



18 October 2007

## Pre-quotations announcement - Implementation of ASX corporate governance guidelines

As part of its commitment to corporate governance, the board of directors (**Board**) of ImpediMed Limited (**Company**) has implemented the ASX Principles of Good Corporate Governance and Best Practice Recommendations (**ASX guidelines**).

The Board considers that good corporate governance practice is critical to long-term value creation. The table below summarises the status of each recommendation in the ASX guidelines as at the date of this announcement.

The Company is of the view that it complies with each of the ASX guidelines. It should be noted however that, as a newly listed entity, the Company has not yet prepared an annual report as a listed company. Thus, to the extent that the guidelines require information regarding certain recommendations to be included in the corporate governance statement in the Company's annual report, the Company will not be in a position to report on its compliance with these recommendations until its next annual report is prepared.

ASX recommendation		Status
<b>1</b>	<b>Lay solid foundations for management and oversight</b>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Compliant – refer Delegated Authorities Policy on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Compliant – refer to section 13.5 of the Company's prospectus. The Board and the Board's Remuneration Committee are committed to benchmark disclosure as listed company.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>2</b>	<b>Structure the board to add value</b>	
2.1	A majority of the board should be independent directors.	Compliant – the Company has six directors, five of whom are non-executive directors. Four of these non-executive directors are independent.
2.2	The chair should be an independent director.	Compliant – the Company's chair satisfies the test of independence.

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ASX recommendation	Status
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	Compliant – the Company’s chair is Mel Bridges, a non-executive director, and its chief executive officer is Greg Brown.
2.4 The board should establish a nomination committee.	Compliant – the Board of the Company established a nomination committee prior to lodgement of the Company’s prospectus. The Nomination Committee’s charter is on the Company website and its membership is set out in section 9.1 of the prospectus.
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Compliant – refer to the charter of the Board’s nomination Committee and the Company’s commitment to annual board performance reviews set out in section 9.1 of the Company’s prospectus. Further reporting will be provided in the first annual report as a listed company for the year ended 30 June 2008.
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>3 Promote ethical and responsible decision-making</b>	
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>• the practices necessary to maintain confidence in the company’s integrity;</li> <li>• the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and</li> <li>• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	Compliant – refer to the Code of Conduct on the Company’s web site.
3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Compliant – refer to the Security Trading Policy on the Company’s web site.
3.3 Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>4 Safeguard integrity in financial reporting</b>	
4.1 The board should establish an audit committee.	Compliant – refer to section 9.1 of the Company’s prospectus.

ASX recommendation	Status
4.2 The audit committee should be structure so that it: <ul style="list-style-type: none"> <li>• consists only of non-executive directors;</li> <li>• consists of a majority of independent directors; and</li> <li>• is chaired by an independent chair, who is not chair of the board</li> <li>• has at least three members.</li> </ul>	Compliant – refer to section 9.1 of the Company’s prospectus: <ul style="list-style-type: none"> <li>- all non-executive directors are members of the Audit Committee. The CEO is not a member;</li> <li>- four of the five members are independent directors;</li> <li>- the chair of the Audit Committee, Jim Hazel, is an independent director and is not the Chair of the Board; and</li> <li>- the Audit Committee has five members.</li> </ul>
4.3 The audit committee should have a formal charter.	Compliant – refer to the Company’s web site for a copy of the charter of the Audit Committee.
4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>5 Make timely and balanced disclosure</b>	
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Compliant – refer to the Disclosure Policy on Company’s web site.
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>6 Respect the rights of shareholders</b>	
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Compliant – refer to the Shareholder Communication Policy on Company’s web site.
6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>7 Recognise and manage risk</b>	
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Compliant – refer to the Board Charter, including the Company’s Risk Management Policy, on the Company’s web site.
7.2 The board should require management to design and implement the risk management and internal control system to manage the company’s material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company’s management of its material business risks.	Compliant – refer to the Company’s Risk Management Policy. The Company’s management reports to the Board on its risk management activities routinely.

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7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Compliant – the Company’s senior management provides these assurances as part of half year and annual financial statement review.
7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.
<b>8 Remunerate fairly and responsibly</b>	
8.1 The board should establish a remuneration committee.	Compliant – refer to section 9.1 of the Company’s prospectus for details of the composition of the Remuneration Committee.
8.2 Companies should clearly distinguish the structure of non-executive directors’ remuneration from that of executive directors and senior executives.	Compliant – the remuneration of non-executive directors comprises fees and superannuation. The fees paid to directors are based on independent recommendations having regard to external benchmarks. Non-executive directors do not participate in any of the Company’s incentive schemes.
8.3 Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Company intends to comply – its first annual report as listed entity will be for year ended 30 June 2008.

Yours faithfully  
ImpediMed Limited



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Phil Auckland  
CFO & Company Secretary