ImpediMed Limited
ABN 65 089 705 144

Notice of Annual General Meeting

Tuesday 23 November 2010
4.30pm (Brisbane time)
Tattersalls Club
215 Queen Street (Corner of Edward Street)
Brisbane, Queensland
Australia
Part 1: Notice of Annual General Meeting

The Annual General Meeting of Members of ImpediMed Limited will be held at Tattersalls Club, 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Tuesday 23 November 2010 commencing at 4.30pm (Brisbane time).

The Annual Report is available on our website for viewing if you have elected not to receive a hard copy. Our website address is www.impedimed.com.au

Ordinary business

Item 1 – Annual financial report, directors’ report and auditor’s report
To receive and consider the annual financial report of the Company, together with the Directors’ report and auditor’s report, for the year ended 30 June 2010.

Item 2 – Election of Directors
To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

a. That Michael Panaccio, a Director retiring by rotation in accordance with rule 16.1 of the Constitution and being eligible, be re-elected as a Director.

b. That Cherrell Hirst, a Director retiring by rotation in accordance with rule 16.1 of the Constitution and being eligible, be re-elected as a Director.

Item 3 – Remuneration Report
To consider and, if thought fit, to pass the following resolution as an advisory only resolution:

That the Remuneration Report for the year ending 30 June 2010 be adopted.

Special business

Item 4 – Approval of previous share placement
To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for all purposes, Members approve the issue of 15,400,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.
The above resolution has been proposed to satisfy the requirements of Listing Rule 7.4. The Explanatory Statement sets out the information required under Listing Rule 7.5.

**Item 5 – Approval of issues under the Option Plan**

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

That, for all purposes, Members approve the issue of Options under the Option Plan, and the issue of Shares on the exercise of Options which have been issued under the Option Plan, the terms and conditions of which are summarised in the Explanatory Memorandum.

The above resolution has been proposed to satisfy the requirements of exception 9 of Listing Rule 7.2 and the Explanatory Memorandum sets out the information required under that Listing Rule.

**Item 6 – Approval of issues under the US Plan**

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

That, for all purposes, Members approve the issue of Shares and Options under the US Plan, the terms and conditions of which are summarised in the Explanatory Memorandum.

The above resolution has been proposed to satisfy the requirements of exception 9 of Listing Rule 7.2 and the Explanatory Memorandum sets out the information required under that Listing Rule.

**Item 7 – Approval of issue of options to Greg Brown**

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

That, for all purposes, Members approve the issue to Greg Brown, Managing Director and Chief Executive Officer of the Company, of 500,000 Options, the terms and conditions of which are summarised in the Explanatory Memorandum.

The above resolution has been proposed to satisfy the requirements of Listing Rule 10.11 and the Explanatory Memorandum sets out the information required under Listing Rule 10.13.

**Item 8 – Approval of termination benefits of Greg Brown**

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

That for the purposes of section 200B and 200E of the Corporations Act, the Company is authorised to give to Greg Brown, Managing Director and Chief Executive Officer of the Company, the benefits which may be given in connection with his retirement from office in the Company, further details of which are set out in the Explanatory Statement.
Item 9 – Amendment of Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

That the Constitution be amended by:

(a) amending clause 23.1 by inserting the underlined words below in the first sentence:

“The Board may from time to time either determine or declare that a dividend is payable and fix the amount of the dividend, the time for payment and the method of payment.”

(b) replacing clause 23.5 with the following:

“23.5 No dividend is payable except in the circumstances provided by the Law. Interest is not payable on a dividend.”

Voting exclusion statement

The Company will disregard any votes cast on:

- item 4 by any person who participated in the issue of the Placement Shares and any of their associates;
- items 5 and 6 by any Director and any of their associates; and
- items 7 and 8 by Greg Brown and any associate of Greg Brown.

However, the Company need not disregard a vote if it is cast:

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

**Explanatory Statement**

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

**Proxies**

Please note that:

(a) a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;

(b) a proxy need not be a Member of the Company;

(c) a Member may appoint a body corporate or an individual as its proxy;

(d) a body corporate appointed as a Member’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Member’s proxy; and

(e) Members entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

**Corporate representatives**

Any:

- corporate Member; or

- corporate proxy appointed by a Member,

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

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

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person’s entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Members as at 4.30pm (Brisbane time) on 21 November 2010. Accordingly, transactions registered after that time will be disregarded in determining Members’ entitlements to attend and vote at the Annual General Meeting.

By order of the Board of Directors

[Signature]

Stephen Denaro
Company Secretary
Part 2: Explanatory Statement

1 Introduction

This Explanatory Statement has been prepared for the information of Members in connection with the resolutions to be considered by them at the Annual General Meeting to be held at Tattersalls Club 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia on Tuesday 23 November 2010 commencing at 4.30pm (Brisbane time).

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

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

2 Ordinary business

Item 1 - Annual financial report and Directors’ and auditor’s reports

The first item of business of the Annual General Meeting is to receive and consider the financial report, together with the Directors’ and auditor’s reports, for the year ended 30 June 2010.

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

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

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

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

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

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

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

Item 2 - Election of Directors

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

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

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

Resolution 1 - Re-election of Michael Panaccio – non-executive Director

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

Biography of Michael Panaccio BSc (Hons), MBA, PhD FAICD

Details of Mr Panaccio’s experience and qualifications can be found on page 4
of the Annual Report.

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

Resolution 2 - Re-election of Cherrell Hirst – non-executive Director

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

Biography of Cherrell Hirst AO MBBS BEdSt DUniv FAICD

Details of Dr Hirst’s experience and qualifications can be found on page 3 of
the Annual Report.

The Directors, with Cherrell Hirst abstaining, recommend that Dr Hirst be
re-elected as a Director.

Item 3 - Remuneration Report

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

Shareholders should note that item 3 is an “advisory only” resolution which
does not bind the Directors or the Company.
Following consideration of the Remuneration Report, the Chair will give Members a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

3 Special business

Item 4 – Approval of previous share placement

On 9 April 2010, ImpediMed issued 15,400,000 Shares at 65 cents each to raise $10,010,000.

The Placement Shares were issued to “professional” and “sophisticated” investors (as defined in the Corporations Act) introduced by Wilson HTM Corporate Finance Limited and RBS Morgans.

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

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

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

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

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

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

The funds were raised to provide general working capital and to support market development in the United States for the breast cancer lymphoedema market, particularly in relation to the adoption of the L-Dex U400 device by United States breast surgeons and oncologists and the development of its next generation device, the L-Dex UB500, for assisting in the clinical assessment of unilateral and bilateral lymphoedema of the arms and legs.
The Board believes that the ratification of the issue of the Placement Shares is beneficial for the Company. The Board recommends Members vote in favour of item 4 as it allows the Company to ratify the issue of the Placement Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without Member approval.

**Item 5 – Approval of issues under the Option Plan**

The Company adopted the Option Plan to assist in the attraction, motivation and retention of employees.

**Summary of the terms of the Option Plan**

Under the Option Plan, the Board may offer Options to Directors, the Company secretary and permanent full time and part time employees of the Group.

Options may not be issued under the Option Plan if the aggregate of the number of Shares issued during the preceding five years under any Company employee incentive scheme (but disregarding excluded Shares) and the number of Shares which would be issued if each outstanding option issued under an employee incentive plan were exercised would exceed 5% of the total number of Shares on issue at the time of the proposed offer. Excluded Shares include Shares issued under offers which do not require disclosure under section 708 of the Corporations Act.

A total of 1,387,500 Options have been issued since 11 September 2007, the date of the prospectus issued by the Company in relation to its listing on ASX, in which the terms of the Option Plan were summarised.

Options may be offered under the Option Plan on terms, including exercise price, exercise period and any exercise conditions determined by the Board.

Options issued under the Option Plan are not quoted on ASX. Shares issued on the exercise of the Options are quoted on ASX, but may be subject to a holding lock which prevents Shares issued on the exercise of Options being transferred for a period determined by the Company.

The terms of Options issued under the Option Plan are subject to adjustment in the event of a rights issue, bonus issue or reconstruction in accordance with the Listing Rules. Holders may only participate in new issues of shares following exercise of the Options.

Options issued under the Option Plan will vest (whether or not the exercise period has commenced) in the event of a takeover or scheme of arrangement which results in a change in control of the Company.

Options issued under the Option Plan which have not vested lapse in the circumstances described in the Option Plan, including where the exercise period expires or where the Option holder dies, becomes permanently disabled or is no longer employed by the Group.

Options which have vested at those times may be exercised within the time limits set out in the Option Plan.
No Options or shares may be granted or exercised if to do so would contravene the Constitution, the Corporations Act or the Listing Rules.

The Option Plan is administered by the Board and may be amended or terminated at any time by the Board. Any amendment or termination will not prejudice the existing rights of participants in the Option Plan.

**Regulatory requirements – general approval for issues under the Option Plan**

Under Listing Rule 7.1, subject to certain exceptions, a company must not issue more than 15% of the company’s total issued capital without shareholder approval. An exception is provided in Listing Rule 7.2 (exception 9) where holders of ordinary securities approve the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1.

The Company seeks approval of issues under the Option Plan in order to preserve its capacity to issue up to 15% of its issued capital without Member approval by allowing the Company to exclude any Options or Shares issued on the exercise of Options under the Option Plan from the 15% calculation.

Approval for the issue of Options and Shares under the Plan is sought by way of an ordinary resolution to satisfy the requirements of Listing Rule 7.2, exception 9. If item 5 is passed, the Company may rely on this exception for issues under the Option Plan during the period of three years from the date of the Annual General Meeting.

**Directors’ recommendation**

All Directors recommend that Members vote in favour of item 5.

**Item 6 – Approval of issues under the US Plan**

To attract and retain employees, directors and consultants to the Group in the US, the Company established the US Plan in 2008.

**Summary of the terms of the US Plan**

The US Plan may be administered by the Board or a committee of the Board, which has the discretion to offer awards to any employee or executive or non-executive director of ImpediMed, Inc. or any consultant who provides services to ImpediMed, Inc. The Board or committee (as applicable) has the discretion to make all decisions relating to the US Plan, including eligible participants and any relevant vesting requirements or performance conditions.

The US Plan is effective for a period of 10 years from the date of its adoption by the Board (29 January 2008) (unless terminated earlier by the Board). The maximum number of Shares which may be issued under the US Plan is 4 million. The Board may amend or terminate the US Plan at any time and for any reason, subject to obtaining Member approval (if necessary). Any amendment or termination shall not affect any awards previously granted under the US Plan.

The total number of securities issued under the US Plan since Members approved issues under the plan on 21 April 2008 is 3,807,500 Options.
Options

The Company may issue Options by entering into a stock option agreement with a selected participant. The exercise price of an Option will not be less than the fair market value of a Share on the date of grant of the Option. The fair market value is the volume weighted average price of Shares sold on ASX on the three business days immediately preceding the date of grant of the Option.

The term of an Option may not exceed 10 years.

Options are not quoted on ASX and may not be transferred. Shares issued on the exercise of Options may be issued subject to transfer restrictions.

The stock option agreement will specify any conditions for the vesting of an Option and may provide for accelerated vesting in the event of the Option holder’s death, disability, retirement or other events.

Unless the stock option agreement provides otherwise, unvested Options lapse when a participant’s service is terminated for any reason. If service is terminated for cause (for example, fraud or dishonesty), vested and unvested Options will then lapse. If service is terminated due to death or disability, vested Options (only) may be exercised for a period of 12 months following termination and in the case of termination involving other circumstances, vested Options (only) may be exercised for a period of 30 days.

The Board (or the Board committee appointed to administer the US Plan) has an overriding discretion to accelerate the vesting or extend the post-termination exercise term or waive restrictions of awards at any time and on such conditions as it deems appropriate.

The terms of Options issued under the US Plan are subject to adjustment in accordance with the Listing Rules in the event of any reconstruction of the Company’s share capital. Holders of Options have no right to participate in rights issues in respect of the Shares underlying the Options until the Options are exercised.

Shares

The US Plan permits the Company to provide awards in the form of Shares which may be issued immediately for cash or for no payment or in the form of ‘stock units’ which provide for the issue of Shares for no payment on the satisfaction of conditions which may include the lapse of time or the satisfaction of performance requirements specified in the relevant stock unit agreement.

The stock unit agreement may provide for accelerated vesting in the event of the participant’s death, disability or other events.

Unless the stock unit agreement provides otherwise, unvested stock units will lapse if a participant’s service is terminated for any reason.

Stock units may not be transferred.

Shares issued under the US Plan may be issued subject to transfer restrictions.
The Board (or the Board committee appointed to administer the US Plan) has an overriding discretion to accelerate the vesting or waive restrictions of stock units at any time and on such conditions as it deems appropriate.

**General**

Where the Company is subject to a change of control event, all Options and stock units awarded under the US Plan will vest. A change of control event is generally where a takeover bid, scheme of arrangement or other offer is made to acquire substantially all of the Shares or a person, or a group of associated persons, obtains the relevant interest in sufficient Shares to give it or them the ability, in general meeting, to replace all or the majority of the Board in circumstances where such ability was not already held by a person associated with such group of associated persons.

The Company’s obligation to issue securities under the US Plan is subject to any restrictions in the Corporations Act or the Listing Rules.

Participants must make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations.

**Regulatory requirements – general approval for issues under the US Plan**

Under Listing Rule 7.1, subject to certain exceptions, a company must not issue more than 15% of the company’s total issued capital without shareholder approval. An exception is provided in Listing Rule 7.2 (exception 9) where holders of ordinary securities approve the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1.

The Company seeks approval of issues under the US Plan in order to preserve its capacity to issue up to 15% of its issued capital without Member approval by allowing the Company to exclude any Shares, Options or Shares issued on the exercise of Options under the US Plan from the 15% calculation.

Approval for the issue of Options and Shares under the US Plan is sought by way of an ordinary resolution to satisfy the requirements of Listing Rule 7.2, exception 9. If item 6 is passed, the Company may rely on this exception for issues under the US Plan during the period of three years from the date of the Annual General Meeting.

**Directors’ recommendation**

All Directors recommend that Members vote in favour of item 6.

**Item 7 – Approval of issue of options to Greg Brown**

The Listing Rules require that the approval of Members be obtained for an issue of securities (including Options) to any related party of the Company (including a Director). Approval is requested under Listing Rule 10.11. If approval is given under that rule, it is not required under Listing Rule 7.1 (which is discussed in item 4 above).

The Board has resolved, subject to Member approval being obtained, to grant 500,000 Options to Greg Brown (to subscribe for 500,000 Shares).
Options will be issued for no consideration and will each have an exercise price of $1.00.

The Options are proposed to be issued in recognition of Mr Brown’s performance in the financial years ending 30 June 2008 and 30 June 2009. All of the Options will be vested and capable of exercise immediately, other than 83,333 Options which will vest on 31 December 2010, 83,333 Options which will vest on 30 June 2011 and 83,333 Options which will vest on 31 December 2011.

Otherwise the Options will be granted on the same terms on which Options are granted under the Option Plan. If approved by Members, the Options will be granted within one month after the date of the Annual General Meeting.

Any funds raised on the exercise of the Options will be used for working capital.

The Directors, with Mr Brown abstaining, recommend that Members vote in favour of item 7.

**Item 8 – Approval of termination benefits of Greg Brown**

**Background**

Shareholder approval must be given for the purposes of section 200B of the Corporations Act for the Company to give a person certain benefits in connection with that person’s retirement from a managerial or executive office in the Company or a related body corporate.

Approval is required if termination benefits payable may exceed the Corporations Act limit of one year’s “base salary” (averaged over the previous three years). That limit has recently been substantially reduced (from seven years’ remuneration in some cases). The approval sought in item 8 was previously not required.

The passing of this resolution is intended to provide approval for the Company to honour the terms and conditions of Greg Brown’s employment contract, including those terms and conditions relating to termination benefits.

Section 200E requires certain information to be provided to Members in approving a benefit. This information is set out below.

**Termination provisions**

Mr Brown’s employment agreement provides that he may terminate the agreement by giving the Company 12 months’ notice.

The Company may terminate Mr Brown’s employment by giving 12 months’ notice or payment in lieu of an amount equivalent to 12 months’ salary. Mr Brown will also be entitled to payment of any accrued but untaken annual leave and long service leave.

The Company is entitled to terminate Mr Brown’s employment without notice in certain circumstances involving bankruptcy, offences involving fraud or dishonesty or persistent breaches of his employment contract. In this event,
Mr Brown will not be entitled to any payment in lieu of notice but will be entitled to payment in lieu of accrued but untaken annual leave.

The value of the benefits payable on termination will depend on:

- Mr Brown’s salary at the time of termination; and
- the amount of payments made in lieu of notice of termination.

The Directors, with Greg Brown abstaining, recommend that item 8 be approved.

**Item 9 – Amendment of Constitution**

Amendments to the Corporations Act in relation to the payment of dividends which repealed the previous “profits” test, came into effect from 28 June 2010. Under the new test, a company may pay dividends if:

(i) the company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(ii) it is fair and reasonable to the company’s shareholders as a whole; and

(iii) the payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

Clause 23.5 of the Constitution currently provides that no dividend is payable except out of the profits of the Company. The proposed amendment is to reflect the amended position under the Corporations Act so that the Company will not need to meet both tests in order to pay a dividend.

The Directors unanimously recommend that the amendments to the Constitution be approved.
4 Glossary

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

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

Annual Report means the annual report of the Company for the year ended 30 June 2010.

ASX means ASX Limited.

Board means board of directors of the Company.

Company or ImpediMed means ImpediMed Limited.

Constitution means the constitution of the Company.


Director means a director of the Company.

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

Group means the Company and subsidiaries of the Company.

Listing Rules means the listing rules of ASX.

Member means holder of Shares.

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

Option means an option to subscribe for one Share.

Option Plan means the Staff Option Plan adopted by the Board on 15 April 2004 and amended on 31 July 2007.

Placement Shares means the 15,400,000 Shares issued by the Company and referred to in item 4 of the Notice.

Remuneration Report means the section of the Directors’ report contained in the annual financial report of the Company for the year ended 30 June 2010 entitled “Remuneration Report”.

Shares means fully paid ordinary shares in the Company.

LODGE YOUR VOTE

I/We being a member(s) of ImpediMed Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy:

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 4.30pm on Tuesday, 23 November 2010, at Tattersalls Club, 215 Queen Street (corner of Edward Street), Brisbane, Queensland, Australia and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an X

VOTING DIRECTIONS

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<td>2b Re-election of Cherrell Hirst</td>
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<td>3 Remuneration Report</td>
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<td>9 Amendment of Constitution</td>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

IMPORTANT - VOTING EXCLUSIONS

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Items 5 and 6 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of these Items and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 5 and 6 and your votes will not be counted in calculating the required majority if a poll is called on these Items 5 and 6. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 5 and 6.

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder’s attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company’s constitution and the Corporations Act 2001 (Cth).

IPD PRX002
Your Name and Address
This is your name and address as it appears on the company’s share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form.

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

Votes on Items of Business – Proxy Appointment
You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy
You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company’s share registry or you may copy this form and return them both together.

To appoint a second proxy you must:
(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(b) return both forms together.

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

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

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

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

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

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

Lodgement of a Proxy Form
This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 4:30pm on Sunday, 21 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

by mail:
ImpediMed Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:
02 9287 0309

by hand:
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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