

impedimed®

**Notice of
Annual General Meeting
2020**

**Wednesday 28 October 2020
9.00am AEDT**

**ImpediMed Limited
ACN 089 705 144**

For personal use only

impedimed®

25 September 2020

Dear ImpediMed Shareholder,

On behalf of the Directors of ImpediMed Limited (**ImpediMed**), I am pleased to invite you to attend the 2020 Annual General Meeting (**AGM** or **Meeting**) of the Company. Enclosed is the Notice of Meeting that sets out the business of the AGM.

ImpediMed's AGM will be held on Wednesday 28 October 2020 commencing at 9.00am (AEDT).

Due to the restrictions imposed by the Australian and State Governments as a result of the COVID-19 pandemic, the meeting will be held as a virtual-only meeting. The goals of ImpediMed board are to ensure investor engagement and encourage investor participation in our AGM, and the online platform for the AGM will enable this.

All ImpediMed investors can participate in the AGM through the online platform at <https://agmlive.link/IPD20>. Further details on how to participate in the AGM online are set out in the attached Notice of Meeting and in the Online Platform Guide. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step by step guide to successfully log in and navigate the site. The Online Platform Guide will be released to the ASX and is also available on our website at www.impedimed.com/about/investors/corporate-governance.

I encourage you to complete and return the enclosed Proxy Form no later than 9.00am (AEDT) on Monday 26 October 2020 in one of the ways specified in the Notice of Meeting and on the Proxy Form.

Please read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider how to vote on each resolution by marking either the "For" box, the "Against" box or the "Abstain" box on the Proxy Form. Subject to the abstentions noted in the Explanatory Memorandum, the Directors of ImpediMed unanimously recommend that shareholders vote in favour of all resolutions.

Shareholders participating in the AGM through the online platform will have the opportunity to submit questions to the board and ImpediMed's external auditors during the AGM. If you would like to ask a question prior to the AGM, please do so through our Investor Centre (login via www.linkmarketservices.com.au), or alternatively submit the enclosed AGM Question Form.

Thank you for your continued support of ImpediMed. I look forward to the opportunity to engage with you at our AGM.

Yours sincerely,



Scott Ward
Chair

For personal use only

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of ImpediMed Limited (**Company** or **ImpediMed**) will be held as a virtual-only meeting, due to the restrictions imposed by the Australian and State Governments, on Wednesday 28 October 2020 at 9.00am (AEDT) (**Meeting**).

The Explanatory Notes to this Notice provide additional information on the matters to be considered at the Meeting. The Explanatory Notes, Voting Procedures and the Proxy Form comprise part of this Notice.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2020.

Item 2: Remuneration Report

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

"To adopt the Remuneration Report for the year ended 30 June 2020."

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 3: Election of Directors

Item 3.1: Re-election of Ms Judith Downes

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

"That Ms Judith Downes, being a Director who is retiring in accordance with clause 16 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers herself for re-election, be re-elected as a director of the Company."

Item 3.2: Re-election of Dr Robert Graham

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

“That Dr Robert Graham, being a Director who is retiring in accordance with clause 16 of the Company’s Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a director of the Company.”

Item 3.3: Election of Mr David Anderson

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

“That Mr David Anderson, being a Director who was appointed by the Directors on 5 May 2020 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a director of the Company.”

Item 4: Grant of Performance Rights to Mr Richard Carreon, Chief Executive Officer and Managing Director

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

“That for the purposes of Part 2D.2 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given to the grant and issue of 7,400,000 Performance Rights to Mr Richard Carreon, and the issue of Shares on the vesting of those Performance Rights, under the ImpediMed Employee Incentive Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 5: Grant of Options to Mr Richard Carreon, Chief Executive Officer and Managing Director

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

“That for the purposes of Part 2D.2 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given to the grant and issue of 6,159,000 Options to Mr Richard Carreon, and the issue of Shares on the exercise of those Options, under the ImpediMed Employee Incentive Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 6: Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given to the Company having the additional capacity to issue equity securities under Listing Rule 7.1A on the terms and conditions as detailed in the Explanatory Notes.”

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

For personal use only

Item 7: Approval to issue securities under the ImpediMed Employee Incentive Plan

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

"That for the purposes of Listing Rule 7.2, Exception 13 and for all other purposes, approval is given to the issue of securities under the ImpediMed Employee Incentive Plan (and US Sub-Plan) on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 8: Approval to issue securities under the Executive Share Plan

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

"That, for the purposes of Listing Rule 7.2, Exception 13 and for all other purposes, approval is given to the issue of securities under the ImpediMed Executive Share Plan on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

Item 9: Grant of Shares under the Executive Share Plan to Mr Richard Carreon

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

"That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Mr Richard Carreon (or his nominee), under the ImpediMed Executive Share Plan and on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

Items 10: Grant of Shares under the Non-Executive Director Share Plan to Non-Executive Directors

Item 10.1: Grant of Shares to Mr Scott Ward

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

"That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Mr Scott Ward (or his nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes."

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

For personal use only

Item 10.2: Grant of Shares to Ms Judith Downes

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Ms Judith Downes (or her nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

Item 10.3: Grant of Shares to Mr Don Williams

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Mr Don Williams (or his nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

Item 10.4: Grant of Shares to Mr Amit Patel

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Mr Amit Patel (or his nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

Item 10.5: Grant of Shares to Dr Robert Graham

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Dr Robert Graham (or his nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

For personal use only

Item 10.6: Grant of Shares to Mr David Anderson

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of Shares to Mr David Anderson (or his nominee), under the ImpediMed Non-Executive Director Share Plan and on the terms and conditions set out in the Explanatory Notes.”

Note: A voting exclusion applies to this resolution (see Explanatory Notes for details).

For personal use only

VOTING PROCEDURES AT THE AGM

All Resolutions will be by Poll

In accordance with clause 10.9 of the Company's Constitution (**Constitution**), and the Determination (defined below) the Chair intends to demand a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll.

Entitlement to Vote

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on Monday 26 October 2020 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

Virtual AGM

The health and wellbeing of our Shareholders and employees is of paramount importance. On 5 May 2020, the Federal Treasurer announced a Determination to permit companies to hold their annual general meetings using one or more technologies to enable Shareholders to participate legally in these meetings online without having to be physically present (**Determination**). Given the continuing coronavirus (COVID-19) situation and public health concerns, the Company will be holding the Meeting as a virtual meeting. There will not be a physical venue for Shareholders to attend.

Shareholders have the opportunity to participate in the Meeting virtually through the online platform at <https://agmlive.link/IPD20>. This platform will enable Shareholders to view the Meeting live, lodge a vote in real time and ask questions online.

Shareholders may also cast their votes in advance of the Meeting by appointing a proxy (preferably the Chair of the Meeting). Further details are outlined below.

How to Vote

Voting at the AGM using the Online Platform

Shareholders using the online platform (at <https://agmlive.link/IPD20>) will be able to vote through the online platform **at any time between the commencement of the AGM (9.00am AEDT on Wednesday 28 October 2020) and the closure of voting as announced by the Chair during the AGM.**

More information about how to use the online platform (including how to vote and ask questions online during the AGM) is available in the Online Platform Guide, which has been lodged with the ASX and is available at our website at www.impedimed.com/about/investors/corporate-governance. If you intend to use the online platform, then before the AGM we recommend that you ensure the online platform works on your device. Further instructions are provided in the Online Platform Guide.

Appointment of Proxy

A Shareholder who is entitled to vote at this Meeting is entitled to appoint not more than two proxies to vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes.

For personal use only

If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 4, 5, 7, 8, 9 and 10.1 – 10.6 (see the Explanatory Notes below):

- If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting.

Proxy Voting by the Chair

Due to COVID-19, the Company strongly encourages you to appoint the Chair as your proxy and to actively direct your proxy how to vote on each Item by marking the appropriate boxes on the Proxy Form.

For Item 2 (Remuneration Report), Item 4 (Grant of Options to the CEO), Item 5 (Grant of Performance Rights to the CEO), Item 7 (Approval to issue securities under the EIP), Item 8 (Approval to issue securities under the Executive Share Plan), Item 9 (Grant of Shares under the Executive Share Plan to the CEO) and Items 10.1 – 10.6 (Grant of shares to Non-Executive Directors), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Items 2, 4, 5, 7, 8, 9 and 10.1-10.6, the Shareholder is expressly authorising the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Items 2, 4, 5, 7, 8, 9 and 10.1-10.6 are connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**).

The Chair intends to vote all undirected proxies **in favour** of Items 2 to 10.6 in the Notice of Meeting.

Submitting your Proxy Form prior to the AGM

For your proxy to be effective, your completed Proxy Form must be received by the Company share registry, Link Market Services, no later than 9.00am (AEDT) on Monday 26 October 2020 (**Proxy Deadline**). After this time, you will still be able to vote during the AGM by using the online platform.

Proxy forms may be submitted in one of the following ways:

- Online:** Via the Company's Share Registry Investor Centre at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information. You will need your Securityholder Reference Number (**SRN**) or Holding Identification Number (**HIN**).
- Mobile device:** Using a mobile device by scanning the QR code on the back of the Proxy Form. To scan the QR code you will need a QR code reader application that can be downloaded for free on your mobile device. You will also need your SRN or HIN and postcode for your shareholding.
- By post:** Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- By fax:** (02) 9287 0309 (within Australia), +61 2 9287 0309 (from outside Australia);
- By hand delivery:** Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

Power of Attorney

A proxy appointment and the original power of attorney (if any) under which the proxy appointment is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than the Proxy Deadline.

Questions from Shareholders

Shareholders who would like to register questions in advance of the AGM can do this via our Investor Centre.

Questions will be collated and, during the AGM, the Chair and/or CEO will seek to address as many of the more frequently raised topics as possible. Please note that individual response will not be sent to Shareholders.

Conduct of the Meeting

ImpediMed is committed to ensuring that its shareholder meetings are conducted in a manner which provides shareholders who participate in the AGM with the opportunity to participate in the business of the AGM in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about ImpediMed generally.

The Chair of the Meeting will exercise his powers as the Chair to ensure that the Meeting is conducted in an orderly and timely fashion, in the interests of Shareholders who are participating in the Meeting.

Enclosures

Enclosed are the following documents:

- Proxy Form to be completed if you wish to vote by proxy. Shareholders are encouraged to use the online voting facility that can be accessed through the Investor Centre to ensure the timely and cost-effective receipt of your proxy; and
- A reply-paid envelope for you to return these forms if you do not use the online facility.

BY ORDER OF THE BOARD



Leanne Ralph
Company Secretary
25 September 2020

For personal use only

Explanatory Notes

These Explanatory Notes have been prepared for the information of Shareholders of the Company in relation to the business to be conducted the Company's AGM to be held at 9.00am AEDT on Wednesday, 28 October 2020.

The purpose of these Explanatory Notes is to provide Shareholders with information that is reasonable required by Shareholders to decide how to vote on the resolutions.

Subject to the abstentions noted below in respect of each resolution, the Directors unanimously recommend Shareholders vote in favour of all resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

All resolutions except for the resolution in Item 6 are ordinary resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the resolution. The resolution in Item 6 is a special resolution requiring greater than 75% approval. The resolution in Item 2 relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

For personal use only

ITEM 1 – Financial Statements

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented at the Meeting. The Financial Report contains the financial statements of ImpediMed Limited.

There is no requirement for a formal resolution on this Item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Ernst & Young (EY), questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 30 June 2020, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters via our Investor Centre.

ITEM 2 – Adoption of remuneration report

Reasons for Resolution

In accordance with section 300A of the Corporations Act the Company has prepared a Remuneration Report for the consideration of Shareholders. As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

Remuneration Philosophy

ImpediMed is committed to establishing a remuneration strategy that effectively aligns KMP remuneration with shareholder value creation and that supports achievement of the Group's strategic goals in essential areas, including commercialisation efforts, clinical trials, regulatory clearances and market expansion of its SOZO® product.

The Remuneration Committee carefully considers feedback provided by shareholders. As a result of shareholder feedback and to address potential future impacts of COVID-19, the Company made a number of considerations to remuneration during the year ended 30 June 2020, which are outlined in detail in Section 1 of the Remuneration Report. These considerations included a temporary reduction to the MD/CEO's fixed cash remuneration, a temporary reduction to other executive's fixed cash remuneration, a temporary reduction to board fees, and increased weighting on financial metrics for short-term incentives.

The Remuneration Committee works to balance Australian corporate governance and remuneration best-practices with the business' need to provide remuneration that will attract, retain, and motivate key US-based executive talent in a highly competitive market.

ImpediMed is a medical software technology company that measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS). In the 2020 financial year, the Group recorded 99% growth in its SOZO revenue compared to the prior year. Over the next twelve months, the Company expects (i) continued strong growth in the SOZO SaaS subscription-based business; (ii) the publication of critical clinical data, including the Meta-Analysis and PREVENT Trial 3-Year data; (iii) commencement of commercialisation with SOZO Heart Failure and (iv) advancements with the clinical, regulatory and commercial strategy in the Renal Failure market.

The Company's rapid transformation to a high-growth medical technology company makes it critical to be able to retain and attract specialised talent necessary to achieve the important clinical, regulatory and commercial milestones on which the success of our strategy depends.

The Company primarily operates in the United States and only approximately 10% of employees are resident in Australia. Thus, the majority of the Company's executives and senior managers are recruited and retained within the US employment environment. In order to compete for talent in that environment, the Company must adopt at least some common US remuneration practices, a number of which are not standard practice in Australia.

As detailed more fully in the Remuneration Report, the remuneration philosophy at ImpediMed targets fixed remuneration at the median of external comparators and, for exceptional performance, targets variable remuneration above the median. To determine executive remuneration, the Remuneration Committee benchmarks against companies in Australia and the United States to ensure that policy objectives are met and are in line with good corporate practices for a company of ImpediMed's size and industry. The Remuneration Committee may also consider other factors such as internal equity, individual performance, tenure, leadership skills and an ability to impact the Group's performance. Reflecting this approach, the Company proposes to issue, subject to Shareholder approval, Performance Rights to Mr Carreon, the vesting of which will depend on the Group's performance against specified benchmarks. These are described in more detail in relation to Item 4 below.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution.

Voting Exclusion Statement

The Company will disregard any votes cast on Item 2 by, or on behalf of:

- (a) any member or a former member of the KMP whose remuneration details are disclosed in the Company's 2020 Remuneration Report, or
- (b) A Closely Related Party of such a KMP,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 2 because the Company's proxy appointment expressly authorised the Chair of the Meeting to exercise undirected proxies even though the Item is connected with the remuneration of a member of the Company's KMP.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

ITEM 3 – Re-election and Election of Directors

In accordance with the Company's Constitution and the Listing Rules, an election of Directors must be held at each annual general meeting.

Clause 16.1 of the Constitution states that one-third of all Directors (excluding the Managing Director and Directors appointed during the year by the Board) must retire at every annual general meeting and are eligible to stand for re-election. The Directors to retire pursuant to clause 16.1 of the Constitution are the Directors (other than the Managing Director) who have held office the longest since being appointed or last being elected. In the case where Directors were elected on the same day, the Directors to retire are determined by agreement between the Directors, or a ballot. Further, ASX Listing Rule 14.4 states that a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer.

Ms Judith Downes is due for re-election by rotation having last been appointed by Shareholders in November 2017.

Dr Robert Graham has elected to retire and offer himself for re-election at this Meeting.

In addition, Mr David Anderson was appointed during the year and must be elected by Shareholders pursuant to Listing Rule 14.4 and clause 13.2 of the Constitution.

The election of each of the candidates must be considered and voted on as a separate resolution. Details of the candidates are outlined below.

ITEM 3.1: Re-election of Ms Judith Downes

Ms Downes was appointed to the board in April 2017 and was last elected by Shareholders in November 2017. She is currently the chair of the Audit and Risk Management Committee and serves as a member of the Nomination Committee.

Ms Downes brings over 20 years of accounting and senior management expertise to the Board with a strong focus on financial management and audit and risk management, with large ASX listed companies. During her executive career she held the roles of CFO at Alumina Limited (ASX: AWC) and as CFO/COO of Institutional Division, ANZ Banking Group Limited (ASX: ANZ). Judith currently serves as Board Chair of Bank Australia Limited, and is a past member of The Financial Reporting Council of Australia. She is a Fellow of the CPA, Chartered Accountants Australia and New Zealand, and Australian Institute of Company Directors. Ms Downes is an Honorary Fellow of the University of Melbourne's Faculty of Business and Economics and is also a past member of the University of Melbourne's finance committee. Ms Downes has significant Experience in corporate governance, debt and equity raising and financial reporting.

Ms Downes is currently a director of CleanTeQ Holdings Limited.

Prior to submitting herself for re-election, Ms Downes confirmed that she would continue to have sufficient time to properly fulfil her Director duties for the Company.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Ms Downes to be an independent director.

Directors' Recommendation

The Board unanimously (other than Ms Downes) supports the election of Ms Downes and recommends that Shareholders vote in favour of this resolution.

ITEM 3.2: Re-election of Dr Robert Graham

Dr Graham was appointed to the board in November 2017 and was elected by Shareholders in October 2018. He currently serves as members of the Remuneration Committee and the Nomination Committee.

Robert M. Graham received his medical training at the University of New South Wales where he is now the Des Renford Professor of Medicine, (UNSW). After 17 years in the US working at the University of Texas Southwestern Medical School, Dallas; the Massachusetts General Hospital, Harvard Medical School; the Massachusetts Institute of Technology, and the Cleveland Clinic Foundation and Case Western Reserve University School of Medicine, he returned to Australia in 1994 as the inaugural Executive Director, Victor Chang Cardiac Research Institute (VCCRI); a position he led until March, 2020. He is presently: Head, Molecular Cardiology and Biophysics Division, VCCRI, and Des Renford Professor of Medicine, UNSW. He maintains an active clinical practice as a consultant physician in cardiorenal diseases.

A Fellow of the Australian Academy of Science, the Australian Academy of Health and Medical Sciences, and Foreign Member, Royal Danish Academy of Sciences and Letters, his research focuses on molecular cardiology, with emphasis on circulatory control mechanisms, hypertension, receptor signalling and cardiac hypertrophy, as well as cardiac regeneration and the application of stem cells for the treatment of heart diseases. He is a Fellow of the American Heart Association; Life Member, Heart Foundation of Australia (NSW Division), and Member, American Society for Clinical Investigation; the Appointments and Promotions Committees of the Queensland Institute of Medical Research; the Garvan Institute of Medical Research, and the Centre for Vascular Research, University of NSW.

Current and previous commercial/biotech experience: Founding board member and contributing scientist, EngeneIC Ltd and MirAcl Therapeutics, Ltd. (cancer therapeutics), Sydney; Chair, ImmunoCare Therapies, Inc., Nevada, USA; Chair, VCCRI IP&C Committee; Member, Scientific Advisory Boards of Mesoblast Ltd. (stem cells/regenerative medicines), Melbourne, and Zensun Ltd. (cancer and heart failure therapeutics), Shanghai; and Chair, Scientific Advisory Board of The Bosch Institute, University of Sydney, and Board Member, VCCRI; Member, Board of Directors, Lowy Medical Research Institute (LMRI), and Board of Scientific Governors, LMRI MacTel Project (retinal vasculopathy).

Prior to submitting himself for re-election, Dr Graham confirmed that he would continue to have sufficient time to properly fulfil his Director duties for the Company

Having had regard to the ASX Principles, the Board considers Dr Graham to be an independent director.

Directors' Recommendation

The Board unanimously (other than Dr Graham) supports the election of Dr Graham and recommends that Shareholders vote in favour of this resolution.

ITEM 3.2: Election of Mr David Anderson

Mr Anderson was appointed to the board in April 2020.

He currently serves as President and CEO of HealthNow Systems Inc, operating as Blue Cross Blue Shield health plans in New York State. HealthNow operates as a licensee of the Blue Cross Blue Shield Association, which in total, provides health care services to 1 in every 3 Americans across all 50 states and US territories and is accepted at over 90% of US doctors, hospitals and other health care providers. Mr. Anderson is a very experienced and respected US health care industry executive who serves on the board of the National Institute of Healthcare Management, Blue Cross Blue Shield Association board of Directors, the board of the New York State Business Council and the New York State Insurance Advisory Committee as appointed by the Commissioner of the Department of Financial Services. Additionally, Mr Anderson serves as an advisor and speaker for Modern Healthcare's CEO Power Panel and the Aspen Institute. Prior to his role at BCBS, Mr. Anderson was CEO of United Healthcare's Southern California Health Plan. Mr. Anderson is a native of Fort Wayne, Indiana, and a graduate of Indiana University's Kelly School of Business, with a B.S. in Finance

The Company confirms that appropriate checks into Mr Anderson's background and experience were carried out prior to his appointment with no information of concern raised during the recruitment process. In addition, David has no known interest, position or relationship that will influence or reasonable perceived to influence his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the

For personal use only

interests of an individual shareholder or other party. Accordingly, having had regard to the ASX Principles, the Board considers Mr Anderson to be an independent director.

Directors' Recommendation

The Board unanimously (other than Mr Anderson) supports the election of Mr Anderson and recommends that Shareholders vote in favour of this resolution.

ITEMS 4 and 5 – Grant of Performance Rights and Options to Mr Richard Carreon, Chief Executive Officer and Managing Director

Item 4 seeks Shareholder approval for the grant of 7,400,000 Performance Rights to, and the issue of Shares on the vesting of those Performance Rights, to Mr Carreon under the EIP. If Shareholder approval is obtained, the Company will issue Mr Carreon with 7,400,000 Performance Rights under the EIP and on the terms described below.

In order to balance the objectives of US and Australian remuneration practices, IPD's LTI grant policy balances the objectives and marketplace practices in the US and Australia. Performance rights are issued to increase the focus on supporting the Group's long-term business strategy and shareholder value. In addition, to align with Australian practices, over time IPD has increased the weighting on performance-based rights in the LTI portfolio.

Item 5 seeks Shareholder approval for the issue of Options to Mr Carreon under the Company's Employee Incentive Plan (EIP). If Shareholder approval is obtained, the Company will issue Mr Carreon with 6,159,000 Options under the EIP and on the terms described below.

Options have been utilised as they align the interests of the employees and key executives with those of the shareholder and the long-term vision of the company. Options are typically granted subject to time-based vesting (as is common in the US) and do not deliver any value in the absence of share-price appreciation. Mr Carreon's options under this grant have a 4-year vesting period.

The Remuneration Committee considers the mix of long-term incentives (Performance Rights and Options) to be a valuable part of Mr Carreon's remuneration as it encourages retention, development and a multi-year focus.

A full copy of the EIP rules are available on the Company's website.

Details of Mr Carreon's remuneration

As noted in the Remuneration Report, and the discussion in the Explanatory Notes relating to Item 2 (Remuneration Report), the Remuneration Committee has reviewed the Company's remuneration framework in response to previous concerns raised by Shareholders. An important element of the revised framework is that the at-risk remuneration mix for Key Management Personnel has shifted to a greater proportion of performance-based remuneration, in line with US and Australian market practice.

The remuneration for Mr Carreon for FY21 will comprise the following components:

- Fixed remuneration of US\$516,334 (base salary) per annum;
 - o Effective 1 April 2020 Mr Carreon received a 30% temporary salary reduction, resulting in a base salary of USD \$361,434 plus non-monetary health benefits. In addition, Mr Carreon exchanged 20% of base salary with equity, in the form of market value shares. These changes remain in effect at the start of the 2021 financial year, subject to shareholder approval of this NOM.
- An at-risk short-term incentive of up to 140% of fixed remuneration subject to the achievement of specified targets; and
- An at-risk long-term incentive (LTI) of up to 114% of a potential 300% of Mr Carreon's fixed remuneration subject to the achievement of specified time-based and performance targets and based on the inputs detailed in Items 4 and 5 below. This will comprise:
 - o If Item 4 is approved by Shareholders, 7,400,000 Performance Rights under the EIP as a long-term performance incentive, representing 76% of a potential 200% of Mr Carreon's base salary and
 - o If Item 5 is approved by Shareholders, 6,159,000 Options under the EIP as a long-term incentive representing 38% of a potential 100% of Mr Carreon's base salary.

Item 4: Details of grant of Performance Rights

The number of Performance Rights to be granted to Mr Carreon has been calculated as follows:

- Expected LTI award value as Performance Rights (US\$): US\$378,000
- Expected LTI award value as Performance Rights (A\$): A\$511,000 (at an exchange rate of US\$1.00 = A\$0.74 as at 31 August 2020)
- Performance Rights to be granted: 7,400,000 = A\$511,000 divided by A\$0.069, being the closing price of the Shares on 31 August 2020.

Timing of grant

If Item 5 is approved by Shareholders, the Company expects to offer Mr Carreon the Performance Rights under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant, and the Performance Rights will be issued shortly thereafter and, in any case, no later than three years after the date of the Meeting.

Basis on which Performance Rights vest

Mr Carreon's Performance Rights will vest to the extent that the Performance Conditions set out below are satisfied at the end of the 3-year Performance Period (being from 1 July 2020 to 30 June 2023).

Upon vesting, ImpediMed will cause the relevant number of Shares (if any) to be issued or transferred to Mr Carreon. One vested Performance Right entitles Mr Carreon to one Share. No amount is payable by Mr Carreon for the issue or transfer of Shares on vesting of the Performance Rights.

As is the case with Options issued under the EIP, there is no ability for the Company to provide any cash equivalent on exercise.

Subject to the terms of the EIP, all Performance Rights which have not vested shall automatically lapse and be forfeited without consideration upon cessation of Mr Carreon's employment with the Company.

Opportunity

The total number of Performance Rights that vest will depend on the extent to which specific key performance indicator (KPI) targets are achieved. There are two Performance Conditions (see below), which are weighted equally such that one half of the award will be assessed independently against each measure. The extent to which Performance Rights will vest is as follows:

- Threshold performance – 50% of the Target number of Performance Rights will vest
- At target performance – 100% of the Target number of Performance Rights will vest
- Maximum performance – 200% of the Target number of Performance Rights will vest.

Threshold performance is the minimum level of performance required before any Performance Rights will vest. Target performance has been set with a level of 'stretch' built in, and therefore, the maximum number of Performance Rights will only vest in the case of exceptional performance.

The Performance Conditions were established by evaluating the key strategic objectives for the Company, with the focus being on supporting the Company's long-term business strategy and Shareholder value. The Board is of the view that the attainment of these strategic objectives are key drivers for the Company's development and success over the performance period.

The number of Performance Rights that vest at relevant performance level for each Performance Condition (or KPI) established by the Board is summarised in the table below:

	Weighting	Number of Performance Rights that vest at relevant performance level		
		Threshold (50% of Target)	Target	Maximum (200% of Target)
KPI 1: Contracted Revenue Pipeline growth over 3 years	50%	925,000	1,850,000	3,700,000
KPI 2: Total Shareholder Return (3-year)	50%	925,000	1,850,000	3,700,000
TOTAL		1,850,000	3,700,000	7,400,000

Performance Conditions

The Performance Rights offered are subject to the two Performance Conditions, with Threshold, Target and Maximum targets defined for each that reflect increasing levels of complexity, challenge, and strategic value:

(i) **KPI 1: Contracted Revenue Pipeline (CRP)**

KPI 1 has been adopted on the basis that Contracted Revenue Pipeline growth is a key measure of ImpediMed's progress. Contracted Revenue Pipeline consists of future period revenue amounts related to Total Contract Value (TCV) that are yet to be reported as revenue. Certain customer contracts that make up the Group's CRP contain cancellation clauses related to services yet to be performed. The Contracted Revenue Pipeline assumes no churn, highlighting the importance of customer experience and satisfaction. Achieving the Target will result in achieving Contracted Revenue Pipeline growth over a 3-year period based on specific internal milestones. CRP is calculated based on the total contracts signed as of 30 June 2022 less the revenue previously recognized on those contracts.

For KPI 1, CRP growth measures the increase in CRP over the Performance Period from 1 July 2020 to 30 June 2023. The value of CRP as at 1 July 2020 was A\$10.9 Million.

The KPI 1 vesting levels are summarised in the following table.

KPI 1: Contracted Revenue Pipeline as at 30 June 2023		% of KPI 1 Performance Rights that vest
Below Threshold	Less than A\$24.5m	Nil
At Threshold	A\$24.5m	50%
Between Threshold and Target	A\$24.5m to A\$32.7m	50% plus an additional amount progressively vesting on a straight-line basis between Threshold and Target
At Target	A\$32.7m	100%
Between Target and Maximum	A\$32.7m to A\$50.6m	100% plus an additional amount progressively vesting on a straight-line basis between Target and Maximum
At Maximum	A\$50.6m	200%

(ii) **KPI 2: Total Shareholder Return (TSR 3-YR)**

KPI 2 has been adopted on the basis that shareholder return will be primarily influenced by the Company's successful expansion of its L-Dex technology through its Lymphedema Prevention program, HF-Dex technology and HF commercialization, SOZO platform and is a key measure of ImpediMed's performance.

For personal use only

impedimed®

For KPI 2, on the basis that no dividends will be paid, TSR will be determined by the increase in the Company's share price over the Performance Period from 1 July 2020 to 30 June 2023, calculated using a 20-day volume weighted average share price at the start and end of the Performance Period.

The KPI 2 absolute TSR growth rate is based on the measurement period of 1 July 2020 to 30 June 2023 which would result in 3-year TSR of over 300% at the maximum performance level. The following table demonstrates the results for the measurement period as well as from the share price at the time of the March 2020 capital raise:

Hurdle Level	Hurdle Achievement at 30 June 2023	Absolute TSR 3-Year Growth Rate on \$0.062 (30 June 2020)	Absolute TSR 3-Year Growth Rate on \$0.0375 (March 2020 Capital Raise) <small>(For illustrative purposes only.)</small>
Minimum	AUD\$0.135	118%	260%
Plan	AUD\$0.180	190%	380%
Maximum	AUD\$0.250	303%	567%

The extent to which a Performance Condition is satisfied will be determined by the Remuneration Committee at the end of the 3-year performance period. The Remuneration Committee may determine that a Performance Condition has been satisfied to an extent between Threshold and Maximum, in which case the percentage of Performance Rights of Target that vest will be that determined by the Remuneration Committee.

It should be noted that these Performance Conditions have been developed with regard to the current regulatory and competitive landscape in which ImpediMed operates. Should there be significant change in these environmental factors which necessitate a change in the Company's strategic direction, the Board will take this into account in assessing performance.

The performance measures used under the Company's LTI plan will be reviewed annually by the Board for all new grants.

Item 5: Details of grant of Options

The number of Options to be granted to Mr Carreon has been calculated as follows:

- Expected LTI award value as Options (US\$): US\$197,000
- Expected LTI award value as Options (A\$): A\$266,000 (at an exchange rate of US\$1.00 = A\$0.74 as at 31 August 2020)
- Options to be granted: 6,159,000 = A\$266,000 divided by A\$0.043, being the calculated fair market value using the Black-Scholes valuation model based on the five (5) day VWAP of A\$0.071 of Shares on 31 August 2020.

Timing of grant

If Item 4 is approved by Shareholders, the Company expects to offer Mr Carreon the Options under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant, and the Options will be issued shortly thereafter and, in any case, no later than three years after the date of the Meeting.

Exercise Price

The exercise price of the Options will be the five (5) day volume weighted average market price of the Shares at the close of trading on the day prior to the date of grant.

Basis on which Options vest

Subject to Mr Carreon's continued employment with the Company, one-quarter of the total number of Options granted will vest annually, on the anniversary date of the grant. This equates to 1,539,750 Options vesting on each anniversary of the date of grant of the Options each year for four years.

The Options are exercisable at the exercise price upon vesting and for a period of 7 years from the date of the grant. On exercise, Mr Carreon will become entitled to receive one Share for each Option that has vested (subject to the terms of the issue of the Options relating to bonus issues and capital reorganisations of the Company).

The EIP only contemplates the grant of Performance Rights or Options over Shares. There is no ability for the Company to provide any cash equivalent on exercise.

Subject to the terms of the EIP, all Options which have not vested shall automatically lapse and be forfeited without consideration upon cessation of Mr Carreon's employment with the Company.

Why Shareholder approval is sought

Listing Rule 10.14 provides that the Company must not permit any Directors to acquire securities under an employee incentive scheme without the approval of Shareholders. Mr Carreon is an executive director of the Company and therefore approval under this Listing Rule is required prior to granting him Performance Rights and Options described above.

Accordingly:

- Item 4 seeks the approval by Shareholders pursuant to Listing Rule 10.14 to grant and issue 7,400,000 Performance Rights to Mr Carreon and to the issue of Shares on the vesting of those Performance Rights.
- Item 5 seeks the approval by Shareholders pursuant to Listing Rule 10.14 to grant and issue 6,159,000 Options to Mr Carreon and to the issue of Shares on the exercise of those Options; and

If an approval under Listing Rule 10.14 is obtained, then the securities issued to Mr Carreon will not be counted towards the Company's placement capacity under Listing Rule 7.1.

Shareholder approval – Corporations Act

Under Part 2D.2 of the Corporations Act, subject to a number of exemptions, Shareholder approval must be obtained before the Company (or a Related Body Corporate or prescribed superannuation fund in relation to the Company) can give a person a "benefit" in connection with the person's retirement from a managerial or executive office.

Under the EIP, where a participant in that plan ceases to be an employee of ImpediMed all unvested Options and Performance Rights held by that participant lapse. However, the Board has discretion as to how unvested Performance Rights or Options are to be treated in circumstances where the participant ceases employment because of death, total and permanent disability, retirement or redundancy, or for any other reason with the approval of the Board. In the context of exercising this discretion, providing securities to the person may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act.

For a person who holds a managerial or executive office with the Company (or a Related Body Corporate), if Performance Rights or Options vest because a person ceases to be employed due to death, disability or any other reason in the Board's discretion, the person will receive a benefit in connection with retirement from office, or position of employment regulated by Part 2D.2 of the Corporations Act. The value of the benefit received will be the market price of the Shares that are received following the exercise of the Options or the vesting of the Performance Rights.

In determining the remuneration of Mr Carreon, including the number of Options and Performance Rights to be issued to him if Shareholders approve Items 4 and 5, the Board considers benchmarking data from companies similar in size and industry. On an expected value basis, Mr. Carreon's target total direct compensation (i.e., fixed remuneration, target short-term incentive and expected value of long-term incentives) is positioned between the 25th and 50th percentile. The maximum number of Performance Rights will be achieved only if the Performance Conditions, which reflect the Company's key strategic objectives over the 3-year performance period, are achieved at the maximum level. These conditions are described in more detail above.

For the purposes of the exception contained in section 211(1) of the Corporations Act, the financial benefit to be given by the grant of Options and Performance Rights to Mr Carreon is considered to constitute reasonable remuneration given the circumstances of the Company and Mr Carreon's role and responsibilities. Shareholder approval is not therefore sought for the purposes of Chapter 2E of the Corporations Act.

Other information

Options and Performance Rights are issued subject to the following terms:

Cessation of employment: Where a participant ceases employment prior to vesting, the award is forfeited unless the Board applies its discretion to allow vesting at, or post, cessation of employment.

Clawback: The Board has a clawback policy which provides the Board discretion to clawback variable pay of LTI participants in the event of a serious misconduct or fraud by the employee or other specific events.

Change of Control: In a situation where there is likely to be a change of control of the Group, the Board may have the discretion to determine whether some, none or all of the Options and Performance Rights will vest.

Additional information required by Listing Rule 10.15

Listing Rule 10.15 requires the following information to be disclosed in relation to the Performance Rights and Options proposed to be granted to Mr Carreon, Managing Director and CEO, under the EIP. Other disclosure requirements of this listing rule have been disclosed earlier in this commentary:

(i) Number and price of securities

The number of Performance Rights that may be acquired by Mr Carreon is 7,400,000. The maximum number of Shares that may be acquired by Mr Carreon on the vesting of Performance Rights is 7,400,000. Other than tax withholding requirements at the time of vesting, no payment for the Performance Rights is required by Mr Carreon and, on vesting, Shares will be issued to Mr Carreon for no consideration.

The number of Options that may be acquired by Mr Carreon is 6,159,000. No payment for the Options is required by Mr Carreon and the exercise price of the Options will be calculated in accordance with the formula described above.

(ii) Securities issued to Mr Carreon under the EIP

The following securities have been issued to Mr Carreon under the EIP.

Financial Year Issued	Type of Securities	Number of Securities	Acquisition Price for these Securities
2015	Options	2,048,000	\$ 0.69
2016	Options	512,500	\$ 1.00
2017	Options	872,000	\$ 1.46
2018	Options	1,553,000	\$ 0.82
2018	Performance Rights	631,000	\$ -
2020	Options	1,992,612	\$ 0.15
2020	Performance Rights	1,962,871	\$ -

(iii) Issue date of Options

The Performance Rights and Options will be granted to Mr Carreon no earlier than immediately following this Meeting and no later than three years after the date of this Meeting, on the conditions described in the Explanatory Memorandum.

(iv) Price for each Security

There is no payment for the grant of Performance Rights or Options at the time of grant.

(v) Material Terms of the Plan

The Performance Rights and Options are subject to specific terms outlined earlier in this memorandum and the terms and conditions of the EIP, a summary of which is in Appendix 1 and a copy of which can be found on the Company website.

(vi) Terms of any loan made to Mr Carreon in relation to the acquisition of the Securities

There is no loan provided in relation to the acquisition of the Performance Rights or Options by Mr Carreon.

(vii) Disclosure

Details of any securities issued under the EIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(viii) Persons who are entitled to participate in the EIP

Participation in the EIP and the number of Performance Rights or Options offered to each individual participant is determined by the Board. Performance Rights or Options may be granted to certain senior executives of the Company on an annual basis as part of their annual remuneration review.

For personal use only

Mr Carreon is the only person referred to in Listing Rule 10.14 who is currently entitled to participate in the EIP.

In any case, any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP after the resolutions in Items 4 and 5 are approved and who were not named in this Notice will not participate until approval is obtained under this rule.

Voting Exclusion Statement

The Company will disregard any votes cast in favour on Items 4 and 5 by or on behalf of Mr Carreon (being the only person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP) and any associate of Mr Carreon.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) Mr Carreon or any Associate of Mr Carreon as proxy or attorney for a person who is entitled to vote on Items 4 and 5, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Items 4 and 5, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Items 4 and 5; and
 - the holder votes on Items 4 and 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Items 4 or 5 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Items 4 or 5.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Items 4 and 5 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon) recommends that Shareholders vote in favour of each resolution in Items 4 and 5.

ITEM 6 – Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A

General

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an Annual General Meeting to issue an additional 10% of its issued capital by way of placements over a 12-month period (**10% Placement Capacity**). The additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve the resolution in Item 6, the effect will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without using the Company's 15% placement capacity under Listing Rule 7.1.

Item 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Eligibility

An eligible entity under Listing Rule 7.1A is one which (at the date of the relevant annual general meeting) has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

impedimed®

The Company hereby seeks Shareholder approval by way of special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated as follows:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities (including convertible notes and options) within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12-month period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the 12 months under an agreement within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the 12-month period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval. This may include fully paid ordinary securities issued in the 12-month period under an agreement to issue securities within Listing Rule 7.2 exception 17 where the issue is subsequently approved under Listing Rule 7.1;
- less the number of fully paid ordinary securities cancelled in the 12 months;

Note that **A** has the same meaning in the Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that has not subsequently been approved by the holders of ordinary securities under Listing Rules 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has one class of quoted securities, being Shares (ASX Code: IPD).

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to Listing Rule 7.1A.4:

- (a) give to the ASX a list of the names of persons to whom the Company allotted equity securities and the number of equity securities caused to be allotted to each (but this list is not required to be released to the market); and
- (b) state in an announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A.

Required information

The following information is provided to Shareholders to allow them to assess the resolution in Item 6, including for the purposes of Listing Rule 7.3A.

Minimum price

Any equity securities issued by the Company under Listing Rule 7.1A can only be issued at a price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or
- (b) the date on which the securities are issued if the securities are not issued within ten trading days of the date on which the issue price is agreed.

Dilution to existing Shareholders

If the resolution in Item 6 is approved by Shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by Listing Rule 7.3A.2 where the number of the Company's shares on issue (variable "A" in the formula in Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 31 August 2020.

Number of shares on issue at 31 August 2020 Variable "A"	Additional 10% Dilution - Shares issued & funds raised	Dilution		
		\$0.0345 Issue price at half current market price	\$0.069 Issue price at current market price	\$0.138 Issue price at double current market price
1,034,929,269 Current Variable A (see below assumptions)	Shares issued	103,492,926	103,492,926	103,492,926
	Funds raised	\$3,570,505	\$7,141,011	\$14,282,023
1,552,393,903 50% increase in current Variable A	Shares issued	1,552,393,903	1,552,393,903	1,552,393,903
	Funds raised	\$5,355,758	\$10,711,517	\$21,423,035
2,069,858,538 100% increase in current Variable A	Shares issued	206,985,853	206,985,853	206,985,853
	Funds raised	\$7,141,011	\$14,282,023	\$28,564,047

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- (a) the "issue price at current market price" is the closing price of the shares on ASX on 31 August 2020;
- (b) Variable A is 1,034,929,269 which equates to the number of current shares on issue at 31 August 2020;
- (c) the Company issues the maximum number of securities available under the additional 10% placement;
- (d) the table shows only the effect of issues of securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (e) no options are exercised into shares, or performance rights vest, before the date of issue of equity securities;

- (f) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (g) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of the placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting; and
- (h) funds raised are before any capital raising costs which may be incurred.

10% Placement Period

Shareholder approval under Listing Rule 7.1A is valid from the date of the Annual General Meeting until the earlier of:

- (a) 12 months after the Annual General Meeting; or
- (b) the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

Purpose of 10% additional placement

The Company may seek to issue securities under the 10% Placement Capacity for the purpose of raising funds for working capital, investing activities (including possible complementary business acquisitions if any are identified and approved by the board), meeting financing commitments or capital management activities deemed by the Board to be in the best interests of the Company.

Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of allottees of equity securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- (a) the methods of raising funds that are then available to the Company;
- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from professional and corporate advisers (if applicable).

Allottees have not been determined as at the date of this Notice of Meeting and may include existing and/or new Shareholders but cannot include any related parties or associates of a related party of the Company.

Information provided for compliance with Listing Rule 7.3A.6

The Company last obtained Shareholder approval under Listing Rule 7.1A at the 2019 AGM.

The Company issued, in the 12 months preceding the date of the Meeting, a total of 1,029,161,779 Equity Securities, representing 190.5% of the total number of Equity Securities on issue at the commencement of that 12-month period.

Details of the equity securities the Company has issued in the 12-month period preceding the date of the Meeting are set out in the table below:

Date of issue	Allottee/s	Equity Security	Number of Equity Securities	Price (and discount / (premium) to market)	Key terms
31-Oct-2019	Employees	Shares	25,534	\$0.11 / 18.5%	Exercise of options - same terms as existing Shares
12-Nov-2019	Employees	Options	8,684,808	\$0.00 / 100%	Grant of options – terms per Appendix 3B of 13 November 2019

For personal use only

impedimed®

Date of issue	Allottee/s	Equity Security	Number of Equity Securities	Price (and discount / (premium) to market)	Key terms
12-Nov-2019	Employees	Performance Rights	5,185,175	\$0.00 / 100%	Grant of performance rights – terms per Appendix 3B of 13 November 2019.
13-Nov-2019	Employees	Shares	572,846	\$0.15 / 5.7%	Share issue to executives under the Executive Share Plan – same terms as existing Shares
13-Nov-2019	NEDs	Shares	1,033,594	\$0.15 / 5.7%	Share issue to NEDs under the NED Share Plan – same terms as existing Shares
14-Nov-2019	Employees	Shares	819,666	\$0.00 / 100%	Vesting of Performance Rights – same terms as existing Shares
02-Jan-2020	Employees	Options	230,000	\$0.00 / 100%	Grant of options – terms per Appendix 3B of 03 January 2020
08-Jan-2020	Employees	Shares	461,386	\$0.175 / (13.6)%	Share issue to executives under the Executive Share Plan – same terms as existing Shares
08-Jan-2020	NEDs	Shares	879,334	\$0.175 / (13.6)%	Share issue to NEDs under the NED Share Plan – same terms as existing Shares
19-Feb-2020	Employees	Options	450,000	\$0.00 / 100%	Grant of options – terms per Appendix 3G of 21 February 2020
19-Feb-2020	Employees	Performance Rights	415,000	\$0.00 / 100%	Grant of performance rights – terms per Appendix 3G of 21 February 2020
08-Apr-2020	Employees	Options	195,000	\$0.00 / 100%	Grant of options – terms for Appendix 3G of 08 April 2020
08-Apr-2020	Employees	Performance Rights	150,000	\$0.00 / 100%	Grant of performance rights – terms per Appendix 3G of 08 April 2020
08-Apr-2020	Employees	Shares	1,640,801	\$0.057 / (62.9)%	Share issue to executives under the Executive Share Plan – same terms as existing Shares

For personal use only

Date of issue	Allottee/s	Equity Security	Number of Equity Securities	Price (and discount / (premium) to market)	Key terms
08-Apr-2020	NEDs	Shares	2,892,679	\$0.057 / (62.9)%	Share issue to NEDs under the NED Share Plan – same terms as existing Shares
14-Apr-2020	Various new and existing Shareholders	Shares	248,833,825	\$0.0375 / (7.1)%	Share issue via an Institutional Entitlement Offer – same terms as existing shares
14-Apr-2020	Participants in the Institutional Entitlement Offer	Options	248,833,825	\$0.00 / 100%	Option grant to participants in the Institutional Entitlement Offer – terms refer to the Appendix 3B of 02 April 2020
29-Apr-2020	Various new and existing Shareholders	Shares	237,280,649	\$0.0375 / 3.8%	Share issue via a Retail Entitlement Offer – same terms as existing Shares
29-Apr-2020	Participants in the Retail Entitlement Offer	Options	237,280,649	\$0.00 / 100%	Option grant to participants in the Retail Entitlement Offer – terms refer to the Appendix 3B of 02 April 2020
16-Jun-2020	Employees	Options	65,000	\$0.00 / 100%	Grant of options – terms per Appendix 3G of 17 June 2020
01-Jul-2020	Employees	Shares	1,779,721	\$0.066 / 9.6%	Share issue to executives under the Executive Share Plan – same terms as existing Shares
01-Jul-2020	NEDs	Shares	1,664,806	\$0.066 / 9.6%	Share issue to NEDs under the NED Share Plan – same terms as existing Shares
06-Jul-2020	Various Shareholders	Shares	29,787,481	\$0.0375 / 50.7%	Exercise of Options acquired under the Institutional and Retail Entitlement Offer – same terms as existing Shares

Voting Exclusion Statement

At the time of dispatching this Notice of Meeting, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2. However, if at the time the approval is sought the Company does propose to make an issue of equity securities under Listing Rule 7.1A.2, the Company will disregard any votes cast in favour of Item 6 by or on behalf of a

For personal use only

person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of securities, except a benefit solely by reason of being a holder of ordinary securities, and any associates of the aforementioned persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Item 6; and
 - the holder votes on Item 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Item 6.

ITEM 7: Approval to issue securities under the ImpediMed Employee Incentive Plan

Background and why Shareholder approval is sought

The Company established an Employee Incentive Plan (**EIP** or **Plan**) in October 2014 under which employees may be eligible to receive Shares, Performance Rights or Options. A US Sub-Plan to the EIP was also established as a means of providing incentives to employees who are residents or citizens of the United States. The purpose of the EIP (and the US Sub-Plan) is to align the interests of employees with those of the Company and Shareholders, and to attract, retain, and motivate employees.

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. Listing Rule 7.2 allows certain issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period, including under exception 13(b), where an issue is made under an employee incentive plan, if within three years before the date of issue, the issue of securities under terms of the plan are approved by Shareholders.

Shareholders last approved the issue of securities under the EIP for the purposes of exception 9(b) of Listing Rule 7 at the AGM held on 15 November 2017 (**2017 AGM**). That approval will expire on 15 November 2020 and accordingly, the Company is seeking to refresh the approval of Shareholders so that securities issued under the EIP (and US –Sub-Plan) will continue to be excluded from any calculation of securities for the purposes of Listing Rule 7.1 for a further three years.

In addition, the Company is seeking a re-allocation of current available capacity from the EIP to the US Sub-Plan of 100 million awards. The Company is not seeking any increase in the Plan Limit of the EIP, but due to requirements within the US, a capacity limit must be specified. The US Sub-Plan operates within the EIP Plan Limits but it provides more favourable tax treatment to US employees for certain awards under the plan by deferring the taxing point. As the majority of the Group's employees and key executives reside in the US, this re-allocation of the plan limit to the US Sub-Plan allows the company to attract, retain and motivate key US-based executive talent in a highly competitive market. In the absence of the US Sub-Plan, awards would be issued under the main EIP, which could have negative impact in the future due to US employees needing to cover their tax expenses.

Number of securities issued under the EIP since the date of the last approval at the 2017 AGM

The Plan provides for the issuance of Shares, Options and Performance Rights (**Incentives**). The gross number Incentives issued under the Plan, prior to forfeitures and cancellations, since the date of the last approval at the 2017 AGM are as follows:

Performance Rights:	9,618,175
Options:	18,273,008

For personal use only

Maximum number of equity securities proposed to be issued under the EIP

The maximum number of Shares which may be issued under the EIP (including the US Sub-Plan) on exercise or vesting of warrants must not exceed 10% of the Company's total issued share capital at the time of the proposed issue. The maximum number of Shares that may be issued under the US Sub-Plan is 100,000,000 Shares.

Summary of the terms of the EIP

A summary of the terms of the EIP and the US Sub-Plan, including the amendments noted above, are outlined in **Appendix 1**. Capitalised terms in the summaries refer to definitions in the EIP rules.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Item 7 by any person eligible to participate in the EIP which includes Mr Carreon and all ImpediMed employees, and any associates such persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 7, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 7, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Item 7; and
 - the holder votes on Item 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 7 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 7.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 7 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon, being the only Director who is eligible to participate in the EIP) recommends that Shareholders vote in favour of this resolution.

ITEM 8: Approval to issue securities under the Executive Share Plan

At the 2019 AGM Shareholders approved the rules of the Executive Share Plan, established to govern the issue of Shares to senior executive staff, including the CEO/MD (**Executives**), in lieu of cash remuneration.

The purpose of this Executive Share Plan is to:

- ≡ align the financial interests of Executives with those of the Shareholders;
- facilitate the acquisition Shares by the Executives; and
- preserve cash reserves by remunerating the Executives with Shares in lieu of cash.

The rules of the Executive Share Plan approved by Shareholders at the 2019 AGM, stated that the Company must not issue more than 5,000,000 Shares under this plan (**Plan Limit**). In relation to remuneration for the year ended 30 June 2020, a total of 4,454,754 Shares have been issued to Executives under the Executive Share Plan. In order to continue to align the financial interests of the Executives with Shareholders and to preserve cash reserves, additional capacity is necessary to continue to partially remunerate its Executives via Shares.

The Board proposes to amend the Executive Share Plan to increase the Plan Limit to 25,000,000. This will allow Executives to continue to receive part of their remuneration as Shares in lieu of cash for FY21 and beyond.

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. Under exception 13 of Listing Rule 7.2, an issue of securities made under an employee incentive scheme is excluded from the application of Listing Rule 7.1 (and Listing Rule 7.1A), if within three years before the date of issue, the issue of securities under terms of the scheme is approved by Shareholders.

The Executive Share Plan was last approved by Shareholders for the purpose of the former exception 9 (now exception 13) of Listing Rule 7.2 at the 2019 AGM. As exception 13 is only available if there is no change to, among other things, the number of securities to be issued under the scheme, this Item seeks Shareholder approval again to give effect to the proposed amendments to the Executive Share Plan and to approve the issue of securities under the Executive Share Plan, as amended, for the purpose of Exception 13.

Should Shareholders approve the resolution in Item 8, Shares issued under the Executive Share Plan will be excluded from any calculation of securities for the purposes of Listing Rule 7.1 for the next three years.

The number of Shares issued under the Executive Share Plan since the last Shareholder approval at the 2019 AGM is 4,454,754 Shares.

Summary of the terms of the Executive Share Plan

A summary of the terms of the Executive Share Plan is included in **Appendix 2** to this Notice. Capitalised terms in the summary refer to definitions in the plan rules.

Voting Exclusion Statement

The Company will disregard any votes cast in favour on Item 8 by or on behalf of the Executives eligible to participate in the Executive Share Plan and any associate of such persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 8, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 8, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Item 8; and
 - the holder votes on Item 8 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 8 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 8.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 8 because the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon) recommends that Shareholders vote in favour of this resolution.

ITEM 9: Grant of Shares under the Executive Share Plan to Mr Richard Carreon

Background and why Shareholder approval is sought

As outlined in the notes to Item 8, the Company has introduced an Executive Share Plan which governs and allows ImpediMed to remunerate its Executives, including Mr Carreon as CEO/MD, with fully paid ordinary Shares in lieu of cash. At the 2019 AGM, Shareholders approved Mr Carreon's participation in the Executive Share Plan for the purposes of Listing Rule 10.14 (discussed in more detail below). However, as the Board is proposing to amend the Executive Share Plan to increase the Plan Limit, the prior approval will cease to be valid. Accordingly, this Item seeks Shareholder approval again to allow Mr Carreon to continue to participate in the Executive Share Plan (as amended).

Listing Rule 10.14 provides that an entity must not permit certain persons, including a director of the Company to acquire securities under an employee incentive scheme without the approval of Shareholders. The Executive Share Plan is an employee incentive scheme for the purpose of the Listing Rules and therefore, Shareholders are asked to approve the issue of Shares under the Executive Share Plan to Mr Carreon for the purpose of Listing Rule 10.14.

If approval is given under Listing Rule 10.14 for this Item, then a separate approval will not be required under Listing Rule 7.1. Accordingly, if this resolution is approved, the issue of Shares will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

The following information is provided to Shareholders pursuant to Listing Rule-10.15A to allow them to assess Item 9:

(i) Number and price of securities

The Shares to be issued to Mr Carreon (like all other Executives participating in the Executive Share Plan) will accrue on a quarterly basis and the number of Shares to be issued will typically be determined at the end of each quarter based on a volume weighted average market price calculation. Accordingly, the number of Shares which may be issued to Mr Carreon under the Executive Share Plan cannot be precisely calculated in advance, though the maximum number of Shares that may be granted to all Executives under the plan, if Item 8 is approved, is 25,000,000 Shares.

How the number of Shares to be issued to Mr Carreon will be determined

Mr Carreon may elect to participate in the Executive Share Plan in respect of:

- (a) up to 20% of his gross annual base salary (excluding all compulsory superannuation amounts); and
- (b) up to 20% of any amount awarded to him as a short-term incentive (excluding all compulsory superannuation amounts).

All taxes required to be deducted from these amounts will be deducted before the amounts are applied to the issue of Shares.

The Company must issue a number of whole Shares (disregarding any fractional entitlement) determined by dividing the relevant participating amount of salary or short-term incentive (**STI**) by the volume weighted average market price of Shares on ASX over the 20 trading day period on the business day prior to the allocation date (**Market Value**). The allocation date is:

- (a) in respect of the first quarter of the FY21 Participation Period (defined below), the first business day following the 2020 AGM; and
- (b) in respect all subsequent quarters, the first business day following the conclusion of that-quarter,

unless otherwise resolved by the Board.

The initial participation period under the revised Executive Share Plan is 1 July 2020 to 30 June 2021 (inclusive) (**FY21 Participation Period**), but may be extended by the Board for future financial years (**Subsequent participation Periods**).

The CEO/MD is currently paid his cash remuneration and fees in US dollars. The CEO/MD's cash remuneration will be converted to US dollars prior to calculating the number of Shares to be issued. The currency conversion will be at the prevailing exchange rate as published by Oanda.com on the business day prior to an allocation date.

Illustrative example

For example, assuming:

- Mr Carreon elects to participate the maximum amount of 20% under the Executive Share Plan (and assuming his full short-term incentive is paid for FY21);
- a personal tax rate of 50%;
- the Market Value is A\$0.07; and
- an AUD/USD exchange rate of 0.72 applies,

then approximately 1,434,261 Shares would be issued to Mr Carreon in the FY21 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.14%.

For personal use only

A greater or lower number of Shares may be issued under the Executive Share Plan to Mr Carreon in respect of the FY21 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued, the level of Mr Carreon's salary and STI from time to time, the extent to which Mr Carreon participates in the Executive Share Plan for the applicable Participation Period and the AUD/USD exchange rate from time to time.

(ii) Securities previously issued to Mr Carreon under the Executive Share Plan

The total number of Shares previously issued to Mr Carreon under the Executive Share Plan is 1,015,167 and the average acquisition price was \$0.11.

(iii) Persons who are entitled to participate in the Executive Share Plan

Executives of the Company are entitled to participate in the Executive Share Plan. Mr Carreon is the only participant of the plan for which approval under Listing Rule 10.14 is required (Listing Rule 10.14.1).

(iv) Current total remuneration

The details of Mr Carreon's current remuneration are set out in the note to Items 4 and 5 above.

(v) Terms of any related loan

There will be no loan provided in relation to the acquisition of Shares to Mr Carreon.

(vi) Timing of grant

If Item 9 is approved by Shareholders, the Company expects to issue Shares in respect of Mr Carreon's salary for the first quarter of the FY21 Participation Period, on the first business day following the Meeting and in respect of all subsequent quarters, the first business day following the conclusion of that quarter. No Shares will be issued to Mr Carreon in respect of his salary later than three years after the Meeting.

Generally, STIs are determined following the completion of the audited annual accounts of the Company each financial year. Shares in relation to Mr Carreon's STI for a Participation Period will be issued following the determination by the Board of the STI to be awarded to Mr Carreon (if any) and receipt of a STI Election Form from Mr Carreon specifying the percentage of his STI which he elects to participate in the Executive Share Plan (capped at 20%). No Shares will be issued to Mr Carreon in respect of his STI later than three years after the Meeting.

(vii) Other information

The material terms of the Executive Share Plan are summarised in Appendix 2 and a full copy can be found on the Company website.

Details of any Shares issued under the Executive Share Plan will be published in each annual report of the Company relating to a period in which Shares have been issued. The annual report will also state that approval for the issue of the Shares to Mr Carreon was obtained under Listing Rule 10.14.

Any additional Directors (or other persons listed in Listing Rule 10.14) who become entitled to participate in the Executive Share Plan after Item 9 is approved and who were not named in this Notice, will not participate until any approval is obtained under Listing Rule 10.14.

Voting Exclusion Statement

The Company will disregard any votes cast in favour on Item 9 by or on behalf of Executives eligible to participate in the Executive Share Plan and any associate of such persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 9, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 9, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and

For personal use only

is not an associate of a person excluded from voting on Item 9; and

- the holder votes on Item 9 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 9 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 9.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 9 because the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Carreon) recommends that Shareholders vote in favour of this resolution.

ITEMS 10.1 – 10.6: Grant of Shares under the Non-Executive Share Plan to Non-Executive Directors

Background and why Shareholder approval is sought

At the 2019 AGM Shareholders approved the grant of Shares to its Non-Executive Directors (**NEDs**) in lieu of cash remuneration under the Non-Executive Share Plan (**NED Share Plan**). The Board proposes to continue this NED Share Plan for FY21 (**FY21 Participation Period**) and may also extend it for subsequent financial years (**Subsequent Participation Periods**).

The purpose of the continuation of the NED Share Plan is to:

- align the financial interests of NEDs with those of the Shareholders;
- facilitate the acquisition of Shares by the NEDs; and
- preserve cash reserves by remunerating the NEDs with Shares in lieu of cash.

The proposal does not result in any increase in NED remuneration.

The resolutions contained in Items 10.1 – 10.6 seek Shareholder approval again for the issue of Shares to the NEDs in lieu of cash remuneration under the NED Share Plan. Subject to Shareholders approving Items 10.1 – 10.6, the Board is proposing to amend the rules of the NED Share Plan to increase the maximum number of shares that may be issued under the plan to 26,000,000 Shares (previously 10,000,000). In order to continue to align the financial interests of the NEDs with Shareholders and to preserve cash reserves, additional capacity is necessary to continue to remunerate NEDs via Shares.

The NED Share Plan is described below and a full copy of the plan rules can be accessed on the Company's website.

If Shareholder approval is given to Items 10.1 -10.6, all NEDs will participate in respect of 100% of their annual director fee for the FY21 Participation Period (excluding compulsory superannuation where applicable). Participation for Subsequent Participation Periods and the percentage of their annual director fee is to be determined by the Board. A NED who is issued Shares under the NED Share Plan may hold those Shares directly or transfer them to a trustee or nominee to hold the Shares for the NED.

Listing Rule 10.14 provides that an entity must not permit a director of the Company to acquire securities under an employee incentive scheme without the approval of shareholders. The NED Share Plan is an employee incentive scheme for the purpose of the Listing Rules and therefore, Shareholders are asked to approve the issue of Shares under the NED Share Plan to the NEDs for the purpose of Listing Rule 10.14. If approval is given under Listing Rule 10.14 for each resolution in Items 10.1 to 10.6, then a separate approval will not be required under Listing Rule 7.1. Accordingly, if these resolutions are approved, the issue of Shares will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

The following information is provided to Shareholders pursuant to Listing Rule 10.15A to allow them to assess the resolutions in Items 10.1 to 10.6:

(i) Number and price of securities

Shares will accrue on a quarterly basis and the number of Shares to be issued will typically be determined at the end of each quarter based on a volume weighted average market price calculation. Accordingly, the number of Shares which may

be issued to current and future NEDs under the NED Share Plan cannot be precisely calculated in advance. However, the maximum number of Shares that may be issued to all NEDs under the NED Share Plan is 26,000,000.

The number of Shares to be issued to each NED will be determined by dividing the NED's Fees (defined below) for a quarter by the volume weighted average market price of the Shares on ASX over the 20 trading day period ending on the business day prior to the relevant allocation date (**Market Value**) for a quarter. The allocation date is:

- (a) in respect of the first quarter of FY21, the first business day following the Meeting; and
- (b) in respect all subsequent quarters, the first business day following the conclusion of that quarter,

unless otherwise resolved by the Board.

Fractional entitlements to Shares will be disregarded.

The fees of a NED (**Fees**) include:

- the gross amount payable by the Company by way of annual remuneration to the NED for his or her services as a director or as a member of any standing committee of the Board, but, unless the Board determines otherwise, excludes any special and additional remuneration paid out of the funds of the Company for any extra services performed or special exertions made by the NED; plus
- the gross amount (if any) payable by a subsidiary of the Company by way of remuneration to the NED for his or her services as a director of that subsidiary; plus
- such other amount as the Board determines for the purposes of the NED Share Plan from time to time,

but excluding all compulsory superannuation amounts paid or to be paid by the Company or a subsidiary of the Company on behalf of the NED.

If at any time the Board determines that the issue of Shares to a NED would result in the Company breaching the Constitution, the Listing Rules, or any applicable law or is otherwise inappropriate in the circumstances, the Company will not issue shares to that NED.

The US-based NEDs are currently paid their cash remuneration and fees in US dollars. For such US-based persons, the Market Value will be converted to US dollars prior to calculating the number of Shares to be issued. The currency conversion will be at the prevailing exchange rate as published by Oanda.com on the business day prior to an allocation date.

Illustrative examples of the potential number of Shares to be issued to each NED under the NED Share Plan are outlined further below.

(ii) Securities issued under the NED Share Plan

The Shares previously issued under the NED Share Plan are as follows:

NED	Number of Shares
Scott Ward	1,810,384
Judith Downes	772,513
Don Williams	1,299,036
Amit Patel	1,062,848
Robert Graham	695,263
Gary Goetze ¹	674,455
David Anderson ²	155,914
Total	6,470,413

For personal use only

¹ Resigned on 10 March 2020

² Appointed on 05 May 2020

The average acquisition price was \$0.11.

(iii) Persons who are entitled to participate in the Non-Executive Share Plan

Listing Rule 10.15.11 states that the notice of meeting to approve the acquisition of securities under Listing Rule 10.14 must include a statement to the effect that any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in the notice of meeting will not participate until approval is obtained under Listing Rule 10.14. The Company has applied for and the ASX has granted, a waiver to this listing rule to the extent necessary to permit the Notice, in relation to Items 10.1-10.6, to state that the NEDs in office from time to time may participate in the NED Share Plan without naming them.

As at the date of this Notice, the names of all people who are entitled to participate in the NED Share Plan are Scott Ward, Judith Downes, Don Williams, Amit Patel, Robert Graham and David Anderson, being all of the NEDs of the Company (Listing Rule 10.14.1). Future NEDs in office from time to time may also participate in the NED Share Plan.

As stated above, a NED may hold Shares issued under the NED Share Plan directly or transfer them to a trustee or nominee to hold the Shares for the NED.

(iv) Current remuneration

The current total remuneration package of each NED is as follows:

NED	Annual Directors' Fee (100% paid in Shares under the NED Share Plan if Items 10.1-10.6 are approved)
Scott Ward	US\$115,000
Judith Downes	A\$75,000 plus superannuation
Don Williams	US\$82,500
Amit Patel	US\$67,500
Robert Graham	A\$67,500 plus superannuation
David Anderson	US\$67,500

(v) Terms of any related loan

There will be no loan provided in relation to the acquisition of Shares to NEDs.

(vi) Timing of grant

If Items 10.1 – 10.6 are approved by Shareholders, the Company proposes to issue Shares in respect of the first quarter of the FY21 Participation Period, on the first business day following the Meeting and in respect all subsequent quarters for the FY21 Participation Period and Subsequent Participation Periods, on the first business day following the conclusion of that quarter, unless the Board resolves otherwise. No Shares will be issued to the NEDs under the NED Share Plan later than three years after the Meeting unless Shareholder approval for the issue of Shares under NED Share Plan is refreshed prior to that date.

(vii) Other information

Details of any Shares issued will be published in each annual report of the Company relating to a period in which Shares have been issued. The annual report will also state that approval for the issue of Shares was obtained under Listing Rule 10.14.

For personal use only

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolutions in the proposed Items 10.1 to 10.6 (inclusive) by or on behalf of any NED of the Company, and any associate of the NEDs.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Items 10.1 – 10.6, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Items 10.1 – 10.6, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Items 10.1 – 10.6; and
 - the holder votes on Items 10.1 – 10.6 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Items 10.1 – 10.6 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Items 10.1 – 10.6.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Items 10.1 – 10.6 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.

Item 10.1 - Illustrative example – Issue of Shares to Mr Scott Ward

For FY21, Mr Ward's gross annual NED fee is US\$115,000. Accordingly, as an illustrative example, assuming:

- a Market Value of A\$0.07;
- an AUD/USD exchange rate of 0.72,

a total of 2,281,746 Shares would be issued to Mr Ward in respect of the FY21 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.22%.

A greater or lower number of Shares may be issued under the NED Share Plan to Mr Ward in respect of the FY21 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan, the level of Mr Ward's compensation from time to time and the AUD/USD exchange rate.

Item 10.1 - Directors' Recommendation

The Board unanimously (other than Mr Ward) recommends that Shareholders vote in favour of this resolution.

Item 10.2 - Illustrative example – Issue of Shares to Ms Judith Downes

For FY21, Ms Downes' gross annual NED fee is A\$75,000. Accordingly, as an illustrative example, assuming a Market Value of A\$0.07, a total of 1,071,428 Shares would be issued to Ms Downes in respect of the FY20 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.10%.

A greater or lower number of Shares may be issued under the NED Share Plan to Ms Downes in respect of the FY20 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan and the level of Ms Downes' compensation from time to time.

Item 10.2 - Directors' Recommendation

The Board unanimously (other than Ms Downes) recommends that Shareholders vote in favour of this resolution.

Item 10.3 – Illustrative example – Issue of Shares to Mr Don Williams

For FY21, Mr Williams' gross annual NED fee is US\$82,500. Accordingly, as an illustrative example, assuming:

- a Market Value of A\$0.07;
- an AUD/USD exchange rate of 0.72,

a total of 1,636,904 Shares would be issued to Mr Williams in respect of the FY20 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.16%.

A greater or lower number of Shares may be issued under the NED Share Plan to Mr Williams in respect of the FY20 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan, the level of Mr Williams' compensation from time to time and the AUD/USD exchange rate.

Item 10.3 – Directors' Recommendation

The Board unanimously (other than Mr Williams) recommends that Shareholders vote in favour of this resolution.

Item 10.4 – Illustrative example – Issue of Shares to Mr Amit Patel

For FY21, Mr Patel's gross annual NED fee is US\$67,500. Accordingly, as an illustrative example, assuming:

- a Market Value of A\$0.07;
- an AUD/USD exchange rate of 0.72,

a total of 1,339,285 Shares would be issued to Mr Patel in respect of the FY20 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.13%.

A greater or lower number of Shares may be issued under the NED Share Plan to Mr Patel in respect of the FY21 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan, the level of Mr Patel's compensation from time to time and the AUD/USD exchange rate.

Item 10.4 – Directors' Recommendation

The Board unanimously (other than Mr Patel) recommends that Shareholders vote in favour of this resolution.

Item 10.5 – Illustrative example – Issue of Shares to Dr Robert Graham

For FY21, Dr Graham's gross annual NED fee is A\$67,500. Accordingly, as an illustrative example, assuming a Market Value of A\$0.07, a total of 964,285 Shares would be issued to Dr Graham in respect of the FY20 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.09%.

A greater or lower number of Shares may be issued under the NED Share Plan to Dr Graham in respect of the FY21 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan and the level of Dr Graham's compensation from time to time.

Item 10.5 – Directors' Recommendation

The Board unanimously (other than Dr Graham) recommends that Shareholders vote in favour of this resolution.

Item 10.6 – Illustrative example – Issue of Shares to Mr David Anderson

For FY21, Mr Anderson's gross annual pro-rata NED fee is US\$67,500. Accordingly, as an illustrative example, assuming:

- a Market Value of A\$0.07;
- an AUD/USD exchange rate of 0.72,

a total of 1,339,285 Shares would be issued to Mr Anderson in respect of the FY20 Participation Period. Based on the current issued share capital of the Company, this would dilute Shareholders by 0.13%.

A greater or lower number of Shares may be issued under the NED Share Plan to Mr Anderson in respect of the FY21 Participation Period and Subsequent Participation Periods depending on factors such as the share price when Shares are issued to NEDs under the NED Share Plan and the level of Mr Anderson's compensation from time to time.

For personal use only

issued to NEDs under the NED Share Plan, the level of Mr Anderson's compensation from time to time and the AUD/USD exchange rate.

Item 10.6 – Directors' Recommendation

The Board unanimously (other than Mr Anderson) recommends that Shareholders vote in favour of this resolution.

Chair's Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of the resolutions in Items 2, 3, 4, 5, 6, 7, 8, 9 and 10.1 – 10.6.

GLOSSARY

10% Placement Capacity has the meaning given in Item 6 of the Notice.

2019 AGM means the annual general meeting of the Company being held on 12 November 2019.

A\$ or \$ means Australian dollars.

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, Australia.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASX means ASX Limited ACN 008 624 691.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (3rd edition).

Board means the current board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means ImpediMed.

Constitution means the Company's constitution.

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

Determination means *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*.

Directors means the current directors of the Company.

EIP means the Employee Incentive Plan adopted by the Board on 2 October 2014 and approved by Shareholders at the 2017 AGM (and includes the US Sub-Plan).

Eligible Entity means an entity that at the date of the Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300,000,000.

Entitlement Time means 7.00pm (AEDT) on Monday 26 October 2020.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Executive Share Plan means the Executive Share Plan adopted by the Board on 1 October 2019, as amended.

Explanatory Notes means the Explanatory Notes accompanying and forming part of the Notice.

FY20 means the financial year ended 30 June 2020.

FY21 means the financial year ended 30 June 2021.

Group means the Company and subsidiaries of the Company.

ImpediMed means ImpediMed Limited (ACN 089 705 144) (ASX code: IPD).

Incentive means a Share, an Option or a Performance Right.

Items means the resolutions set out in the Notice, or any one of them, as the context requires.

Key Management Personnel (or **KMP**) has the meaning as defined in section 9 of the Corporations Act.

Listing Rules means the Listing Rules of the ASX.

NED Share Plan means the Non-Executive Share Plan approved by the Board on 1 October 2019, as amended.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the Explanatory Notes accompanying the Notice and the Proxy Form.

Option means an option to acquire a Share under the EIP or other employee incentive plan, as the context requires.

Performance Right means a performance right to acquire a Share under the EIP.

Proxy Deadline means 9.00am (AEDT) on Monday, 26 October 2020.

Proxy Form means the proxy form accompanying the Notice.

Related Body Corporate has the meaning set out in section 50 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2020.

Right means a performance right to acquire a Share under the EIP.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

US\$ means United States of America dollars.

US Sub-Plan means the United States sub-plan of the EIP.

APPENDIX 1

SUMMARY OF THE TERMS OF THE EMPLOYEE INCENTIVE PLAN

Plan overview	The Board may, in its absolute discretion, offer to issue Incentives as part of its long-term incentive strategy to an Eligible Employee under the EIP, and such offer may be accepted by the Eligible Employee.
Eligible Employees and Participants	Any permanent full time or part time employee of the Group is eligible to participate in the EIP and to be offered Incentives if he or she satisfies the criteria or other performance conditions that the Board determines from time to time. Once an Eligible Employee accepts an offer they will become a Participant.
Plan limit	The Company must not issue Incentives if the maximum number of Shares issued or which may be issued under the EIP (including any sub-plan) on exercise or vesting of Incentives would exceed 10% of the Company's total issued share capital at the time of the proposed issue
Vesting condition	The Board will determine whether any performance hurdles or other conditions (including as to time) will be required to be met (Vesting Conditions) before the Incentives which have been issued under the Plan can vest. Performance Rights will automatically vest on the business day after the relevant Vesting Conditions have all been satisfied, at which time the Company must issue Shares.
Issue price	Unless otherwise determined by the Board, Incentives will be issued for nil consideration under the EIP on the basis that they represent valid consideration for the Eligible Employee's performance as an employee.
Exercise price	The exercise price for Incentives is as determined by the Board at the time of issue. An Option will generally have a cash exercise price of greater than nil and a Performance Right will have an exercise price of nil.
Exercise period	The terms for exercise, including the exercise period, are stated in the offer letter. Any vested Incentives must not be exercised during a closed period prescribed in the Company's Trading Policy.
Lapse	Once on issue, Incentives will lapse on the first to occur of: <ul style="list-style-type: none"> • the stated expiry date; • a Participant failing to meet the stated vesting conditions within the prescribed period; • a Participant ceasing to be employed by the Group due to resignation or retirement: <ul style="list-style-type: none"> • for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and • for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); • a Participant ceasing to be employed by the Group due to redundancy, or the Participant's death, permanent illness or permanent physical or mental incapacity: <ul style="list-style-type: none"> • for vested Options, six months after the date of cessation of employment (or such longer period as the Board determines); and • for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); • a Participant ceasing to be employed by the Group for any other reason: <ul style="list-style-type: none"> • for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and

For personal use only

	<ul style="list-style-type: none"> for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines); and a determination by the Board that causes the Incentive to be forfeited (e.g. fraud by the Participant).
Rights and restrictions of Incentives	<ul style="list-style-type: none"> Incentives are not entitled to receive a dividend. Any Shares issued upon vesting of Incentives are only entitled to dividends if they are issued on or before the relevant dividend entitlement date. Shares issued under the EIP rank equally in all respects with other Shares on issue. In the event of a reconstruction of the Company (consolidation, subdivision, reduction, cancellation or return), the terms of any outstanding Incentives will be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of reconstruction. Any bonus issue of securities by way of capitalisation of profits or share capital account, will confer on each Incentive the right: <ul style="list-style-type: none"> to receive on exercise or vesting of those Incentives, not only an allotment of one Share for each of the Incentives exercised or vested but also an allotment of the additional Shares and/or other securities the Participant would have received had the Participant participated in that bonus issue as a holder of Shares of a number equal to the Shares that would have been allotted to the Participant had they exercised those Incentives or the Incentives had vested immediately before the date of the bonus issue; and to have profits, reserves or share premium account, as the case may be, applied in paying up in full those additional Shares and/or other securities; Subject to a reconstruction or bonus issue, Incentives do not carry the right to participate in any new issue of securities including pro-rata issues. The Participant must comply with the Company's Trading Policy and the Constitution in respect of any Shares that may be issued under the EIP. Subject to law, any restriction in a Participant's offer letter and the Company's Trading Policy, there will be no other restrictions on the sale, transfer or disposal of Shares once issued. Incentives will not be quoted on ASX. The Company will apply for quotation of any Shares issued under the EIP.
Assignability	A Participant cannot sell, assign, transfer or otherwise dispose of an Incentive except to his or her Associate.
Administration	The EIP is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation.
Change of control	<p>If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may declare an Incentive to be free of any Vesting Conditions. Incentives which are so declared may, subject to any other rule, be exercised at any time on or before the relevant expiry date and in any number.</p> <p>Change of Control means where:</p> <ul style="list-style-type: none"> a takeover bid is made and a person obtains voting power (as that term is defined in the Corporations Act) of more than 50% and the takeover bid has become unconditional; a court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company); or any other transaction which the Board determines will result in a change in control of the Company.

For personal use only

Amendments	<p>Subject to the ASX Listing Rules, the Board may amend the EIP at any time, but may not do so in a way which reduces the rights of Participant's existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.</p> <p>The Board may also formulate (and subsequently amend) various sets of special terms to apply to persons employed, resident in or who are citizens of countries other than Australia. Each set of special terms is 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.</p> <p>The Company has established the US Sub-Plan for Participants who are residents or citizens of the United States.</p>
Termination and suspension	<p>The EIP may be terminated or suspended at any time by resolution of the Board but any such suspension or termination will not affect nor prejudice rights of any Participant holding Incentives at that time.</p>

SUMMARY OF THE TERMS OF THE US SUB-PLAN

Administration	<p>The US Sub-Plan may be administered by the Board or a committee of the Board, which has the discretion to offer awards to any consultant, employee or executive or non-executive director of the Group.</p> <p>The US Sub-Plan is effective for a period of ten years from the date of its adoption by the Board (2 October 2014) (unless terminated earlier by the Board).</p> <p>The Board may amend or terminate the US Sub-Plan at any time and for any reason, subject to obtaining Shareholder approval (if required by applicable laws). Any amendment or termination does not affect any awards previously granted under the US Sub-Plan.</p>
Plan limit	<p>The maximum number of Shares which may be issued under the US Sub-Plan must not exceed 10% of the Company's total issued share capital from time to time, provided that in no case shall more than 100 million Shares be issued under the US Sub-Plan. The maximum aggregate number of Shares that may be issued under the US Sub-Plan pursuant to the exercise of ISOs also must not exceed 100,000,000 Shares.</p> <p>The limit on Shares issued under the US Sub-Plan (including pursuant to the exercise of ISOs) was previously 35 million Shares but this was increased by the Board in August 2020 to provide US employees access to beneficial tax treatment. The overall plan limit of the EIP remains unchanged. The increase in the plan limit of the US Sub-Plan represents a re-allocation from the EIP.</p> <p>Please note that the limit on Shares issued under the EIP is inclusive of the Shares issued under the US Sub-Plan. Accordingly, the Board will not issue Incentives under the US Sub-Plan which, once exercised or vested, would result in Shares being issued under the EIP and the US Sub-Plan which <u>together</u> would comprise more than 10% of the Company's issued capital at the issue date (subject also to the 100 million Share limit under the US Sub-Plan).</p>
Options	<p>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 determination of "fair market value" under the US Sub-Plan shall in all cases be determined by the Board and in accordance with the EIP.</p> <p>An Incentive must be granted within ten years after 2 October 2014, being the date of adoption of the US Sub-Plan by the Board.</p>
US Internal Revenue Code section 422	<p>An Option issued under the US Sub-Plan may be intended to constitute an ISO within the meaning of Section 422 of the USA Internal Revenue Code of 1986 as amended (Code). An ISO may not be exercised after ten years of its date of grant.</p> <p>The US Sub-Plan is intended to contain the necessary plan documentation for shareholder approval to allow Options to be issued as ISOs.</p>
Taxes	<p>Participants must make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations.</p>

For personal use only

impedimed®

	Each Option under the US Sub-Plan is intended to be exempt from the requirements of Code Section 409A and shall be interpreted and administered in a manner consistent with such intention.
General	The Company's obligation to issue securities under the US Sub-Plan is subject to any restrictions in the Corporations Act or the ASX Listing Rules.

For personal use only

APPENDIX 2

SUMMARY OF THE TERMS OF THE EXECUTIVE SHARE PLAN

Purpose	<p>The Company has established the Executive Share Plan to:</p> <ul style="list-style-type: none"> align the financial interests of Executives with those of the Shareholders; facilitate the acquisition of Shares by the Executives; and preserve cash reserves by remunerating the Executives with Shares in lieu of cash.
Duration	<p>Initial participation period of 1 July 2020 to 30 June 2021 (inclusive) (FY21 Participation Period), but may be extended by the Board for subsequent financial years (Subsequent Participation Periods).</p>
Participation	<p>The Board may determine the executives (being a Vice President and/or a member of the senior executive team) (Executives) who are eligible to participate in the Executive Share Plan from time to time.</p> <p>Each Executive who is eligible to participate in the Executive Share Plan may elect to participate in respect of up to:</p> <ul style="list-style-type: none"> 20% of his or her gross salary (excluding all compulsory superannuation amounts); and 20% of his or her STI amount (excluding all compulsory superannuation amounts), <p>for each Participation Period.</p>
Allocation of Shares	<p>Shares are issued to Executives quarterly in arrears. The first issue will occur following the Meeting in respect of the first quarter of FY21. For subsequent quarters, Shares will be issued on the first business day following the conclusion of the quarter, unless otherwise resolved by the Board.</p> <p>The number of Shares issued is calculated by dividing the applicable salary for the quarter or STI (after the deduction of applicable taxes) by the market value of the Shares (see below). Fractions are disregarded.</p>
Market Value	<p>Market Value is the volume weighted average market price of Shares (calculated in accordance with the Listing Rules) over the 20 trading day period ending on the business day prior to the applicable issue date.</p> <p>The Market Value will be converted to the same currency as the applicable salary or STI amount of the Executive prior to the calculation of the number of Shares. Such currency conversion will be at the prevailing exchange rate as published by Oanda.com on the business day prior to an issue date.</p>
Source of Shares	<p>New issue only.</p>
Rights attaching to Shares	<p>Shares will rank equally in all respects with other Shares of the Company on issue.</p>
Restrictions on Shares	<p>No transfer or other restrictions to apply to Shares as they are being issued in lieu of salary and STI which has already been earned. Usual restrictions and black-out periods under the Company's securities trading policy will continue to apply.</p>
Cessation of office or employment	<p>On cessation of employment (or upon an Executive providing notice of resignation or retirement) during a quarter, the Board may choose to pay cash or Shares to the Executive for that quarter (or partial quarter).</p>
Plan limit	<p>The Company must not issue more than 20,000,000 Shares under the Executive Share Plan.</p>
Termination of participation	<p>An Executive may elect to terminate his or her participation in the Executive Share Plan at any time.</p>

For personal use only

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:00am (AEDT) on Monday, 26 October 2020**, 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:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

Please note: you cannot change ownership of your shares using this form.

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Items are connected directly or indirectly with the remuneration of KMP.

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; and

(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 Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's Share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X9999999999

PROXY FORM

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

APPOINT A PROXY

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am (AEDT) on Wednesday, 28 October 2020** (the Meeting) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/IPD20> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Items 2, 4, 5, 7, 8, 9 and 10.1 - 10.6: If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Items 2, 4, 5, 7, 8, 9 and 10.1 - 10.6, even though the Items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

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 .

Items

	For	Against	Abstain*		For	Against	Abstain*
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval to issue securities under the Executive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.1 Re-election of Ms Judith Downes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of Shares under the Executive Share Plan to Mr Richard Carreon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Re-election of Dr Robert Graham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.1 Grant of Shares to Mr Scott Ward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3 Election of Mr David Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.2 Grant of Shares to Ms Judith Downes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Performance Rights to Mr Richard Carreon, Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.3 Grant of Shares to Mr Don Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Options to Mr Richard Carreon, Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.4 Grant of Shares to Mr Amit Patel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.5 Grant of Shares to Dr Robert Graham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue securities under the ImpediMed Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.6 Grant of Shares to Mr David Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* 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.

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 PRX2001N

