures only. They assume that all Shareholders on the Record Date are Eligible Shareholders. Please refer to Section 1.2 for further details.

Please note that if you choose not to take up your pro rata entitlement, your percentage shareholding in ImpediMed will be diluted to the extent that the Entitlement Offer is taken up by other persons.

ImpediMed reserves the right to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims as to the extent of their entitlements prove to be overstated or they fail to provide information to substantiate their claims.

#### 1.4 No trading of entitlements

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of that part of the entitlement that they do not take up.

#### 1.5 Underwriting of the Entitlement Offer

The Entitlement Offer is managed and fully underwritten by Canaccord Genuity (Australia) Limited (**Lead Manager** or **Underwriter**). Any New Shares which remain unallocated following the issue of New Shares under the Entitlement Offer will be taken up by the Underwriter (and its sub-underwriters), on the terms and, subject to the conditions, of the Underwriting Agreement. Please refer to Sections 1.1 and 1.2 regarding the number of New Shares and therefore the extent of the Underwriter's underwriting obligations.

A summary of the Underwriting Agreement, including the material events whereby the Underwriter may terminate its obligations under the Underwriting Agreement, is set out below.

Under the terms of the Underwriting Agreement, the Underwriter has agreed to manage and underwrite the Entitlement Offer by subscribing for, or procuring subscriptions for, any New Shares which are not taken up by Eligible Shareholders under the Entitlement Offer. The Underwriter may (in certain circumstances) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

- (a) (**Misleading or Deceptive**) a material statement contained in any of the offer materials (including this Offer Booklet) is false, misleading or deceptive, or a material matter is omitted;
- (b) (**Offer materials**) the offer materials (including this Offer Booklet) do not comply with the Corporations Act, the Listing Rules or any other applicable law in any material respect;
- (c) (**Cleansing statement**) a corrective statement is issued, or required to be issued, to correct the initial cleansing statement;
- (d) (**Breach**) the Company fails to perform or observe any of its material obligations under the Underwriting Agreement and that failure is not remedied;
- (e) (**Compliance**) the Company commits or is involved in any act, matter or thing which breaches the Corporations Act, the Listing Rules, the Company's constitution or any other applicable law and such breach is material;
- (f) (**Unauthorised alterations**) the Company alters its share capital or its constitution in any material respect without the prior written consent of the Underwriter;
- (g) (**ASX approval**) unconditional approval by the ASX for official quotation of the New Shares is refused, or is not granted on or before the Closing Date or is withdrawn on or before the settlement date for the issue of shares to the Underwriter and sub-underwriters;

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- (h) **(Market fall)** the S&P/ASX 200 Index closes on any three consecutive Business Days at a level that is 5% or more below the level of that index before the date of the Underwriting Agreement;
  - (i) **(Significant sub-underwriting)** any priority sub-underwriter who has undertaken a sub-underwriting commitment greater than \$5,000,000 fails to honour such commitment provided that the failure to honour such commitment is not unduly caused or influenced by the Underwriter and the Underwriter has used reasonable commercial endeavours to enforce such commitment;
  - (j) **(Commitment of significant shareholder)** any failure by Allan Gray to honour its written commitment or indication to the Company or to the Underwriter to subscribe for entitlements under the Entitlement Offer;
  - (k) **(ASIC action)** an application is made by ASIC for an order under Part 9.5 or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth);
  - (l) **(Regulatory action)** there is an application to a Government Agency (including, without limitation, the Takeovers Panel) or a Government Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer and the application, investigation or hearing is not withdrawn or discontinued within 3 Business Days of its announcement;
  - (m) **(Insolvency event)** an insolvency event occurs in respect of the Company;
  - (n) **(Withdrawal)** the Company withdraws or indicates that it does not intend to proceed with the Entitlement Offer or withdraws any of the offer materials;
  - (o) **(Trading of securities)** trading in any securities of the Company is suspended by ASX for more than 5 Business Days, or any securities of the Company quoted on the Official List of ASX cease to be so quoted;
  - (p) **(Timetable)** any event specified in the transaction timetable is delayed by the Company by more than 2 business days without the prior written consent of the Underwriter;
  - (q) **(New circumstance)** a new circumstance arises or becomes known which is materially adverse;
  - (r) **(Material adverse change)** there is a material adverse change in the management, financial position, results of operations or prospects of the Company;
  - (s) **(Hostilities)** the outbreak of hostilities involving any of the Commonwealth of Australia, the United Kingdom, the United States of America, European Union, People's Republic of China, Japan, Indonesia, Iran or Iraq;
  - (t) **(Market or trading disruption)** there is a suspension or material limitation in trading in all securities quoted or listed on the ASX, the London Stock Exchange, New York Stock Exchange or Hong Kong Stock Exchange, a general moratorium on commercial banking activities in Australia, the United States, Hong Kong or the Republic of China or any materially adverse change or disruption to the existing financial markets or political conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom or the United States of America;
  - (u) **(Misrepresentation)** a representation or warranty given is untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue are not remedied;

- (v) **(Change of law)** a law, regulation, policy, or announcement of a law, regulation or policy is materially adverse;
- (w) **(Accuracy of information)** the due diligence committee report or any other information supplied by or on behalf of the Company to the Underwriter in relation to the Company, the Shares or the Offer is materially misleading or deceptive;
- (x) **(Change of management)** a change in the senior management or board of directors of the Company occurs or is announced;
- (y) **(Material contracts)** any material contract of the Company is varied, terminated, rescinded or altered or amended without the prior consent of the Underwriter or any material contract is breached or found to be void or voidable; and
- (z) **(Debt facilities)** any debt facility of the Company is terminated by the lender or amended in a material respect without the Underwriter's prior written consent.

As is customary with underwriting arrangements, ImpediMed has also (subject to certain limitations) agreed to indemnify the Underwriter, its related bodies corporate, and their respective officers, employees, and advisers against losses they may suffer in connection with the Entitlement Offer.

In consideration for its services, the Underwriter will receive an advisory fee of \$50,000 (plus GST), a 2.5% offer management fee of the gross proceeds raised under the Entitlement Offer (plus GST), and a 2.5% underwriting fee of the gross proceeds raised under the Entitlement Offer (excluding any entitlements committed to by Allan Gray prior to the execution of the Underwriting Agreement).

#### **1.6 Allocation of any shortfall**

As a result of the arrangements described above in Section 1.5, if Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the resulting shortfall will be allocated to the Underwriter and sub-underwriters.

#### **1.7 Issue of New Shares**

ImpediMed currently expects that New Shares will be issued by 12 December 2014 and that holding statements will be posted by 16 December 2014. The issue of New Shares will only be made after permission for their quotation on ASX has been obtained.

#### **1.8 Ranking of New Shares**

When issued, the New Shares will be fully paid and will rank equally with existing Shares.

#### **1.9 Withdrawal of the Entitlement Offer**

ImpediMed reserves the right to withdraw all or part of the Entitlement Offer, and this Offer Booklet, at any time, subject to applicable laws. In that case, ImpediMed will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to ImpediMed will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to ImpediMed.

## 2 Effect of the Entitlement Offer on ImpediMed

### 2.1 Purpose and use of funds

ImpediMed expects to raise up to approximately \$31 million from the Entitlement Offer after costs and expenses.<sup>4</sup> A key purpose of the Entitlement Offer is to ensure a strong balance sheet as ImpediMed accelerates its interactions with major customers and partners. It also intends to apply part of the proceeds from the Entitlement Offer towards:

- sales, marketing and training;
- the expansion of reimbursement;
- continued product development and enhancement;
- post-approval clinical trial support;
- inventory growth; and
- general working capital purposes.

The publication of the CPT Category I code for L-Dex was a significant milestone for ImpediMed and will be central to driving market adoption of L-Dex.

### 2.2 Financial impact

The Entitlement Offer will increase ImpediMed's net assets by an amount equal to the net proceeds of the Entitlement Offer.

The table below shows on a pro forma basis ImpediMed's financial position following completion of the Entitlement Offer. This information is pro forma and provides an illustrative indication of the effect of the Entitlement Offer had it occurred as at 30 June 2014. It is presented in abbreviated form and does not include all the disclosures that are ordinarily provided in financial statements prepared in accordance with the Corporations Act. It should be read in conjunction with the other disclosures in this Offer Booklet, including in Section 4.

(A\$'000)	Actual 30 Jun 14	Entitlement Offer	Costs	Proforma 30 Jun 14
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 10,812	\$ 33,054	\$ ( 1,965 )	\$ 45,831
Other Current Assets	1,928			1,928
<b>Total Current Assets</b>	12,740	33,054	( 1,965 )	47,759
<b>Total Non-Current Assets</b>	2,218	-	-	2,218
<b>Total Assets</b>	14,958	33,054	( 1,965 )	49,978
<b>Total Current Liabilities</b>	1,336	-	-	1,336
<b>Total Non-Current Liabilities</b>	90	-	-	90
<b>Total Liabilities</b>	1,426	-	-	1,426
<b>Net Assets</b>	\$ 13,532	\$ 33,054	\$ ( 1,965 )	\$ 48,551
<b>Total Equity</b>	\$ 13,532	\$ 33,054	\$ ( 1,965 )	\$ 48,551

<sup>4</sup> This is a maximum figure only and assumes that all Shareholders on the Record Date are Eligible Shareholders. Please refer to Section 1.2 for further details.

**Note:** For the purpose of this pro forma balance sheet, it has been assumed that all Shareholders will be Eligible Shareholders and that Broker Handling Fees (see Section 5.3), legal, registry, travel and other costs and expenses of the Entitlement Offer (but not including the fees of the Underwriter) will be approximately \$400,000. The actual level of costs and expenses will depend upon a number of factors including the number of Shareholders who are Eligible Shareholders and the number of shares subject to the Broker Handling Fee. To the extent that Shareholders on the Record Date are not Eligible Shareholders, the actual costs and expenses are likely to be less than this figure. Please refer to Section 1.2 for further information.

### 2.3 Effect on capital structure

The principal effect of the Entitlement Offer on ImpediMed's issued share capital will be to increase the total number of issued Shares. The following table sets out the number of issued Shares on the Announcement Date and, subject to the rounding of fractional entitlements under the Entitlement Offer, the total number of issued Shares at the completion of the Entitlement Offer:

Shares	Number
Shares on issue at the Announcement Date (unrestricted)	238,638,868
Shares on issue at the Announcement Date (restricted)	85,000
Shares offered under the Entitlement Offer	up to 55,090,124*
Total Shares on issue on completion of the Entitlement Offer	up to 293,813,992*

In addition, as at the Announcement Date, there are a total of 20,517,166 unquoted options. Each option, if exercised, will entitle the holder to be issued one Share.

The exercise price of certain of ImpediMed's unquoted options will be adjusted at the closing of the Entitlement Offer in accordance with the terms of those options. The effect of these adjustments will be to put the optionholders in a position in terms of exercise price equivalent to the position they would have been in had the Entitlement Offer not taken place.

### 2.4 Dividends

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

### 2.5 Effect on shareholdings of Shareholders

The extent to which the Entitlement Offer has any effect on the percentage shareholding of a Shareholder will be dependent on the extent (if any) to which the Shareholder participates in the Entitlement Offer and the number of Shares held by Eligible Shareholders on the Record Date (for the reasons set out in Section 1.2).

\* These are maximum figures only and assume that all Shareholders on the Record Date are Eligible Shareholders. Please Refer to Section 1.2 for further details. The maximum number of New Shares to be issued under the Entitlement Offer (and therefore the maximum number of Shares following completion of the Entitlement Offer) is also subject to the rounding of fractional entitlements to New Shares.

## 2.6 Effect of the Entitlement Offer on the control of ImpediMed

Having regard to:

- the composition of ImpediMed's share register; and
- the terms of the Entitlement Offer, the underwriting and sub-underwriting arrangements in place for the Entitlement Offer, and the nature of the Underwriter and sub-underwriters,

ImpediMed does not believe that any person will increase their percentage shareholding in ImpediMed pursuant to the Entitlement Offer in a way that will have any material impact on the control of ImpediMed.

ImpediMed's largest shareholder, a fund managed by Allan Gray, has indicated that it will take up at least a substantial portion of its entitlements, but in any event will not increase its Relevant Interest in ImpediMed Shares to above 19.9%<sup>5</sup> as a result of the Entitlement Offer.

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<sup>5</sup> Allan Gray's most recent substantial holding notice, dated 3 April 2012, disclosed that at the date of the notice, Allan Gray and its related bodies corporate together had a total Relevant Interest in 19.85% of Shares.

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### 3 Choices available to Eligible Shareholders

#### 3.1 Your choices

Before taking any action, you should read this Offer Booklet in its entirety and, if you have any questions, consult your financial or other professional adviser.

If you are an Eligible Shareholder, the following choices are available to you:

Option	See Section
Participate in the Entitlement Offer	3.2
Take no action	3.7

#### 3.2 How to participate in the Entitlement Offer

(a) **Taking up some or all of your pro rata allocation**

To subscribe for New Shares offered to you under your pro rata allocation, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your pro rata entitlement you wish to subscribe for.

(b) **Payment**

The Offer Price of \$0.60 per New Share is payable in full on application.

Payments must be received by 5.00pm (AEDT) on the Closing Date and must be in Australian currency and made by:

- (i) cheque drawn on and payable at any Australian bank;
- (ii) bank draft or money order drawn on and payable at any Australian bank; or
- (iii) BPAY®.

ImpediMed will treat you as applying for as many New Shares as your payment will pay for in full, subject to Section 3.6 below.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00pm (AEDT) on the Closing Date.

If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the holding referred to on that form.

Cheques, bank drafts and money orders must be made payable to 'ImpediMed Limited' and crossed 'Not Negotiable'. Cash payments will not be accepted. Receipts for payment will not be provided.

ImpediMed will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment.

Application monies will be held in trust in a subscription account until New Shares are issued. Any interest earned on application monies will be for the benefit of ImpediMed and will be retained by ImpediMed irrespective of whether any issue of New Shares takes place.

**(c) Return completed Entitlement and Acceptance Form and payment**

Unless you are paying by BPAY®, completed Entitlement and Acceptance Forms and payment of application money should be forwarded to the Share Registry by mail in the enclosed prepaid envelope or, if you are outside of Australia or do not use the prepaid envelope, by mail addressed to:

ImpediMed Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

If you wish to deliver your Entitlement and Acceptance Form and application money by hand, you should deliver them to:

ImpediMed Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

Completed Entitlement and Acceptance Forms and payments must be received by 5.00pm (AEDT) on the Closing Date.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. Please see Section 3.2(b) above for details.

Please note that all acceptances, once received, are irrevocable.

**3.3 Representations you will be taken to make by acceptance**

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY® in accordance with Section 3.2(b), you will be deemed to have:

- (a) represented and warranted that you are an Eligible Shareholder and that you have fully read this Offer Booklet and the Entitlement and Acceptance Form in their entirety, and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- (b) agreed to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and ImpediMed's constitution;
- (c) authorised ImpediMed to register you as the holder of the New Shares allotted to you;
- (d) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;

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- (e) acknowledged that once ImpediMed receives your Entitlement and Acceptance Form or any payment of application monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
  - (f) agreed to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY®, at the Offer Price per New Share;
  - (g) authorised ImpediMed, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you;
  - (h) declared that you were the registered holder at the Record Date of the Shares indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
  - (i) acknowledged that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
  - (j) acknowledged that this Offer Booklet is not a prospectus, it does not contain all of the information that you may require in order to assess an investment in ImpediMed and is given in the context of ImpediMed's past and ongoing continuous disclosure announcements to the ASX;
  - (k) acknowledged the statement of risks in Section 4 of this Offer Booklet and that investments in ImpediMed are subject to risk;
  - (l) acknowledged that none of ImpediMed or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of ImpediMed, nor do they guarantee the repayment of capital;
  - (m) agreed to provide any requested substantiation of your eligibility to participate in the Entitlement Offer and your holding of Shares on the Record Date; and
  - (n) authorised ImpediMed to correct any errors in your Entitlement and Acceptance Form.

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (o) you are not in the United States and are not a US Person and are not acting for the account or benefit of, a person in the United States or a US Person, and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (p) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, your pro rata entitlement may not be taken up, and the New Shares 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 Securities Act and any other applicable securities laws; and
- (q) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States, a US Person, or a person acting for the account or benefit of a person in the United States or a US Person.

### **3.4 No minimum subscription**

There is no minimum subscription for the Entitlement Offer.

### **3.5 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

### **3.6 Refunds of excess application monies**

Any application monies received for more than the number of New Shares issued to you (but only where the excess amount is \$2.00 or greater) will be refunded as soon as reasonably practicable following the close of the Entitlement Offer. No interest will be paid on any application monies.

Payment of any refund will be made either by:

- cheque mailed to your address as last recorded in ImpediMed's register of members; or
- direct credit, but only where you have previously nominated to receive payment of dividends by direct credit and have not withdrawn that nomination.

In all cases, the payment method will be at ImpediMed's election.

### **3.7 If you do nothing**

If you do not apply for Shares pursuant to the Entitlement Offer, your entitlement under the Entitlement Offer will lapse.

If you do not apply for Shares pursuant to the Entitlement Offer, your percentage ownership in ImpediMed will be diluted because the issue of New Shares under the Entitlement Offer will increase the total number of Shares on issue.

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## **4 Risk Factors**

### **4.1 Introduction**

Investors should be aware that there are risks associated with an investment in ImpediMed. Some of the principal factors that may, either individually or in combination, materially affect the future operating and financial performance and position of ImpediMed and the value of Shares are set out in this Section 4.

Some of these risks are specific to an investment in ImpediMed and others are of a more general nature. The summary of risks is not exhaustive and this Offer Booklet does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties of which ImpediMed is unaware or that ImpediMed currently considers to be immaterial may also become important factors that adversely affect future performance. It is important therefore for investors to consider these (and any other) risks and uncertainties carefully before investing in New Shares.

Investors should have regard to their own investment objectives and financial circumstances and should seek advice from their professional adviser before deciding whether or not to invest.

### **4.2 Early stage company with limited revenue**

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

- (a) ongoing acceptance of the reimbursement of its L-Dex product;
- (b) the ability to manufacture sufficient quantities of products to the required standard and at acceptable cost levels;
- (c) the Company meeting its timeline for next generation product launch; and
- (d) the ability of the Company to ensure adoption of its L-Dex product in major oncology centres.

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, along with the continuing of research and development projects and clinical trials. Over the longer term, ImpediMed's costs will fluctuate, primarily dependent on commercialisation expenses, regulatory authorisations in additional jurisdictions, and the number, type and size of clinical trials.

### **4.3 Pricing and reimbursement – payment levels, pricing support and CPT<sup>®</sup> 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 US AMA has accepted a CPT Category I code for L-Dex which becomes effective on 1 January 2015. The initial level of reimbursement will be US\$112.67 per test. Nonetheless,

there may be a variable rate of uptake of reimbursement across the 10 Medicare jurisdictions in the United States. Further, levels of reimbursement are subject to periodic review.

Separately, reimbursement by private health insurers is likely to be dependent on on-going clinical trials. Any delays to this program will likely slow the rate of uptake by private health insurers also.

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.

#### **4.4 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, radiation oncologists and community oncology centres. Third party options for distribution may be limited due to the 'first to market' nature of the business.

#### **4.5 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:

- (a) regulatory claims;
- (b) the clinical trial outcomes;
- (c) the level of support from target markets;
- (d) the level of reimbursement coverage and payment;
- (e) the timing of new market introductions;
- (f) clinical profile of conventional competitive products; and
- (g) the success of marketing and sales efforts.

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

#### **4.6 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:

- (a) licensing and approval requirements;
- (b) regulations relating to clinical trials;
- (c) manufacturing;
- (d) product approval; and
- (e) pricing,

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

#### **4.7 Future clinical trials and clinical development**

As ImpediMed brings new products to market for new clinical applications, it will require regulatory approvals for the commercial sale of such 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 that 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. 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.

#### **4.8 Future regulatory approvals**

New products for new clinical applications will also require clinical development, testing, manufacturing, sales and marketing all of which are subject to extensive regulation by regulatory authorities in the US, the EU, Australia and elsewhere.

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.

#### **4.9 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:

- (a) issue warning letters;
- (b) impose civil or criminal penalties;
- (c) suspend ImpediMed's regulatory authorisation or restrict or change the approved indications for use or impose additional safety reporting requirements;
- (d) suspend any of ImpediMed's ongoing clinical trials;

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- (e) refuse to approve pending applications or supplements to approved applications filed;
  - (f) 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
  - (g) 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.

#### **4.10 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 affected 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.

#### **4.11 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.

#### **4.12 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:

- (a) decreased demand for ImpediMed's products;
- (b) injury to ImpediMed's reputation;
- (c) withdrawal of clinical trial participants;
- (d) costly litigation;
- (e) substantial monetary awards to physicians or patients and others;
- (f) loss of revenues; and
- (g) 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.

#### **4.13 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.

#### **4.14 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:

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

#### **4.15 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.

#### **4.16 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.

#### **4.17 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:

- (a) delay;
- (b) reduce the scope of; or
- (c) eliminate,

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

#### **4.18 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 (and the application of existing laws by the courts or taxation authorities), 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.

#### **4.19 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.

#### **4.20 Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors, including recommendations by brokers and analysts, the general economic factors described in paragraph 4.18 above, global geopolitical events and hostilities and acts of terrorism, and investor perceptions. Furthermore, the share market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the companies listed on the market. These factors may materially adversely affect the market price of Shares regardless of ImpediMed's operational performance.

In addition, there is a risk that inadequate trading liquidity of ImpediMed's Shares may adversely affect your ability to realise your investment in ImpediMed.

Neither ImpediMed nor the Directors warrant the future performance of ImpediMed, or any return of an investment in ImpediMed.

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## **5 Further Information**

### **5.1 Taxation**

Taxation implications of participating in the Entitlement Offer will vary depending on the particular circumstances of individual Eligible Shareholders. Eligible Shareholders are advised to obtain their own professional taxation advice before making a decision in relation to the Entitlement Offer.

### **5.2 This Offer Booklet is not a prospectus**

The Entitlement Offer is being conducted in accordance with Section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35). In general terms, Section 708AA relates to rights issues by certain companies that do not require the preparation of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is considerably less than the level of disclosure required in a prospectus.

As a result, in deciding whether or not to accept the Entitlement Offer, you should rely on your own knowledge of ImpediMed, refer to disclosures made by ImpediMed to the ASX (which are available for inspection on the ASX website at [www.asx.com.au](http://www.asx.com.au)) and seek the advice of your professional adviser.

### **5.3 Broker handling fee**

A Broker Handling Fee of 1.5% (plus GST) of the value of successful applications by retail Eligible Shareholders pursuant to an Entitlement and Acceptance Form application or BPAY® application will be payable by ImpediMed to Morgans Corporate Limited and Wilson HTM Corporate Finance Ltd in respect of such applications handled by them, subject to the following conditions:

- (a) if an individual is applying on behalf of more than one beneficial holder, a list of beneficial holders must be provided in order to receive the Broker Handling Fee in relation to each beneficial holder; and
- (b) Broker Handling Fees will only be paid on applications where a Broker Handling Fee claim form and schedule is submitted to the Share Registry no later than 5.00pm (AEDT) on 10 December 2014.

The Broker Handling Fee claim form and schedule (including details of how to submit this form) will be available by request emailed to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

### **5.4 Foreign Shareholders**

#### **(a) General restrictions**

This booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and New Zealand.

Return of the Entitlement and Acceptance Form or your BPAY® payment will be taken by ImpediMed as a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

**(b) New Zealand**

Shares are offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (NZ). This booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

**(c) United States**

This is not an offer to sell nor a solicitation of an offer to buy securities in the United States. New Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons in the absence of registration or an exemption from registration.

The New Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any state of the United States and accordingly, the New Shares may only be offered and sold: (i) within the United States or to, or for the account or benefit of, any US Person, to a limited number of approved institutional investors that are “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act), in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; or (ii) outside the United States, to persons that are not US Persons and are not acting for the account or benefit of US Persons in offshore transactions in compliance with Regulation S under the US Securities Act.

The distribution of this Offer Booklet outside Australia and New Zealand may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any US Person. Persons who come into possession of this Offer Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

**5.5 Privacy**

By submitting an Entitlement and Acceptance Form, you will be providing personal information to ImpediMed (directly or through the Share Registry). ImpediMed collects, holds and will use that information to assess and process your application, administer your shareholding in ImpediMed and to provide related services to you. ImpediMed may disclose your personal information for purposes related to your shareholding in ImpediMed, including to the Share Registry, ImpediMed’s related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

You can obtain access to personal information that ImpediMed holds about you. To make a request for access to your personal information held by (or on behalf of) ImpediMed, please contact ImpediMed through the Share Registry.

**5.6 Governing law**

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

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## 6 Glossary and Interpretation

### 6.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

<b>\$</b>	Australian dollars.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>Allan Gray</b>	Allan Gray Australia Pty Ltd ACN 112 316 168.
<b>Announcement Date</b>	13 November 2014.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associated Offer Announcements</b>	the announcement and presentation released to the ASX by ImpediMed on the Announcement Date.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>ASX Listing Rules</b>	the official listing rules of the ASX as amended or replaced from time to time.
<b>Broker Handling Fee</b>	the stamping fee described in Section 5.3.
<b>Board</b>	the board of directors of ImpediMed.
<b>Business Day</b>	means a day which is not a Saturday, Sunday or a public holiday in New South Wales.
<b>Closing Date</b>	the deadline for accepting the Entitlement Offer, being 5.00pm on 5 December 2014 (subject to change).
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Directors</b>	the directors of ImpediMed.
<b>Eligible Shareholder</b>	has the meaning given in Section 1.2.
<b>Entitlement Offer</b>	the pro rata non-renounceable entitlement offer to Eligible Shareholders outlined in this Offer Booklet.
<b>Entitlement and Acceptance Form</b>	the personalised form accompanying this Offer Booklet which may be used to make an application for New Shares under the Entitlement Offer.
<b>ImpediMed or Company</b>	ImpediMed Limited ACN 089 705 144.
<b>Lead Manager or Underwriter</b>	Canaccord Genuity (Australia) Limited ACN 075 071 466.
<b>New Shares</b>	the Shares offered pursuant to the Entitlement Offer.

<b>Offer Booklet</b>	this offer booklet dated 13 November 2014.
<b>Offer Price</b>	the price payable for each New Share under the Entitlement Offer, being \$0.60.
<b>Record Date</b>	7.00pm (AEDT) on 19 November 2014.
<b>Relevant Interest</b>	has the meaning given in the Corporations Act.
<b>Share</b>	a fully paid ordinary share in the capital of ImpediMed.
<b>Shareholder</b>	a registered holder of Shares.
<b>Share Registry</b>	Link Market Services Limited ACN 083 214 537.
<b>Subsidiary</b>	a body corporate that is a subsidiary of ImpediMed within the meaning of the Corporations Act.
<b>United States</b>	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
<b>US Person</b>	The meaning given in Regulation S under the US Securities Act
<b>US Securities Act</b>	The United States Securities Act of 1933, as amended.

## 6.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Offer Booklet have corresponding meanings;
- (d) terms used in this Offer Booklet and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (e) other grammatical forms of a word or phrase defined in this Offer Booklet have a corresponding meaning; and
- (f) a reference to a Section is a reference to a Section of this Offer Booklet.

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## Corporate Directory

### REGISTERED OFFICE

Unit 1  
50 Parker Court  
Pinkenba Qld 4008  
Australia

### UNDERWRITER

Canaccord Genuity (Australia) Limited  
Level 26, 9 Castlereagh Street  
Sydney NSW 2000  
Australia

### SOLICITORS

Johnson Winter & Slattery  
20 Bond Street  
Sydney NSW 2000  
Australia

### SHARE REGISTRY

Link Market Services Limited  
Level 15, 324 Queen Street  
Brisbane Qld 4000  
Australia

### Entitlement Offer Information Line:

Phone (within Australia): 1300 975 518  
Phone (outside Australia): +61 1300 975 518  
Open between 8.30am and 5.30pm (AEDT) on business days  
during the offer period for the Entitlement Offer.

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