

18 September 2014 and as amended on 10 November 2021

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ImpediMed Limited

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# Employee Incentive Plan

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# ImpediMed Limited Employee Incentive Plan

Adopted by the Board on 10 November 2021.

## 1 Definitions

In these Rules, these terms have the following meanings:

<b>Acceptance Date</b>	The last date for acceptance of an offer of Incentives, as specified in the relevant Letter of Offer.
<b>ASIC</b>	Australian Securities and Investment Commission.
<b>Associate</b>	The same meaning as in section 318 of the <i>Income Tax Assessment Act 1936</i> (Cth).
<b>ASX</b>	ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.
<b>ASX Listing Rules</b>	The official listing rules of the ASX.
<b>ASX Settlement Operating Rules</b>	The rules of ASX Settlement Pty Limited.
<b>Board</b>	The board of directors of the Company.
<b>Bonus Date</b>	Any date after the date an Incentive is issued and before the Expiry Date, on which entitlements are ascertained for holders of Shares to participate in any bonus issue by way of capitalisation of profits, reserves or share capital account.
<b>Business Day</b>	The meaning given to that term in the ASX Listing Rules.
<b>Change of Control Event</b>	Where: <ul style="list-style-type: none"><li>(a) 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;</li><li>(b) 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</li><li>(c) any other transaction which the Board determines will result in a change in control of the Company.</li></ul>
<b>Company</b>	ImpediMed Limited ABN 65 089 705 144.
<b>Constitution</b>	The constitution of the Company as amended from time to time.
<b>Consultant</b>	A person who is not an Employee and who performs bona fide services to the Company.

<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Current Market Value</b>	The VWAP of the Shares on ASX over the 5 Business Days prior to the date that an Exercise Notice is lodged with the Company by a Participant in accordance with <b>rule 5.2</b> (rounded down to the nearest whole cent).
<b>Deal</b>	To conduct any dealing including to sell, transfer, assign, create a trust, encumber, create an option, swap or alienate all or any part of the rights attached, and includes any attempt to conduct any dealing.
<b>Eligible Person</b>	(a) An Employee; or (b) such other person (including a Consultant or any person's legal personal representative or trustee in bankruptcy) as the Board in its discretion determines to be eligible to participate in the Plan.
<b>Employee</b>	A person (including an executive director) who is in permanent full-time or part-time employment with a Group entity.
<b>Exercise Notice</b>	A notice substantially in the form of the <b>schedule 1</b> .
<b>Exercise Period</b>	The period or periods during which an Incentive may be exercised or vest as determined by the Board and specified in the Letter of Offer.
<b>Exercise Price</b>	The price in Australian dollars determined by the Board as being payable by a Participant to acquire a Share upon exercise of an Option or vesting of a Performance Right and specified in the Letter of Offer.
<b>Expiry Date</b>	The date determined by the Board as the date that the Incentives expire.
<b>Group</b>	The Company and any: <ul style="list-style-type: none"> <li>(a) related body corporate (as that term is defined in the Corporations Act) of the company; and</li> <li>(b) entity designated by the Board, in its discretion, to be an associated body corporate for the purposes of the Plan.</li> </ul>
<b>Incentive</b>	A Share, an Option or a Performance Right.
<b>Letter of Offer</b>	A letter from the Company to an Employee offering to issue Incentives to the Employee under the Plan.
<b>Options</b>	Options to subscribe for Shares issued or acquired under this Plan on the terms set out in the Offer Letter.
<b>Outstanding Incentives</b>	In relation to a Participant, Incentives which remain unvested or unexercised from time to time.
<b>Participant</b>	An Eligible Person to whom Incentives have been granted.

<b>Plan</b>	This Employee Incentive Plan as amended from time to time.
<b>Performance Right</b>	A right to acquire or be issued a Share under this Plan on the terms set out in the Offer Letter for which the Exercise Price is zero.
<b>Relevant Interest</b>	Has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Rights Issue</b>	An offer or invitation by the Company to the holders of Shares (on a pro rata basis) to subscribe for Shares, convertible notes or other securities of the Company (whether by way of renounceable or non-renounceable rights or otherwise) but does not include an offer or invitation in the nature of a dividend.
<b>Rules</b>	These rules as altered or added to from time to time, including any special terms formulated under <b>rule 13.1(b)</b> .
<b>Shareholder</b>	A holder of a Share.
<b>Shares</b>	Fully paid ordinary shares in the capital of the Company.
<b>Takeover Bid</b>	An off-market bid or market bid made under Chapter 6 of the Corporations Act.
<b>Trading Policy</b>	The Company's securities trading policy as amended from time to time.
<b>Vesting Conditions</b>	Any performance hurdles or other conditions (including as to time) that must be satisfied before Incentives vest.

## 2 Purpose of Plan

The purpose of the Plan is to:

- (a) provide a long term incentive for Eligible Persons to work with commitment towards enhancing the value of the Company and the Shares for the benefit of Shareholders; and
- (b) retain and attract Eligible Persons whose contributions are, or may be, beneficial to the growth and development of the Group.

## 3 Incentive entitlement

### 3.1 Offer to Eligible Persons

The Board may, from time to time, in its absolute discretion, offer to issue Incentives to an Eligible Person, in accordance with these Rules.

### **3.2 Information to be provided**

The Board must, at the time an offer of Incentives is made under the Plan, provide the Eligible Person with a Letter of Offer which sets out the following information regarding the Incentives:

- (a) the number of each type of Incentives (including any combination of Incentives) being offered;
- (b) the Exercise Price, or the method of calculation of the Exercise Price (if the Exercise Price is zero, then a statement to that effect);
- (c) any applicable Vesting Conditions;
- (d) the period or periods in which the Incentives can be exercised or vest;
- (e) the Expiry Date (if any);
- (f) any restrictions on Dealing with Shares;
- (g) instructions as to how the offer of Incentives can be accepted; and
- (h) the Acceptance Date.

### **3.3 Price of Incentives**

Unless otherwise determined by the Board, Incentives are to be issued for nil consideration to Eligible Persons under the Plan.

### **3.4 Eligibility**

An Eligible Person is only eligible to participate in the Plan and to be offered Incentives under the Plan if he or she has satisfied the criteria that the Board from time to time determines for participation in the Plan, including the following:

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

### **3.5 Invitation personal**

Unless the Board determines otherwise:

- (a) an offer of Incentives under the Plan is personal to the Eligible Person to whom it is addressed ; and
- (b) an Eligible Person may only accept an offer of Incentives in his or her own name.

### **3.6 Acceptance of offer**

- (a) An Eligible Person who has been offered Incentives under the Plan may accept that offer by delivering to the Company written notice of acceptance of the offer in the form determined by the Board.

- (b) On receipt of acceptance of an offer of Incentives, the Company will grant the Eligible Person the number of Incentives accepted by them and the terms set out in the Letter of Offer will apply to those Incentives.

### **3.7 Consequence of offer of Incentives**

By accepting an offer of Incentives under the Plan, an Eligible Person:

- (a) becomes a Participant; and
- (b) agrees to be bound by:
  - (i) the Rules; and
  - (ii) when Shares are issued to the Eligible Person on exercise or vesting of an Incentive, the Constitution.

### **3.8 Lapse of offer**

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

### **3.9 Quotation of Options**

Options will not be quoted on ASX.

## **4 Vesting of Incentives**

- (a) Subject to these Rules (including **rule 4(d)** and **rule 6.2**) and the terms of the Letter of Offer, Incentives will only vest once the relevant Vesting Conditions have all been satisfied.
- (b) Performance Rights will automatically vest on the Business Day after the relevant Vesting Conditions have all been satisfied and the Company must issue Shares in accordance with **rule 7**.
- (c) If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may declare a Performance Right or a Share to be free of any Vesting Conditions and the Company must issue Shares in accordance with **rule 7**.
- (d) Notwithstanding any other provision of these Rules, the Board may:
  - (i) waive or vary any Vesting Condition; or
  - (ii) determine that any Vesting Condition is satisfied notwithstanding that it may not be.

## **5 Exercise of Options**

### **5.1 Entitlement to Shares**

Unless otherwise determined by the Board, each Option entitles the Participant to subscribe for one Share at the Exercise Price.

### **5.2 Procedure for exercise**

A Participant may at any time during an Exercise Period exercise Outstanding Options (if vested), in whole or in part, by lodging with the Company at its registered office:

- (a) an Exercise Notice signed by the Participant stating the number of Options exercised; and
- (b) subject to **rule 5.3**, the subscription money for the relevant Shares, being the amount in dollars equal to the number of Options exercised multiplied



by the Exercise Price.

### **5.3 Cashless exercise**

If requested by a Participant, the Board may elect (but is not obliged) to apply a cashless exercise procedure in respect of the exercise of any Options. The cashless exercise procedure will operate as follows (unless otherwise determined by the Board):

- (a) the Participant will not be required to pay the Exercise Price for the Options which are exercised;
- (b) the value of the Shares the Participant will receive will be calculated by multiplying the Current Market Value by the number of Shares underlying the relevant Options and deducting the aggregate Exercise Price for those Options; and
- (c) the number of Shares issued to the Participant will be equal to the value calculated in **rule 5.3(b)** divided by the Current Market Value (rounded down to the nearest whole number), and the balance of the Options that the Participant requested to exercise will lapse.

A worked example is set out in **schedule 2**.

### **5.4 Conditions relating to exercise of an Option**

- (a) Subject to these Rules and unless otherwise determined by the Board, an Option may only be exercised during the Exercise Period.
- (b) If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may declare an Option to be free of any Vesting Conditions and Options which are so declared may, subject to **rule 6**, be exercised at any time on or before the relevant Expiry Date and in any number.

### **5.5 Partial exercise**

The exercise of some Options does not affect the Participant's right to exercise other Options at a later time.

## **6 Lapse of Incentives**

### **6.1 Ceasing employment and other circumstances**

Unless otherwise determined by the Board, an Incentive held by a Participant will immediately lapse upon the first to occur of:

- (a) its Expiry Date;
- (b) the Participant failing to meet the Incentive's Vesting Conditions within the prescribed period;
- (c) if the Participant ceases to be employed by the Company or another Group entity due to resignation:
  - (i) for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and
  - (ii) for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines);
- (d) if the Participant ceases to be employed by the Company or another Group entity due to bona fide retirement or retrenchment, or the Participant's death, permanent illness or permanent physical or mental incapacity (as certified by a

medical practitioner who is approved in writing by the Board):

- (i) for vested Options, 12 months after the date of cessation of employment (or such longer period as the Board determines); and
  - (ii) for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines);
- (e) if the Participant ceases to be employed by the Company or another Group entity for any other reason:
- (i) for vested Options, 30 days after the date of cessation of employment (or such longer period as the Board determines); and
  - (ii) for unvested Incentives, the date of cessation of employment (or such longer period as the Board determines);
- (f) a determination by the Board that:
- (i) the Participant has:
    - (A) been dismissed or removed from office as an employee of director of the Company or another Group entity for any reason which entitles the Group entity to dismiss the Participant without notice; or
    - (B) acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company or another Group entity; and
  - (ii) the Incentive is for that reason to be forfeited.

## 6.2 Board discretion

- (a) Notwithstanding **rules 6.1(c) to 6.1(e)** (inclusive), the Board may, subject to compliance with the Corporations Act and the ASX Listing Rules, determine to treat any Incentive in a manner different to the manner set out in those Rules (including without limitation determining that any unvested or vested Incentives do not lapse as a result of, or on the date of, cessation of employment or do not lapse at that time) if the Board reasonably determines that the relevant circumstances warrant such treatment.
- (b) Notwithstanding anything else in this **rule 6**, where a Participant ceases to be employed by the Company or another Group entity and:
- (i) the reason for the cessation is due to the transfer of the Participant's employment to another Group entity or to a joint venture in which a Group entity participates; or
  - (ii) the Participant has had a change of status and provides services to the Company or another Group entity as a consultant,
- then the Participant will be treated, for the purposes of this rule 6, as though their employment did not cease and **rules 6.1(c) to (e)** will not apply, unless the Board determines otherwise.

## 7 Issue of Shares

### 7.1 Issue of Shares

- (a) The Company must:
- (i) allot a Participant the number of Shares which corresponds with the number of:

- (A) Options being exercised under **rule 5**;
  - (B) vested Performance Rights under **rules 4(b)** or **4(c)**; or
  - (C) Shares referred to in a Participant's Letter of Offer;
- (ii) if those Shares are in the same class as shares quoted on ASX, apply for quotation of those Shares on ASX; and
  - (iii) issue a holding statement in accordance with the ASX Settlement Operating Rules or any other relevant market rules, or if applicable, issue a certificate representing those Shares, to the Participant, within 12 Business Days of the date:
    - (iv) the Options are exercised; or
    - (v) the Performance Rights of Shares vest, or such other time period as required by the ASX Listing Rules.
- (b) The Company may satisfy its obligation to allot Shares under this Plan by:
    - (i) issuing new Shares to the Participant; or
    - (ii) procuring that existing Shares be transferred to the Participant.
  - (c) If the issue of Shares under **rule 7.1(b)(i)** would require the Company to prepare a disclosure document (as that term is defined in the Corporations Act), in the absence of appropriate arrangements with the Participant, then the Company may require the Participant (as a pre-condition to the issue of the underlying Shares on exercise of the Options or vesting of Performance Rights) to enter into such arrangements with the Company as the Board considers appropriate to ensure that the issue of such Shares without disclosure does not contravene the fundraising provisions of the Corporations Act.

## 7.2 Sale of Shares

- (a) Subject to any relevant restrictions under a Participant's Letter of Offer and the Trading Policy, there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.

## 7.3 Share ranking

Subject to the provisions of **rule 7.4**, any Shares issued pursuant to any exercise or vesting of the Incentives rank equally in all respects with other Shares of the Company on issue at the date of such issue.

## 7.4 Dividends

Where any Shares are issued during a period in respect of which a dividend is declared, the holder of those Shares is only entitled to receive a dividend where the Incentive pursuant to which such Shares were issued was exercised or vested on or before the relevant dividend entitlement date.

## 8 Reconstructions and future issues

### 8.1 Reconstructions

If at any time or times prior to the exercise by the Participant or vesting of any Outstanding Incentives, there is any reconstruction (including a consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company, the terms of Incentives and the rights of the Participant will be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of the reconstruction.

### 8.2 Bonus issues

On each Bonus Date, each Outstanding Incentives confers on the Participant the right:

- (a) to receive on exercise or vesting of those Outstanding Incentives, not only an allotment of one Share for each of the Outstanding 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 the Participant exercised those Outstanding Incentives or the Outstanding Incentives had vested immediately before that Bonus Date; and
- (b) 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.

### 8.3 Rights issue

- (a) If, during the currency of any Incentives and at any time or times prior to the exercise by the Participant or vesting of any Outstanding Incentives, the Company conducts a Rights Issue, the Exercise Price of the Outstanding Incentives will be adjusted in accordance with the formula for adjustment set out in the ASX Listing Rules as at the date the Incentives were issued.
- (b) If an adjustment is made to the Exercise Price pursuant to this **rule 8.3**, the directors of the Company will notify each Participant of the adjustment within one month after the record date for the Rights Issue.

### 8.4 New issues

Subject to **rules 8.1** and **8.2**, Outstanding Incentives do not carry the right to participate in any new issues of securities by the Company, including pro rata issues.

## 9 Limit to Plan

### 9.1 Limit on Incentives to be issued under the Plan

The Company must not issue Incentives if the maximum number of Shares issued or which may be issued under this Plan, including any sub-plan established under **rule 13.1(b)**, exceeds 10% of the total issued share capital of the Company at the time of the proposed issue.

### 9.2 Refusal to permit exercise or vesting

The Board must refuse to permit the exercise of an Incentive by a Participant or vesting of an Incentive if the exercise or vesting of the Incentive would breach **rule 9.1**.

## 10 Compliance with law and orders

### 10.1 Overriding restrictions on exercise and vesting

This Plan and all Letters of Offer are subject to:

- (a) the Corporations Act;
- (b) the ASX Listing Rules;
- (c) (if relevant) any conditions set out in any ASIC exemption or modification in relation to the Plan; and
- (d) any other applicable law, including of any jurisdiction outside Australia.

### 10.2 Trading Policy

A Participant must comply with any Trading Policy at all times.

## 11 Commencement, suspension and termination of the Plan

### 11.2 Commencement

The Plan will be valid and effective from the date of the resolution by the Board adopting the Plan or at such later date as may be specified by the Board in that resolution.

### 11.3 Suspension

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

### 11.4 Termination

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

### 11.5 Continuing operation

The suspension or termination of the Plan will not prejudice the existing rights of Participants. The Board will continue to administer the Plan during the period of any suspension and after the Plan has been terminated until all Incentives have been exercised, vested or have lapsed.

## 12 Administration of the Plan

### 12.1 Administration

- (a) The Plan will be administered by the Board in accordance with these Rules.
- (b) The Board may:
  - (i) delegate to any person (including a committee of the Board) for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;
  - (ii) decide on appropriate procedures for administering the Plan, including the form of application and other forms and notices to be issued under the Plan;
  - (iii) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or

- other conditions relating to any Incentives issued under the Plan;
- (iv) engage specialist service providers for the operation and maintenance of the Plan;
- (v) ensure a complete register of Participants is maintained to facilitate efficient management and administration of the Plan and to comply with regulatory reporting requirements; and
- (vi) waive any breach of a provision of the Plan.

## **12.2 Board's discretion**

Subject to **rule 13** the Board may:

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

## **12.3 Board's decision final**

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

# **13 Amendment**

## **13.1 Power of the Board**

Subject to the ASX Listing Rules (including any waiver granted under the ASX Listing Rules) and **rule 13.2**, the Board (without the necessity of obtaining the prior or subsequent consent of the Participants or members of the Company in general meeting) may from time to time by resolution:

- (a) amend, revoke, add to or vary all or any of the provisions of these Rules or the terms and conditions of an offer of Incentives under the Plan, including the Vesting Conditions; and
- (b) formulate (and subsequently amend) various sets of special terms, in addition to those set out in these Rules, to apply to persons employed, resident in or who are citizens of countries other than Australia. Each set of special terms are to be restricted in their application to those persons employed, resident in or who are citizens of the foreign country or countries specified by the Board, and may be revoked, added to or varied under **rule 13.1(a)** and **rule 13.2**.

## **13.2 Limitation on amendment**

- (a) The Board must not, without the consent of the relevant Participant(s), amend the terms of any Incentive granted under the Plan or the Rules in a way which reduces the rights of the Participant in respect of the Incentive, other than an amendment primarily:
  - (i) for the purpose of complying with or conforming to present or future legislation applicable to the Company or the Plan or a requirement, policy or practice of ASIC or other regulatory body governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (iii) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse tax rulings from the Commissioner of Taxation, changes to tax legislation (including an official

announcement by the Commonwealth of Australia) or changes in the interpretation of tax legislation by a court of competent jurisdiction; or

(iv) to enable any body corporate in the Group to comply with the Corporations Act, the ASX Listing Rules or any other relevant market rules.

(b) No amendment may be made to these Rules or to the terms of any Incentive except in accordance with and in the manner (if any) stipulated in the ASX Listing Rules.

### **13.3 Retrospective effect**

Subject to **rule 13.1**, any amendment made pursuant to **rule 13** may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

### **13.4 Notice of amendment**

As soon as reasonably practicable after making any amendment under **rule 13.1**, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

## **14 Rights not waived**

### **14.1 Terms of employment not affected**

Nothing in these Rules:

- (a) affects the rights and obligations of a Participant under the terms of his or her office, employment or contract with a Group entity;
- (b) forms part of, or is incorporated into, any contract of a Participant (whether or not they are an employee of a Group entity);
- (c) confers on any Participant the right to continue as an employee of any Group entity;
- (d) confers on any employee of a Group entity the right to participate under the Plan; or
- (e) affects any rights which the Company or another Group entity may have to terminate the employment of a Participant, or to remove a Participant as a director of the Company or another Group entity.

### **14.2 No right to compensation**

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

## **15 Calculations**

### **15.1 Adjustments**

Any calculations or adjustments which are required to be made for the purpose of these Incentives will be made by the auditors of the Company for the time being and will, in the absence of manifest error, be final and conclusive and binding on the

Participant.

## **15.2 Notice of adjustments**

The Company must notify each Participant of any adjustments made to the Exercise Price or the number of Outstanding Incentives within ten Business Days of the date of the adjustment. A reference to an adjustment to the Exercise Price of the Outstanding Incentives does not include variations in the Exercise Price due to fluctuation of the prices for sales of the Shares on ASX.

## **16 Entire understanding**

- (a) These Rules and the relevant Letter of Offer embody the entire understanding between the parties in relation to the terms of the Incentives issued to Eligible Persons under the Plan.
- (b) All previous negotiations, representations or agreements in respect of Incentives to be issued under the Plan are superseded by the relevant Letter of Offer and these Rules. No party is liable to any other party in respect of those matters.
- (a) No oral explanation or information provided by any party to another affects the meaning or interpretation of these Rules.

## **17 Notice**

Any notice regarding the Incentives will be either sent to the Participant's last known address by email or handed to the Participant.

## **18 Governing law**

The Incentives are governed by and will be construed in accordance with the laws of Queensland.

## **19 Duties and taxes**

The Company is not responsible for any duties or taxes which may become payable in connection with the issue of Shares pursuant to an exercise of the Incentives, vesting of the Incentives or any other dealing with the Incentives or Shares.

## **20 No assignment of Incentives**

An Incentive is personal to the Participant to whom it was granted, and the Participant may not sell, assign, transfer or otherwise dispose of, or make a declaration of trust in respect of, an Incentive except to an Associate of that Participant. This does not prevent the exercise of the Incentive by the estate of a deceased Participant.

## **21 General**

### **21.1 Construction**

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a rule to the disadvantage of a party



merely because that party put forward the rule or would otherwise benefit from it;

- (f) a reference to:
  - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes the person's legal personal representatives, successors, permitted assigns and persons substituted by permitted novation;
  - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (v) a right includes a benefit, remedy, discretion or power;
  - (vi) time is to local time in Brisbane, Australia;
  - (vii) "\$" or "dollars" is a reference to Australian currency;
  - (viii) this or any other document includes the document as novated, varied or replaced by agreement between the parties and despite any change in the identity of the parties;
  - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
  - (x) this document includes all schedules and annexures to it;
  - (xi) a rule, schedule or annexure is a reference to a rule, schedule or annexure, as the case may be, of this document; and
  - (xii) a provision of these rules is a reference to that provision as altered or added to from time to time.
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

## **21.2 Headings**

Headings do not affect the interpretation of this document.

## **21.3 Rules**

The terms of Incentives issued to Participants under the Plan are governed by these Rules. To the extent that any provision in these Rules is inconsistent with any provision in the Constitution, the provisions in these Rules prevail to the extent of the inconsistency.

## **21.4 Transitional Provision**

For the avoidance of doubt, the amendments to these Rules made by resolution of the Board with effect on 11 November 2021 (and confirmed by Shareholders on 10 November 2021) only have effect in relation to Incentives granted after the date of effect of those amendments.

# Schedule 1

## Exercise Notice

**impedimed<sup>®</sup>**

**ImpediMed Limited**

ABN 65 089 705 144

Name of Participant: \_\_\_\_\_

Classification of Participant: \_\_\_\_\_ Employee \_\_\_\_\_ Non-Employee (Consultant)

Awards to be exercised:

Date of Grant	No. of Awards to Exercise	Grant Price

I,.....being the registered holder of the Awards specified above, elect to exercise the Awards as specified above in accordance with **rule 5** of the Employee Incentive Plan. Attached to this form should be the relevant completed Company Delivery Method of payment. If you are exercising more Awards than available in the area above, please complete an additional form.

Name and address of the Shareholder to be entered into the Share register in respect of Shares issued:

.....  
 .....  
 .....

Name and address to which a holding statement for the Shares should be sent:

.....  
 .....  
 .....

In exercising the Awards, I agree to be bound by the provisions of the Constitution of ImpediMed Limited.

.....

Signed by the Participant

Date: .....

## Schedule 2

### Worked example of cashless exercise procedure

The example below has been provided to demonstrate the cashless exercise procedure described in **rule 5.3**.

- There are 500,000 vested Options to be exercised.
- The Exercise Price is \$0.25 per Option.
- The Current Market Value of a Share is \$0.40. (The Current Market Value is the VWAP of the Shares on ASX over the 5 Business Days prior to the date that an Exercise Notice is lodged with the Company by a Participant in accordance with **rule 5.2**).

The cashless exercise procedure works as follows:

Number of Options x Exercise Price = X	$500,000 \times \$0.25 = \$125,000$
Number of Options x Current Market Value = Y	$500,000 \times \$0.40 = \$200,000$
$Y - X = Z$	$\$200,000 - \$125,000 = \$75,000$
Z / Current Market Value = the number of Shares issued to the Participant without paying any cash	$\$75,000 / \$0.40 = 187,500$

The difference in how the cashless exercise procedure operates in comparison to a tradition exercise is shown in the table below.

	<b>Traditional exercise</b>	<b>Cashless exercise procedure</b>
<b>Total Exercise Price</b>	\$125,000 (i.e. 500,000 x \$0.25)	Nil
<b>Shares received on Exercise</b>	500,000	187,500
<b>Value of Shares</b>	\$200,000 (i.e. 500,000 x \$0.40)	\$75,000 (i.e. 187,500 x \$0.40)
<b>Net benefit</b>	\$75,000 (i.e. \$200,000 – \$125,000, being the Value of Shares less the Total Exercise Price)	\$75,000