



Notice of General Meeting

**Wednesday, 25 January 2023
10.00am AEDT**

**ImpediMed Limited
ACN 089 705 144**

Participation in the General Meeting

A General Meeting of ImpediMed Limited (**ImpediMed** or **Company**) will be held on Wednesday, 25 January 2023 commencing at 10.00am (AEDT) as an audio webcast.

Shareholders can participate in the General Meeting in the following ways:

Before the General Meeting

Notice of Meeting

Access online at www.impedimed.com/about/investors/corporate-governance.

Request a hard copy of the Notice of Meeting by phone +61 1300 554 474 or email registrars@linkmarketservices.com.au

Vote or appoint proxy

Return the hard copy Voting Form or vote online at <https://investorcentre.linkgroup.com>

To be valid, your Direct Vote or proxy appointment must be received by **10.00am AEDT on Monday 23 January 2023**

Ask a question

Submit questions online or <https://investorcentre.linkgroup.com> by **5.00pm on Friday 20 January 2023**

At the General Meeting

Join online

- Enter <https://meetings.linkgroup.com/IPD23> into a web browser
- Enter your name, phone number, email and company name (if applicable) and select 'Continue' to register
- If you are a shareholder, enter your SRN/HIN and postcode
- If you are a proxy, enter the code that Link will email to you the day before the General Meeting

Vote online

Only Shareholders, proxyholders, body corporate representatives or attorneys can vote.

- Once you have registered via the portal, your voting card will appear on your screen
- Voting will open at the start of the General Meeting
- Select 'Get a Voting Card' to vote

Ask a question or make a comment online

Only Shareholders, proxyholders, body corporate representatives or attorneys can ask questions or make comments.

- Click on the 'Ask a Question' box at the top or the bottom of the webpage
- Select the Resolution to which your question relates from the 'Regarding' menu and type your question or comment
- Questions will be read aloud to the General Meeting

Attend and ask questions or make comments by telephone

If you wish to ask a question or make a comment orally rather than via the online platform, you can participate in the General Meeting via telephone. Only Shareholders, proxyholders, body corporate representatives or attorneys can listen to the General Meeting and ask questions or make a comment. Further, it will not be possible to vote by telephone. To utilise the telephone option please call Link on +61 1800 990 363 by **10.00am AEDT on Monday, 23 January 2023** to register your participation and obtain the required access code.

Once registered, you will then be able to ask a question at the Meeting by:

- Pressing *1 on your keypad
- When it is time to ask your question, the moderator will introduce you to the Meeting, your line will be unmuted and you can then start speaking
- Your line will be muted once your question is answered

Please refer to the Virtual Meeting Online Guide at www.impedimed.com/about/investors/corporate-governance for further details about attending via the online portal. If you need assistance, please call +61 1800 990 363.

If you would like to receive a printed copy of this Notice or any future Notices, please contact the Share Registry on +61 1300 554 474.

Notice of General Meeting

Notice is hereby given that a General Meeting of Shareholders of ImpediMed Limited (**Company** or **ImpediMed**) will be held on Wednesday, 25 January 2023 at 10.00am (AEDT) via an audio webcast (**Meeting**).

The Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Voting Procedures and the Voting Form comprise part of this Notice.

Items of business

Resolution 1: Grant of Performance Rights to Mr Richard Valencia, Chief Executive Officer and Managing Director, 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 10.14, Part 2D.2 of the Corporations Act (including Sections 200B and 200E) and for all other purposes, approval is given to the grant and issue of 20,000,000 Performance Rights to Mr Richard Valencia, the Chief Executive Officer and Managing Director of the Company, and the subsequent 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 Memorandum.”

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

Resolution 2: Grant of Options to Mr Richard Valencia, Chief Executive Officer and Managing Director, 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 10.14, Part 2D.2 of the Corporations Act (including Sections 200B and 200E) and for all other purposes, approval is given to the grant and issue of 10,000,000 Options to Mr Richard Valencia, the Chief Executive Officer and Managing Director of the Company, and the subsequent issue of Shares on the vesting of those Options, under the ImpediMed Employee Incentive Plan and on the terms and conditions set out in the Explanatory Memorandum.”

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

Resolution 3: Approval of termination benefits

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

“That for the purposes of Part 2D.2 of the Corporations Act (including sections 200B and 200E), Listing Rule 10.19 and for all other purposes, approval is given to the provision of benefits to Mr Richard Valencia, the Chief Executive Officer and Managing Director of the Company, in connection with Mr Valencia ceasing to hold a managerial or executive office with the Company or a Related Body Corporate, on the terms and conditions set out in the Explanatory Memorandum.”

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

Resolution 4: Grant of Shares under the Executive Share Plan to Mr Richard Valencia, 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 Listing Rule 10.14, Part 2D.2 of the Corporations Act (including Sections 200B and 200E) and for all other purposes, approval is given for the issue of Shares to Mr Richard Valencia under the ImpediMed Executive Share Plan and on the terms and conditions set out in the Explanatory Memorandum.”

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

Voting Procedures

All resolutions will be by poll

In accordance with clause 10.9 of the Company's Constitution (**Constitution**) 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. The Chair considers voting by poll to be in the interests of Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

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, 23 January 2023 (**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.

How to vote – before the General Meeting

Direct vote – using the Voting Form

In accordance with clause 12.3 of the Constitution, Shareholders are able to vote directly on resolutions considered at the Meeting **at any time between the date of this Notice of Meeting and 10.00am (AEDT) on Monday, 23 January 2023** by returning the hard copy Voting Form or by voting online (further details below).

If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

The ImpediMed Direct Voting Regulations governing direct voting are available on the ImpediMed website at <https://www.impedimed.com/about/investors/corporate-governance/>. By submitting a direct vote, you agree to be bound by the ImpediMed Direct Voting Regulations.

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. 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 all Resolutions (see the Explanatory Memorandum):

- If a Shareholder has not directed their proxy how to vote on the Resolutions, 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 a Resolution, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting.

Submitting your Voting Form

To be valid, a Voting Form must be received by the Company in the manner set out in this Notice.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast in person, is conclusive and the Company reserves the right to declare invalid any Voting Form not received in this manner.

For your proxy or direct vote prior to the General Meeting to be effective, your completed, signed and lodged Voting Form (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) must be received by the Company's Share Registry, Link Market Services, no later than 10.00am (AEDT) on Monday, 23 January 2023 (**Proxy Deadline**). After this time, you will still be able to lodge your vote during the General Meeting by using the online platform.

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

- Online:** Via the Company's Share Registry at <https://investorcentre.linkgroup.com>. You will need your Securityholder Reference Number (**SRN**) or Holding Identification Number (**HIN**) and postcode for your shareholding.
- Mobile device:** Using a mobile device by scanning the QR code on the back of the Voting Form. 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 Level 12, 680 George Street, Sydney NSW 2000.

Voting 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.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. A 'Certificate of Appointment of a Corporate Representative' form can be obtained from ImpediMed's share registry or online at <https://investorcentre.linkgroup.com> (under Resources then Forms).

How to vote – during the General Meeting

Using the Online Platform

Shareholders can vote directly using the online platform (<https://meetings.linkgroup.com/IPD23> at any time between the commencement of the General Meeting (10.00am AEDT on Wednesday 25 January 2023) and the closure of voting as announced by the Chair during the General Meeting.

Shareholders will be able to cast their vote using the electronic voting card received after clicking the 'Get a Voting Card' button. If you have more than one shareholding, continue to click on 'Get a Voting Card' to receive cards for each of your holdings. Shareholders can then choose to vote at any time during the Meeting. A change can be made to your vote at any time while voting remains open. Once you submit your voting card, you will be unable to change it. Any cards not submitted by the close of voting will be automatically submitted.

More information about how to use the online platform, including how to vote and ask questions online during the General Meeting, is available in the Virtual Meeting Online 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, we recommend that you check to ensure the online platform works on your device before the General Meeting.

Proxy Voting by the Chair

For all Resolutions 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, the Shareholder is expressly authorising the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**).

The Chair intends to vote all undirected proxies in favour of all the Resolutions in the Notice of Meeting.

Questions and Comments from Shareholders

Before the General Meeting

Shareholders can submit questions in advance of the General Meeting via the Share Registry website at <https://investorcentre.linkgroup.com>.

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm on Friday, 19 January 2023.

Questions will be collated and the Chair will seek to address as many of the more frequently raised topics as possible during the General Meeting. Please note that individual responses will not be sent to Shareholders.

During the General Meeting

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to ask questions or make comments during the Meeting.

BY ORDER OF THE BOARD



Leanne Ralph
Company Secretary
21 December 2022

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in relation to the business to be conducted at the General Meeting to be held at 10.00am AEDT on Wednesday, 25 January 2023.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote on the Resolutions.

Subject to the abstentions noted below in respect of each resolution, the Board recommends that Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

Resolutions 1 and 2 – Grant of performance rights and options to Mr Richard Valencia, Chief Executive Officer and Managing Director

Background

Resolutions 1 and 2 seek Shareholder approval for the initial grant of 20,000,000 Performance Rights and 10,000,000 Options, respectively, to Mr Valencia under the ImpediMed Employee Incentive Plan (EIP) as a long-term incentive (LTI). The Performance Rights and Options are collectively referred to in this section of the Explanatory Memorandum as **Incentives**.

Description of Incentives

Performance Rights

(i) Overview

The Performance Rights will be eligible to vest in five tranches of 4 million shares each and will have performance hurdles based on absolute total shareholder return (TSR) and subject to continued employment with ImpediMed on the relevant vesting date(s).

The Performance Rights will have cumulative absolute TSR thresholds of 80%, 80%, 50%, 50% and 50% in years 1 through 5, respectively. In the event that cumulative absolute TSR is not achieved in any given year, Mr. Valencia will have the opportunity for the Performance Rights to vest in future periods if thresholds are achieved subsequently, or in respect of a particular year, if the annual TSR threshold is achieved. Any unvested Performance Rights at the year 5 anniversary will be forfeited.

If vested, one fully paid ordinary share in the capital of ImpediMed will be allocated to Mr Valencia for each Performance Right, at no cost, subject to plan rules and to satisfying all applicable tax withholding payment obligations.

(ii) Vesting details

The vesting of the Performance Rights is set out in detail below. The capitalised terms which are not defined have the meaning given in the Definitions section which follows.

- Year 1 – 4,000,000 Performance Rights (**Year 1 PRs**) will vest if the Cumulative Absolute TSR as of the 1-year anniversary of the First Baseline Date of $(BP \times 80\%) + BP$ (see Table 1 Year 1 below) is met or exceeded.

If unmet, the Year 1 PRs will remain outstanding and subject to vesting at subsequent anniversary dates under the Cumulative Absolute TSR calculation.

- Year 2 – 4,000,000 Performance Rights (**Year 2 PRs**) will vest if the Cumulative Absolute TSR as of the 2-year anniversary of the First Baseline Date of $(Year\ 1\ TP \times 80\%) + Year\ 1\ TP$ (see Table 1 Year 2 below) (**Year 2 Cumulative Absolute TSR**) is met or exceeded. If the prior year PRs remain unvested and the Year 2 Cumulative Absolute TSR of is met or exceeded, the prior unvested PRs will vest.

If the Year 2 Cumulative Absolute TSR is unmet, the Year 2 PRs may vest under the Annual Absolute TSR criteria. Year 2 PRs will vest under the Annual Absolute TSR criteria if the Annual Absolute TSR, as of the 2-year anniversary date of (BP x 80%) + BP (see Table 2 Year 2 below), is met or exceeded.

If unmet, the Year 2 PRs will remain outstanding and subject to vesting at subsequent anniversary dates under the Cumulative Absolute TSR calculation.

- Year 3 – 4,000,000 Performance Rights (**Year 3 PRs**) will vest if the Cumulative Absolute TSR as of the 3-year anniversary of the First Baseline Date of (Year 2 TP x 50%) + Year 2 TP (see Table 1 Year 3 below) (**Year 3 Cumulative Absolute TSR**) is met or exceeded. If any prior year PRs remain unvested and the Year 3 Cumulative Absolute TSR is met or exceeded, all prior unvested PRs will vest.

If the Year 3 Cumulative Absolute TSR is unmet, the Year 3 PRs may vest under the Annual Absolute TSR criteria. Year 3 PRs will vest under the Annual Absolute TSR criteria if the Annual Absolute TSR, as of the 3-year anniversary date of (BP x 50%) + BP (see Table 2 Year 3 below), is met or exceeded.

If unmet, the Year 3 PRs will remain outstanding and subject to vesting at subsequent anniversary dates under the Cumulative Absolute TSR calculation.

- Year 4 – 4,000,000 Performance Rights (**Year 4 PRs**) will vest if the Cumulative Absolute TSR as of the 4-year anniversary of the First Baseline Date of (Year 3 TP x 50%) + Year 3 TP (see Table 1 Year 4 below) (**Year 4 Cumulative Absolute TSR**) is met or exceeded. If any prior year PRs remain unvested and the Year 4 Cumulative Absolute TSR is met or exceeded, all prior unvested PRs will vest.

If the Year 4 Cumulative Absolute TSR is unmet, the Year 4 PRs may vest under the Annual Absolute TSR criteria. Year 4 PRs will vest under the Annual Absolute TSR criteria if the Annual Absolute TSR, as of the 4-year anniversary date of (BP x 50%) + BP (see Table 2 Year 4 below), is met or exceeded.

If unmet, the Year 4 PRs will remain outstanding and subject to vesting at subsequent anniversary dates under the Cumulative Absolute TSR calculation.

- Year 5 – 4,000,000 Performance Rights (**Year 5 PRs**) will vest if the (1) Cumulative Absolute TSR as of the 5-year anniversary of the First Baseline Date of (Year 4 TP x 50%) + Year 4 TP (see Table 1 Year 5 below) (**Year 5 Cumulative Absolute TSR**) is met or exceeded; or (2) for any consecutive 20 trading day period during Year 5, the closing share price each ASX trading day meets or exceeds the Year 5 Cumulative Absolute TSR for Year 5 anniversary date of (Year 4 TP x 50%) + Year 4 TP (see Table 1 Year 5 below) and employment continues through the Year 5 anniversary. If any prior year PRs remain unvested and the Year 5 Cumulative Absolute TSR target under either items (1) or (2) is met or exceeded, all prior unvested PRs will vest.

If the Year 5 Cumulative Absolute TSR is unmet, the Year 5 PRs may vest under the Annual Absolute TSR criteria. Year 5 PRs will vest under the Annual Absolute TSR criteria if the Annual Absolute TSR as of the 5-year anniversary date of (BP x 50%) + BP (see Table 2 Year 5 below) is met or exceeded.

If unmet, any Performance Rights which remain unvested from Years 1 through 5 will immediately lapse.

In summary, there are three ways to meet the vesting criteria in Year 5: (1) achieving Year 5 Cumulative Absolute TSR target on the end date of Year 5; (2) achieving Year 5 Cumulative Absolute TSR for a consecutive 20 trading day period during Year 5; or (3) with respect to Year 5 PRs only, achieving the Year 5 Annual Absolute TSR target.

For additional clarity, if, for example, the Year 5 Cumulative Absolute TSR criteria are met in Year 1, and the TSR (as calculated below in Cumulative Absolute TSR) is maintained at that same level or higher on the 5-year anniversary of the First Baseline Date, then all unvested Performance Rights would vest accordingly. Alternatively, if any or all of the first four Cumulative Absolute TSR or Annual TSRs are not met, but the Year 5 Cumulative Absolute TSR at the 5-year anniversary of the First Baseline Date is met or exceeded, or is met or exceeded for 20 consecutive trading days during Year 5, then all unvested Performance Rights would vest accordingly.

Definitions:

Business Day: A Business Day means a day on which the ASX is open for business in Sydney or as defined in the ASX Listing Rules.

First Baseline Date: The First Baseline Date is the grant date of the Performance Rights, which will be the earlier to occur of the date that is (i) 5 Business Days after public disclosure by ImpediMed regarding the NCCN review of the Survivorship Committee submission or (ii) 1 April 2023, but in any event after the Meeting.

Testing Date: The Testing Date for each year is the anniversary of the First Baseline Date.

Total Shareholder Return: Total Shareholder Return is the measure of the performance of the company's stock and shares over time, calculated as a percentage.

Year 1: The 12 month period commencing on the First Baseline Date and ending on the 12 month anniversary of the First Baseline Date.

Year 2: The 12 month period commencing on the 12 month anniversary of the First Baseline Date and ending on the 24 month anniversary of the First Baseline Date.

Year 3: The 12 month period commencing on the 24 month anniversary of the First Baseline Date and ending on the 36 month anniversary of the First Baseline Date.

Year 4: The 12 month period commencing on the 36 month anniversary of the First Baseline Date and ending on the 48 month anniversary of the First Baseline Date.

Year 5: The 12 month period commencing on the 48 month anniversary of the First Baseline Date and ending on the 60 month anniversary of the First Baseline Date.

Details on TSR calculations:

Cumulative Absolute TSR: Cumulative Absolute TSR will be calculated as follows: $TSR = (TP - FBP) / FBP$

Where:

FBP (First Baseline Price) = ImpediMed's volume weighted average share price for the 5 trading days on ASX on which trades in ImpediMed shares were recorded prior to the First Baseline Date

TP (Target Price) = ImpediMed's volume weighted average share price for the 5 trading days on ASX on which trades in ImpediMed shares were recorded prior to the relevant Testing Date for a year

Table 1: Cumulative Absolute TSR Target Prices

For Cumulative Absolute TSR to be achieved, the TP for each year must equal or exceed the following target prices:

Year 1	$(BP \times 80\%) + BP$
Year 2	$(Year\ 1\ TP \times 80\%) + Year\ 1\ TP$
Year 3	$(Year\ 2\ TP \times 50\%) + Year\ 2\ TP$
Year 4	$(Year\ 3\ TP \times 50\%) + Year\ 3\ TP$
Year 5	$(Year\ 4\ TP \times 50\%) + Year\ 4\ TP$

Annual Absolute TSR: Annual Absolute TSR will be calculated as follows: $TSR = (TP - BP) / BP$

Where:

BP (Baseline Price) = the greater of: (i) FBP and (ii) ImpediMed's volume weighted average share price for the 5 trading days on ASX on which trades in ImpediMed shares were recorded prior to the relevant Baseline Date for a year (see below)

TP (Target Price) = ImpediMed's volume weighted average share price for the 5 trading days on ASX on which trades in ImpediMed shares were recorded prior to the relevant Testing Date for a year (see below)

The Baseline Date for each year is as follows:

- Year 1 = First Baseline Date
- Year 2 = the first anniversary of the First Baseline Date
- Year 3 = the second anniversary of the First Baseline Date
- Year 4 = the third anniversary of the First Baseline Date
- Year 5 = the fourth anniversary of First Baseline Date

The Testing Date for each year is as follows:

- Year 1 = the first anniversary of the First Baseline Date
- Year 2 = the second anniversary of the First Baseline Date
- Year 3 = the third anniversary of the First Baseline Date
- Year 4 = the fourth anniversary of First Baseline Date
- Year 5 = the fifth anniversary of the First Baseline Date

Table 2: Annual Absolute TSR Target Prices

For Annual Absolute TSR to be achieved, the TP for each year must equal or exceed the following target prices:

Year 1	(BP x 80%) + BP
Year 2	(BP x 80%) + BP
Year 3	(BP x 50%) + BP
Year 4	(BP x 50%) + BP
Year 5	(BP x 50%) + BP

Options

The Options will have time-based service conditions – vesting over 4 years in four equal annual instalments on 1 December each year with the first vesting date being 1 December 2023 (i.e. each of the first four anniversaries of the date of Mr Valencia’s commencement of employment), subject to employment with ImpediMed on the relevant vesting date(s).

If Shareholders approve Resolution 2, the Options will be granted as soon as possible following the Meeting and, in any case, no later than three years after the date of the Meeting.

The exercise price (in AUD) of the Options will be the 5 day VWAP at the close of trading on the day prior to the date of grant.

The Options are exercisable at the exercise price upon vesting and for a period of seven (7) years from the date of the grant. On exercise, Mr Valencia 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).

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 Valencia’s employment with the Company.

Why Shareholder approval is sought?

Listing Rule 10.14

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 Valencia is the CEO and Managing Director of the Company and therefore approval under this Listing Rule is required prior to granting him the Incentives described above (Listing Rule 10.14.1).

Accordingly:

- Resolution 1 seeks the approval by Shareholders pursuant to Listing Rule 10.14 to grant and issue 20,000,000 Performance Rights to Mr Valencia and to the issue of Shares on the vesting of those Performance Rights.
- Resolution 2 seeks the approval by Shareholders pursuant to Listing Rule 10.14 to grant and issue 10,000,000 Options to Mr Valencia and to the issue of Shares on the exercise of those Options.

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

Part 2D.2 of the Corporations Act

Under Part 2D.2 of the Corporations Act, the Company may only give a person a “benefit” (as defined in the Corporations Act) in connection with their ceasing to hold a “managerial or executive office” (as defined in the Corporations Act) if the giving of the benefit has been approved by Shareholders or an exemption applies. Resolution 3 below further discusses Part 2D.2 of the Corporations Act.

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, allowing securities to vest may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act if the relevant participant holds a managerial or executive office with the Company (or a Related Body Corporate).

The purpose of Resolutions 1 and 2 is also to have Shareholders approve the provision of potential termination benefits to Mr Valencia in respect of this grant of Performance Rights and Options. Whether any termination benefits will actually arise for Mr Valencia in respect of the Incentives if he were to cease employment in the future will depend upon the circumstances in which Mr Valencia ceases employment, the number of unvested Incentives held at that time and a determination by the Board about treatment of the Incentives. The Company is seeking this approval to ensure Board is able to treat Mr Valencia fairly on cessation of employment, having regard to his contribution to the Company and the circumstances in which he is ceasing employment. The value of any potential benefit to Mr Valencia cannot be ascertained at the present time, however, the value of the benefit will be the market price of the Shares that are received following the exercise of the Options or the vesting of the Performance Rights.

Shareholder approval is not being sought for the purposes of Chapter 2E of the Corporations Act. The Company considers that the financial benefit to be given by the grant of the Incentives to Mr Valencia constitutes reasonable remuneration given the circumstances of the Company and Mr Valencia's role and responsibilities. Therefore, the exception contained in section 211(1) of the Corporations Act applies.

Other information

The Incentives 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 Incentives proposed to be granted to Mr Valencia, Managing Director and CEO, under the EIP. Other disclosure requirements of this Listing Rule have been disclosed earlier in this Explanatory Memorandum.

(i) Price of securities

Other than potential tax withholding requirements at the time of vesting, no payment for the Performance Rights is required by Mr Valencia and, on vesting, Shares will be issued to Mr Valencia for no consideration.

No payment for the Options is required by Mr Valencia and the exercise price of the Options will be 5 day VWAP at the close of trading on the day prior to the date of grant.

(ii) Securities previously issued to Mr Valencia under the EIP

No securities have previously been issued to Mr Valencia under the EIP.

(iii) 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.

Mr Valencia 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 Resolutions 1 and 2 are approved and who were not named in this Notice will not participate until approval is obtained under this rule.

(iv) Current total remuneration

Mr Valencia's current total remuneration package is:

- annual base salary of US\$450,000.
- an at-risk STI for FY23 of up to maximum of 110% of base salary (pro-rated for period employed), subject to achievement of certain performance targets. STI awards for FY23 will be delivered as follows:
 - one-third (1/3) paid in cash following the completion of the audited annual accounts for FY23;
 - one-third (1/3) deferred and paid in cash in two equal instalments following the completion of the audited annual accounts for FY24 and FY25, respectively; and
 - one-third (1/3) delivered in restricted shares (subject to Shareholder approval of Resolution 4), vesting in two equal tranches subject to continuing employment for a one-year and two year period.
- an initial grant of 20 million Performance Rights and 10 million Options under the EIP (subject to Shareholder approval of Resolutions 1 and 2, respectively).

(v) Why are Performance Rights and Options being used

The Company is choosing to offer Performance Rights and Options to Mr Valencia to motivate and reward his performance as CEO and Managing Director by achieving specified performance and time-based milestones within a defined period. The Board considers Performance Rights and Options to be a cost-effective reward for the Company to make to appropriately incentivise Mr Valencia and is consistent with the strategic goals of the Company, as well as the Group's remuneration policy for executives.

(vi) The value attributed to the Performance Rights and Options and its basis

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

- Estimated LTI award value as Performance Rights in USD: US\$802,000
- Estimated LTI award value as Performance Rights in AUD: A\$1,180,000 (at an exchange rate of US\$1.00 = A\$0.68 as at 9 December 2022)
- Performance Rights to be granted: 20,000,000 = A\$1,180,000 divided by A\$0.059, being the calculated fair market value using a Monte Carlo valuation model based on the five (5) day VWAP of A\$0.09 of Shares on 9 December 2022

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

- Estimated LTI award value as Options in USD: US\$411,000
- Estimated LTI award value as Options in AUD: A\$604,000 (at an exchange rate of US\$1.00 = A\$0.68 as at 9 December 2022)
- Options to be granted: 10,000,000 = A\$604,000 divided by A\$0.060, being the calculated fair market value using a Black Scholes valuation model based on the five (5) day VWAP of A\$0.09 of Shares on 9 December 2022

(vii) Terms of any related loan

There will be no loan provided in relation to the acquisition of the Incentives by Mr Valencia.

(viii) Issue date of Incentives

The Options will be granted to Mr Valencia no earlier than immediately following this Meeting and no later than three years after the date of this Meeting.

The Performance Rights will be granted on the earlier to occur of the date that is (i) 5 Business Days after the announcement of the NCCN review of the Survivorship Committee submission, or (ii) 1 April 2023, but in any event no later than three years after the date of this Meeting.

(ix) Other information

The material terms of the EIP are summarised in **Appendix 1**.

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

If Shareholder approval is not obtained

If Shareholders do not approve the proposed grant of Options and/or Performance Rights to Mr Valencia, the proposed grant of Options and/or Performance Rights will not proceed. Instead, the Company will pay Mr Valencia a long term cash bonus in an amount that is actuarially comparable to the Incentives, subject to time based and performance-based vesting with each instalment to be paid within 30 days of the applicable vesting date.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolutions 1 and 2 by or on behalf of Mr Valencia (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 Valencia.

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

- (a) Mr Valencia or any associate of Mr Valencia as proxy or attorney for a person who is entitled to vote on Resolutions 1 and 2, 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 Resolutions 1 and 2, 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 Resolutions 1 and 2; and
 - the holder votes on Resolutions 1 and 2 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 Resolutions 1 and 2 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Resolutions 1 and 2.

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 Resolutions 1 and 2 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.

For the purpose of section 200E of the Corporations Act, a vote on Resolutions 1 and 2 must not be cast (in any capacity) by or on behalf of Mr Valencia, or any of his associates, other than where the vote is cast as proxy for a person who would not themselves be precluded from voting on Resolutions 1 and 2, in accordance with directions given to the proxy to vote on Resolutions 1 and 2 in that way.

Board recommendation

The Board, other than Mr Valencia, recommends that Shareholders vote **FOR** Resolutions 1 and 2.

Resolution 3 – Approval of Termination Benefits

Background – Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold (or held in the previous three years) a managerial or executive office on leaving employment with the Company or its Related Bodies Corporates.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if an exemption applies (including under sections 200F or 200G, which set a statutory cap for benefits) of the Corporations Act or it is approved by shareholders under section 200E. This restriction applies to managerial or executive officers of the Company, which includes Mr Valencia.

The Company’s policy in relation to termination benefits and entitlements is to treat ceasing employees fairly having regard to applicable laws and market practice, while balancing this with the need to avoid excessive termination payouts. Approval is being sought so that the Company can continue to give effect to this policy, while complying with the Corporations Act.

Why is the Company seeking this approval?

The Company is seeking this approval to enable the Board to:

- deliver Mr Valencia the benefits to which he is contractually entitled under his employment agreement; and
- ensure Mr Valencia is treated fairly on cessation of employment, having regard to his contribution to the Company and the circumstances in which he is ceasing employment.

If approval is given, this does not guarantee that Mr Valencia will necessarily receive all of the termination benefits described below. Rather, that will depend on the circumstances in which Mr Valencia ceases employment and what benefits have accrued. If approval is not granted, the Company may be unable to provide Mr Valencia with all of the benefits described in the tables below upon the cessation of his employment, and any termination benefits provided would need to fall within an exemption under the Corporations Act.

This approval is separate to (and in addition to) the approvals sought under Resolutions 1 and 2 which covers the initial LTI equity grant to Mr Valencia under the EIP, and any potential termination benefits which may arise in relation to those securities. Resolution 4 covers any equity which may be issued to Mr Valencia as part of his STI (and base salary), and any potential termination benefits which may arise in relation to the deferred equity component of his STI (i.e. the Restricted Shares – see Resolution 4 below).

What are the benefits or entitlements for which approval is being sought?

An overview of the key terms of the proposed termination benefits, including the value of the benefits to be given and other information required under sections 200B and 200E of the Corporations Act, is set out in the table below.

Benefit	Description
<p>Accrued payments</p>	<p>Unless ImpediMed and Mr Valencia otherwise agree in advance in writing, Mr Valencia will be eligible to receive all of the following in the event of a termination:</p> <ul style="list-style-type: none"> • Mr Valencia’s earned but unpaid base salary; • Mr Valencia’s earned but unpaid deferred (cash and equity) STI (unless Mr Valencia’s termination is due to voluntary resignation other than for good reason, termination for cause, or any termination in circumstances where the Group is reducing its workforce by 33% or more within a 30-day period to implement cost savings); • Mr Valencia’s earned but unused paid time off benefits; • reimbursement of any unreimbursed business expenses incurred by Mr Valencia that are eligible for reimbursement under applicable law and ImpediMed policies; and • any vested payments or benefits Mr Valencia is entitled to receive as of his cessation date under the express terms of any applicable policy, employee benefit plan, or written agreement with ImpediMed.

Benefit	Description
Cash severance	If Mr Valencia's employment with ImpediMed terminates without cause or by resignation by Mr Valencia for good reason, the Company will provide a severance package consisting of nine months of continued payments of Mr Valencia's applicable base salary.

The amount and value of the termination benefits and entitlements that may be provided cannot be ascertained in advance as they will depend on a number of factors that will, or are likely to, affect that value, including the circumstances in which Mr Valencia ceases employment, Mr Valencia's base salary and the value of his deferred STI at the time of termination.

As mentioned above, Resolutions 1 to 2 separately covers the Mr Valencia's LTI equity compensation and is not part of this Resolution. Similarly, Resolution 4 separately covers the provision of potential termination benefits to Mr Valencia in respect of Mr Valencia's deferred equity STI (i.e. the Restricted Shares).

Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, a company must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

It is not expected that the value of any termination benefit that may be received by Mr Valencia or other officers would exceed this 5% threshold. However, Shareholder approval is being sought in order to give the Company maximum flexibility.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Mr Valencia and any associate of Mr Valencia.

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

- (a) Mr Valencia or any associate of Mr Valencia as proxy or attorney for a person who is entitled to vote on Resolution 3, 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 Resolution 3, 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 Resolution 3; and
 - the holder votes on Resolution 3 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 Resolution 3 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Resolution 3.

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 Resolution 3 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.

For the purpose of section 200E of the Corporations Act, a vote on Resolution 3 must not be cast (in any capacity) by or on behalf of Mr Valencia, or any of his associates, other than where the vote is cast as proxy for a person who would not themselves be precluded from voting on Resolution 3, in accordance with directions given to the proxy to vote on Resolution 3 in that way.

Board recommendation

The Board, other than Mr Valencia, recommends that Shareholders vote **FOR** Resolution 3.

Resolution 4: Grant of Shares under the Executive Share Plan to Mr Richard Valencia, Chief Executive Officer and Managing Director

Background

Mr Richard Valencia assumed the role of CEO and Managing Director of the Company on 1 December 2022. It is proposed for Mr Valencia to participate in the Executive Shares Plan so that he may receive a portion of his base salary and short-term incentive (STI) in Shares (and in respect of deferred STI, Restricted Shares). This Resolution seeks Shareholder approval to allow Mr Valencia to participate in the Executive Share Plan.

Listing Rule 10.14

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 Valencia for the purpose of Listing Rule 10.14.

If approval is given under Listing Rule 10.14 for this Resolution, 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 10.15 to allow them to assess Resolution 4:

(i) Number and price of securities

The Shares (including Restricted Shares – see below) to be issued to Mr Valencia (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 total number of Shares which may be issued to Mr Valencia 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 is 35,000,000 Shares.

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

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

- (a) up to 60% of his gross annual base salary; and
- (b) where applicable, up to 60% of any upfront and deferred cash amount awarded to him as a STI.

In addition, where applicable, Mr Valencia may receive a portion of any deferred STI earned as Restricted Shares (i.e. Shares which are subject to disposal restrictions until a service condition is satisfied).

The Company must issue a number of whole Shares (disregarding any fractional entitlement) determined by dividing the relevant participating amount of salary or 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**). For Mr Valencia, the allocation date is:

- (a) in respect of 1 December (being Mr Valencia's commencement date as CEO/MD) to 31 December 2022, the first business day following the Meeting; and
- (b) in respect all quarters commencing from 1 January 2023, the first business day following the conclusion of that quarter,

unless otherwise resolved by the Board.

The initial participation period for Mr Valencia under the Executive Share Plan is 1 December 2022 to 30 June 2023 (inclusive) (**FY23 Participation Period**), but may be extended by the Board for future financial years (**Subsequent Participation Periods**).

Mr Valencia is currently paid his cash remuneration in US dollars. His 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 Valencia elects to participate 20%, 40% or 60% under the Executive Share Plan in respect of his gross annual salary;
- a personal tax rate of 40%;
- the Market Value is A\$0.09; and
- an AUD/USD exchange rate of 0.68 applies,

then the approximate number of Shares would be issued to the Mr Valencia in the FY23 Participation Period:

- Participation at 20%: 516,393 shares
- Participation at 40%: 1,032,786 shares
- Participation at 60%: 1,549,180 shares

Based on the current issued share capital of the Company, this would dilute Shareholders by a maximum of 0.09%.

A greater or lower number of Shares may be issued under the Executive Share Plan to Mr Valencia in respect of the FY23 Participation Period (and Subsequent Participation Periods) depending on factors such as the share price when Shares are issued, the level of Mr Valencia's salary and, if applicable, STI from time to time, the extent to which Mr Valencia 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 Valencia under the Executive Share Plan

No Shares have previously been issued to Mr Valencia under the Executive Share Plan.

(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. Except for Mr Dave Anderson (who was formerly the interim CEO), Mr Valencia is the only other participant of the plan for which approval under Listing Rule 10.14 is required (Listing Rule 10.14.1).

(iv) Current total remuneration

Mr Valencia's current total remuneration package is set out above in respect of Resolutions 1 and 2.

(v) Terms of any related loan

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

(vi) Timing of grant

If Resolution 4 is approved by Shareholders, the Company expects to issue Shares in respect of Mr Valencia's salary for the period of 1 December 2022 to 31 December 2022, on the first business day following the Meeting and in respect of all quarters thereafter, the first business day following the conclusion of that quarter. No Shares or Restricted Shares will be issued to Mr Valencia in respect of his salary or STI later than three years after the Meeting.

(vii) Other information

The material terms of the Executive Share Plan are summarised in **Appendix 2**.

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 Valencia 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 Resolution 4 is approved and who were not named in this Notice, will not participate until any approval is obtained under Listing Rule 10.14.

If Shareholder approval is not obtained

If Shareholders do not approve Mr Valencia's participation in the Executive Share Plan he will receive all of his base salary and STI in cash.

Cessation of employment and Part 2D.2 of the Corporations Act

Under Part 2D.2 of the Corporations Act, the Company may only give a person a "benefit" (as defined in the Corporations Act) in connection with their ceasing to hold a "managerial or executive office" (as defined in the Corporations Act) if the giving of the benefit has been approved by Shareholders or an exemption applies. Resolution 3 above further discusses Part 2D.2 of the Corporations Act.

If Mr Valencia's employment ceases and he holds Restricted Shares under the Executive Share Plan at that time, the Company has agreed Mr Valencia will not be required to forfeit any Restricted Shares except if his employment ceases due to voluntary resignation (other than for good reason, which includes a material and demonstrable reduction of duties and responsibilities and a relocation), termination for cause, or any termination in circumstances where the Group is reducing its workforce by 33% or more within a 30-day period to implement cost savings. In these circumstances, Mr Valencia's Restricted Shares will be bought-back or forfeited in accordance with the ESP unless the Board determines otherwise in its absolute discretion. If, however, Mr Valencia ceases employment in other circumstances, Mr Valencia will be able to retain any Restricted Shares, thereby receiving a benefit in connection with retirement from office, or loss of position regulated by Part 2D.2 of the Corporations Act. Further, if the Board waives any other restrictions attaching to the Restricted Shares held by Mr Valencia in connection with Mr Valencia's retirement from office or loss of position, this may also constitute a termination benefit regulated by Part 2D.2 of the Corporations Act.

In addition to approval under the Listing Rules, the purpose of Resolution 4 is also to have Shareholders approve the provision of potential termination benefits to Mr Valencia in respect of any Restricted Shares issued to Mr Valencia under the Executive Share Plan. The Company is seeking this approval to enable the Board to comply with its contractual obligations to Mr Valencia under Mr Valencia's employment agreement and to ensure the Board is able to treat Mr Valencia fairly on cessation of employment, having regard to his contribution to the Company and the circumstances in which he is ceasing employment.

The value of any potential benefit cannot be ascertained at the present time. However, the value of the benefit will be based on the number of Restricted Shares held by Mr Valencia that he is allowed to retain, and which may become unrestricted early (including if the Board exercises its discretion to lift the disposal restrictions), and the market value of the Shares at the relevant time. Whether the benefits arise will depend upon the circumstances in which Mr Valencia ceases employment and in certain circumstances, a determination by the Board about treatment of the Restricted Shares when, and if, Mr Valencia ceases to hold a managerial or executive office. The Board may take account of matters it considers relevant, including (for example) the circumstances of termination, the status of the service condition (i.e. the period of time remaining until it would have been satisfied), and Mr Valencia's performance and period of engagement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour on Resolution 4 by or on behalf of all 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 Resolution 4, 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 Resolution 4, 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 Resolution 4; and

- the holder votes on Resolution 4 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 Resolution 4 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Resolution 4.

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 Resolution 4 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.

For the purpose of section 200E of the Corporations Act, a vote on Resolution 4 must not be cast (in any capacity) by or on behalf of Mr Valencia, or any of his associates, other than where the vote is cast as proxy for a person who would not themselves be precluded from voting on Resolution 4, in accordance with directions given to the proxy to vote on Resolution 4 in that way.

Board Recommendation

The Board, other than Mr Valencia, recommends that Shareholders vote **FOR** Resolution 4.

Chair's voting intention

The Chair of the Meeting intends to vote all available undirected proxies **FOR all Resolutions**.

Glossary of key terms

A\$ or \$	Australian dollars
AEDT	Australian Eastern Daylight Savings Time as observed in Sydney, Australia
General Meeting or Meeting	the meeting convened by the Notice
ASX	ASX Limited ACN 008 624 691
ASX Principles	ASX Corporate Governance Principles and Recommendations (4 th edition)
Board	the board of directors of the Company
Closely Related Party	as defined in section 9 of the Corporations Act
Company or ImpediMed	ImpediMed Limited ACN 089 705 144 (ASX code: IPD)
Constitution	the Company's constitution
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	the current directors of the Company
EIP	ImpediMed's Employee Incentive Plan.
Entitlement Time	7.00pm (AEDT) on Monday, 23 January 2023
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	the Executive Share Plan adopted by the Board on 1 October 2019, approved by Shareholders on 12 November 2019, as amended on 28 October 2020 and 26 October 2022.
Explanatory Memorandum	the Explanatory Memorandum accompanying and forming part of the Notice
FY22	the financial year ended 30 June 2022
FY23	the financial year ended 30 June 2023
FY24	the financial year ended 30 June 2024
FY 25	the financial year ended 30 June 2025
General Meeting or Meeting	the meeting convened by the Notice
Group	the Company and subsidiaries of the Company.
Items	the resolutions set out in the Notice, or any one of them, as the context requires
Key Management Personnel (or KMP)	as defined in section 9 of the Corporations Act
Listing Rules	the Listing Rules of the ASX
Notice or Notice of Meeting or Notice of General Meeting	this notice of general meaning and the Explanatory Memorandum accompanying the Notice and the Voting Form
Proxy Deadline	10.00am (AEDT) on Monday, 23 January 2023
Related Body Corporate	as defined in section 50 of the Corporations Act
Share	a fully paid ordinary share in the capital of the Company
Share Registry	Link Market Services Limited
Shareholder	a holder of a Share
US\$	United States of America dollars
Voting Form	the voting form accompanying the Notice

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 Person under the EIP, and such offer may be accepted by the Eligible Person.
Eligible Persons and Participants	Any permanent full time or part time employee of the Group, or such other person as the Board determines in its discretion (including a consultant) is eligible to participate in the Plan. Once an Eligible Person 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. The Board has discretion to waive or vary any Vesting Condition or determine that any Vesting Condition is satisfied notwithstanding that it may not be.
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 Person'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	The terms for exercise, including the exercise period, are stated in the offer letter. In order to exercise any Options (once vested), the Participant must pay the exercise price for the Options unless the Participant requests a cashless exercise and the Board elects to apply such mechanism to the exercise of the Options. If the Board allows the cashless exercise procedure to be used, the Participant will only be entitled to that number of shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the Options and the market value of the shares at the time of exercise. The market value will be based on the five business day VWAP prior to notice of exercise being given.
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: <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);

	<ul style="list-style-type: none"> • a Participant ceasing to be employed by the Group due to bona fide retirement, redundancy, or the Participant’s death, permanent illness or permanent physical or mental incapacity: <ul style="list-style-type: none"> • for vested Options, 12 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 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). <p>The Board may, subject to compliance with the Corporations Act and the Listing Rules, determine to treat any Incentive in a manner different to the manner set out above.</p>
<p>Rights and restrictions of Incentives</p>	<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.
<p>Assignability</p>	<p>A Participant cannot sell, assign, transfer or otherwise dispose of an Incentive except to his or her associate.</p>
<p>Administration</p>	<p>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.</p>

<p>Change of control</p>	<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.
<p>Amendments</p>	<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>
<p>Termination and suspension</p>	<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

<p>Administration</p>	<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>
<p>Plan limit</p>	<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 million 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>

<p>Options</p>	<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>
<p>US Internal Revenue Code section 422</p>	<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>
<p>Taxes</p>	<p>Participants must make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations.</p> <p>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.</p>
<p>General</p>	<p>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.</p>

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>Current participation period is 1 July 2022 to 30 June 2023 (inclusive) (FY23 Participation Period), but this 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"> 60% of his or her gross salary (excluding all compulsory superannuation amounts); and 60% of the upfront and deferred cash component of his or her STI amount (excluding all compulsory superannuation amounts), <p>for each Participation Period commencing from the FY23 Participation Period. In addition, for FY23, half of the deferred component of any STI amount will be issued as Shares which are subject to disposal restrictions pending satisfaction of a service condition for a period of up to two years (or such other period as determined by the Board) (Restricted Shares). For financial years after FY23, depending on the goals of the Group, the Board may change the cash and equity split of the deferred component of the STI amount.</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 FY23. 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 amount (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 that are issued in lieu of salary and the upfront component of any earned STI. Usual restrictions and black-out periods under the Company's securities trading policy will continue to apply.</p> <p>Transfer and disposal restrictions will apply in respect of any Restricted Shares (ie. Shares issued in respect of the deferred component of any STI amount) for a period of up to two (2) years (or such other period as determined by the Board). The Company will apply a holding</p>

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	lock to any Share to which a disposal restriction applies. Upon a change of control, the Board may lift any transfer and disposal restrictions.
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> <p>If an Executive holds Restricted Shares upon cessation of employment, the Company may buy-back and cancel the Shares, or the Board may exercise its discretion to allow the Executive to retain the Shares and waive any transfer or disposal restrictions.</p>
Plan limit	The Company must not issue more than 35,000,000 Shares under the Executive Share Plan.
Termination of participation	An Executive may elect to terminate his or her participation in the Executive Share Plan at any time.