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ImpediMed Limited

Performance Share Plan

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1 Definitions and interpretation

1.1 Definitions

In these Rules, unless the contrary intention appears:

Acceptance Date means the last date for acceptance of an offer of Shares, as specified in the relevant offer.

ASX means ASX Limited.

Board means all or some of the directors of the Company acting as a board.

Bonus Shares means any bonus Shares issued by the Company to Shareholders for which no consideration is payable, other than an issue in lieu or in satisfaction of dividends, or by way of dividend reinvestment.

Change of Control Event means:

- (a) a takeover bid, scheme of arrangement or other offer being made or proposed to acquire substantially all of the Shares or;
- (b) a person or a group of associated persons obtaining, subsequent to the adoption of these Rules, 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 a person associated with such person or group of associated persons.

Company means ImpediMed Limited ABN 65 089 705 144.

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

Disposal means any sale, transfer, assignment, creation or purported creation of a Security Interest or a grant of options over, or any other alienation or encumbrance or attempt to alienate or encumber.

Eligible Employee means a person who is in full-time or part-time employment with the Company or a related body corporate and who is invited by the Board to participate in the Plan. For the avoidance of doubt, a director of the Company who is not an employee is not eligible to participate in the Plan.

Group means the Company and its related bodies corporate.

Holding Lock has the meaning given to that term in the Listing Rules.

Issue Price means the price per Share to be paid or satisfied through Salary Sacrifice by an Eligible Employee as determined by the Board and specified in the relevant offer to the Eligible Employee.

Listing Rules means the official listing rules of ASX.

Participant means an Eligible Employee who has been issued Shares under the Plan.

Plan means this Performance Share Plan as in force and amended from time to time.

Restriction Period means the period during which the Disposal of Shares issued pursuant to the Plan is restricted, being a period commencing on the Issue Date and ending on the earliest of:

- (a) ten years from the Issue Date;
- (b) the date the Participant is no longer employed by the Group; and
- (c) the date the Board grants a release from any restrictions on the Disposal of the Shares

subject to any minimum restriction period stated in the offer of the Shares.

Rights Issue means any issue of Shares, options or other securities in the Company to which a Participant may be entitled to subscribe, by virtue of the Participant being the holder of Shares.

Rules means these rules as altered or added to from time to time and a reference to a provision of these rules is a reference to that provision as altered or added to from time to time.

Salary Sacrifice means payment for an offer of Shares from the pre-tax remuneration of the Eligible Employee.

Share means an ordinary share in the capital of the Company.

1.2 Interpretation

For the purposes of these Rules, unless the contrary intention appears:

- (a) the singular includes the plural and vice-versa;
- (b) words denoting a gender include all genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to a related body corporate of the Company is a reference to a body corporate that is so related within the meaning of the Corporations Act; and
- (e) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements or any of them.

2 Offer of Shares

2.1 Offer to Eligible Employees

- (a) The Board may, from time to time in its absolute discretion, offer to issue Shares to Eligible Employees under this Plan.
- (b) An offer of Shares under the Plan will be subject to the Rules and such other terms as the Board determines, including any restrictions as to the Disposal of the Shares.

2.2 Information to be provided to Eligible Employee

The Board must provide the Eligible Employee with the following information in relation to an offer of Shares made under the Plan:

- (a) the number of Shares;
- (b) the Issue Price payable by the Eligible Employee (if any), or a mechanism for determining the Issue Price;
- (c) whether Salary Sacrifice is available;
- (d) the date(s) on which the Shares will be issued if the offer is accepted;
- (e) details of any restrictions on Disposal of the Shares (if any) and the term of the Restriction Period;
- (f) any other terms, including any performance conditions, that the issue of the Shares will be subject to and how performance conditions will be affected in the event of a Change in Control;
- (g) a copy of these Rules, or instructions as to how a copy of the Rules may be obtained by the Eligible Employee;
- (h) instructions as to how the offer of Shares can be accepted; and
- (i) the Acceptance Date.

2.3 Eligibility

An Eligible Employee is only eligible to participate in the Plan and to be offered Shares under the Plan if he or she has satisfied the criteria that the Board from time to time determines for participation in the Plan, which may include the following:

- (a) the Eligible Employee's period of employment with the Group, including the years of service by that Eligible Employee;
- (b) the contribution to the Group which has been made by the Eligible Employee;
- (c) the potential contribution of the Eligible Employee to the Group; and
- (d) any other matters which the Board considers, in its absolute discretion, to be relevant.

2.4 Invitation personal

Unless the Board determines otherwise:

- (a) an offer of Shares under the Plan is personal to the Eligible Employee to whom it is addressed and may not be transferred; and
- (b) an Eligible Employee may only accept an offer of Shares in his or her own name.

2.5 Method of acceptance

An Eligible Employee who has been offered Shares under the Plan can accept that offer by delivering to the Company no later than the Acceptance Date the following, as necessary:

- (a) written notice of acceptance of the offer in the form prescribed by the Board; and
- (b) where an Issue Price has been set for the offer of Shares, either of the following:
 - (i) a cheque for the Issue Price; or
 - (ii) if Salary Sacrifice is available, a written direction to the Company that the Eligible Employee wishes to satisfy the Issue Price through Salary Sacrifice

2.6 Consequence of issue of Shares

By accepting an offer of Shares under the Plan, an Eligible Employee:

- (a) becomes a Participant; and
- (b) agrees to be bound by the Rules and the constitution of the Company.

2.7 Lapse of offer

Unless otherwise determined by the Board, an offer of Shares under the Plan will lapse on the date immediately following the Acceptance Date for that offer.

3 Issue of Shares

3.1 Issue on acceptance of offer

- (a) Subject to these Rules, within 20 days of the valid acceptance by a Participant of an offer of Shares under the Plan or such other time specified in the letter of offer to an Eligible Employee, the Company will procure the issue to the Participant of the number of Shares in respect of which the offer was made.
- (b) The Shares may be procured by the Company in the ordinary course of trading on the stock market operated by the ASX or from a new issue of Shares by the Company.

3.2 Share ranking

All Shares issued under the Plan will rank equally in all respects with all existing Shares from the date of issue of those Shares.

3.3 Quotation of Shares

The Company will procure that an application is made to the ASX for quotation of Shares issued under the Plan, if other Shares are quoted on the ASX at that time.

3.4 Holding statements

As soon as practicable after an Issue Date, the Company must issue, or procure the issue of, a holding statement in the name of the Participant that specifies the number of Shares issued to that Participant.

4 Restriction on Disposal of Shares

4.1 Entitlement to Shares

Each Participant has a legal and beneficial interest in the Shares issued to him or her pursuant to the Plan, except that the Disposal of any Shares by the Participant will be restricted in accordance with this **rule 4**.

4.2 Restriction

Each Participant who acquires Shares under the Plan agrees that the Shares will be subject to a Holding Lock during the relevant Restriction Period (if any).

4.3 No Disposal

A Participant may not, during the relevant Restriction Period (if any), make a Disposal of Shares issued under the Plan.

4.4 Enforcement by Board

The Board may prescribe, take and enforce such action, steps or arrangements as it considers necessary, desirable or appropriate to enforce or give further effect to the provisions of **rules 4.2 and 4.3**.

4.5 Release from Holding Lock

Upon the expiry of a Restriction Period (if any) applying in respect of any Shares:

- (a) the Board must procure the release of the Shares from the Holding Lock; and
- (b) all restrictions on the Disposal of those Shares under these Rules will cease to apply.

4.6 No Liability

Neither the Company or any other Group entity, or their respective directors, officers, employees, representatives or agents are liable for any adverse movements in the value of any Shares issued under the Plan prior to the release of the Shares from the Holding Lock.

5 Rights attaching to Shares

5.1 Dividends

A Participant is entitled to receive any dividend made in respect of the Shares allocated to the Participant under the Plan.

5.2 Voting rights

A Participant may exercise any voting rights attaching to the Shares issued to that Participant under the Plan and registered in the name of that Participant, or may appoint a proxy to represent and vote for him or her, at any meeting of the members of the Company.

5.3 Bonus Shares

- (a) Participants who have been issued Shares under the Plan may participate in any bonus issue of Shares made by the Company.
- (b) Any Bonus Shares issued to a Participant in respect of Shares issued under the Plan will be:
 - (i) deemed to have been issued under the Plan;
 - (ii) registered in the name of that Participant; and
 - (iii) subject to the same restrictions on Disposal (if any) as the Shares issued to the Participant under the Plan.

5.4 Rights Issue

Participants who hold Shares may:

- (a) participate in any pro rata Rights Issue of Shares made by the Company; or
- (b) sell any renounceable rights arising as a result of a Rights Issue.

5.5 Change of Control Event

If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may in its absolute discretion determine that the restrictions which apply to a Share issued to a Participant under the Plan will cease to apply at a time determined by the Board.

5.6 Reconstructions

If there is any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, Shares acquired under the Plan are affected in the same way as other Shares in the same class.

6 Overriding restrictions on issue and exercise

Notwithstanding anything else in these Rules, the Company may not procure the issue of a Share to a Participant under this Plan if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or the constitution of the Company; or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Participant's country of residence or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances.

7 Plan limit

The Company may not procure the issue of any Shares under this Plan if, immediately following the issue, the aggregate of:

- (a) the number of Shares that would be issued were each outstanding offer with respect to Shares, units of Shares and options to acquire unissued Shares, under an employee share scheme to be accepted or exercised; and
- (b) the number of Shares issued during the previous five years under this Plan or any other Group employee share scheme,

but disregarding any offer made or Share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
- (f) an offer made under a disclosure document or product disclosure statement,

exceeds 5% of the total number of issued Shares as at the time of the offer.

8 Commencement, suspension and termination of the Plan

8.1 Commencement

The Plan takes effect from the date of resolution by the Board adopting the Plan or at such later date as may be specified by the Board in that resolution.

8.2 Suspension

- (a) This Plan, or a Participant's involvement in the Plan, may be suspended at any time by a resolution of the Board. The period of suspension is at the discretion of the Board.
- (b) A suspension of the Plan takes effect on the date determined by the Board and must be notified to the Participant(s) under this Plan.

8.3 Termination

The Board may terminate the operation of the Plan at any time by resolution of the Board.

8.4 Continuing operation

The suspension or termination of the Plan will not prejudice the existing rights of Participants. The Board will continue to administer the Plan during the period of any suspension and after the Plan has been terminated until there are no remaining restrictions on the Disposal of any Shares under the Plan.

9 Administration of the plan

9.1 Administration

- (a) The Plan will be administered by the Board in accordance with these Rules.
- (b) The Board may:
 - (i) delegate to any person (including without limitation, a general manager of the Company) for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;
 - (ii) decide on appropriate procedures for administering the Plan, including the form of application and other forms and notices to be issued under the Plan;
 - (iii) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares issued under the Plan;
 - (iv) engage specialist service providers for the operation and maintenance of the Plan;
 - (v) ensure a complete register of Participants is maintained to facilitate efficient management and administration of the Plan and to comply with regulatory reporting requirements; and
 - (vi) waive any breach of a provision of the Plan.

9.2 Board's discretion

Subject to **rule 10**, the Board may:

- (a) act or refrain from acting under these Rules or concerning the Plan, or any Shares issued under the Plan in any way it thinks fit; and
- (b) exercise any power or discretion concerning the Plan, or any Shares under the Plan as it sees fit.

9.3 Board's decision final

A decision of the Board as to the interpretation, effect or application of these Rules will be final and conclusive.

10 Amendment

10.1 Power of the Board

Subject to the Listing Rules and **rule 10.2**, the Board (without the necessity of obtaining the prior or subsequent consent of the Participants or members of the Company in general meeting) may from time to time by resolution:

- (a) amend, revoke, add to or vary all or any of the provisions of these Rules; and
- (b) formulate (and subsequently amend) various sets of special terms, in addition to those set out in these Rules, to apply to persons employed, resident in or who are citizens of countries other than Australia. Each set of special terms are to be restricted in their application to those persons employed, resident in or who are citizens of the foreign country or countries specified by the Board and will constitute part of a sub-plan to these Rules which is intended to be a separate scheme for the purpose of this **rule 10.1(b)**, and may be revoked, added to or varied under **rule 10.1(a)** and **rule 10.2**.

10.2 Limitation on amendment

The Board must not, without the consent of the relevant Participant(s), amend any restriction or other condition relating to any Shares issued under the Plan where that amendment might adversely impact the Participants in relation to the Shares, other than an amendment primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance of the Plan;
- (b) to correct any manifest error or mistake;
- (c) to take into account possible adverse tax implications for the Company; or
- (d) to enable any body corporate in the Group to comply with the Corporations Act or the Listing Rules or any similar applicable legislation.

11 Costs and expenses

The costs and expenses of establishing, managing and administering the Plan are to be borne by the Company.

12 Rights not waived

12.1 Terms of employment not affected

Nothing in these Rules:

- (a) affects the rights and obligations of a Participant under the terms of his or her office, employment or contract with a Group entity;
- (b) forms part of, or is incorporated into, any contract of a Participant (whether or not they are an Eligible Employee of a Group entity);
- (c) confers on any Eligible Employee or Participant the right to continue as an employee of any Group entity;
- (d) confers on any Eligible Employee the right to participate under the Plan; or

- (e) affects any rights which the Company or another Group entity may have to terminate the employment of an Eligible Employee or Participant, or to remove a Participant as a director of the Company or another Group entity.

12.2 No right to compensation

- (a) No Participant has any right to compensation or damages as a result of the termination of his or her office, employment or other contract with a Group entity for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.
- (b) Nothing in these Rules confers any responsibility or liability on any Group entity or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Employees or Participants at any time, whether before or after termination of the Plan.

13 Certificate

A certificate signed by the company secretary of the Company or his or her delegate stating that a Participant has left the employment of the Group and the date of termination of that employment will be conclusive for all purposes in the absence of manifest error or bad faith.

14 Notices

Notices may be given by the Company to a Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant notice provisions of the constitution of the Company apply with all necessary modification to notices to Participants.

15 Governing law

The Plan and these Rules will be governed by the laws of Queensland and will be construed and take effect in accordance with those laws.