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**Allens > < Linklaters**

16 February 2018

Companies Announcement Office  
ASX Limited

Dear Sir / Madam

**Takeover bid in relation to Integral Diagnostics Limited**

We act for Capitol Health Limited (ACN 117 391 812) and its wholly owned subsidiary, Capitol Health Holdings Pty Limited (ACN 623 058 499) (**Capitol**).

We refer to Capitol's replacement bidder's statement dated 31 January 2018 which was despatched to shareholders of Integral Diagnostics Limited (ASX: IDX) on 14 February 2018 and which was issued by Capitol in relation to its off-market takeover bid to acquire all of the ordinary shares in IDX.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), we attach, on behalf of Capitol, a copy of Capitol's second supplementary bidder's statement dated 16 February 2018 (**Second Supplementary Bidder's Statement**).

The Second Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission today.

Yours sincerely



**Emin Altiparmak**

Partner

Allens

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Encl.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL  
OR LEGAL ADVISER AS SOON AS POSSIBLE.

## Second Supplementary Bidder's Statement

In relation to the Offer by **Capitol Health Holdings Pty Limited** (ABN 41 623 058 499), a wholly  
owned subsidiary of **Capital Health Limited** (ABN 84 117 391 812),

to acquire all of your Shares in

**Integral Diagnostics Limited** (ABN 55 130 832 816)

## Second Supplementary Bidder's Statement

This is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth). It is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) issued by Capitol Health Holdings Pty Ltd (ABN 41 623 058 499) (**Capitol Bidco**) in relation to its off-market takeover bid for all of the shares in Integral Diagnostics Limited (ABN 55 130 832 816) (**Integral**).

This Second Supplementary Bidder's Statement is dated 16 February 2018 and supplements Capitol Bidco's replacement bidder's statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 31 January 2018 and despatched to Integral Shareholders on 14 February 2018 (**Replacement Bidder's Statement**) and should be read with that document. The Replacement Bidder's Statement amended and replaced the original bidder's statement lodged with ASIC on 22 December 2017 as supplemented by the first supplementary bidder's statement lodged with ASIC on 31 January 2018.

Words and phrases defined in the Replacement Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement unless the context requires otherwise.

A copy of this Second Supplementary Bidder's Statement has been lodged with ASIC and sent to Integral. Neither ASIC nor any of its officers take any responsibility for its contents.

## 1 Acceptance Facility

### 1.1 Establishment of Acceptance Facility

Capitol Bidco has established an institutional acceptance facility (**Acceptance Facility**) in relation to the Offer which is open to professional investors (as defined in section 9 of the Corporations Act) (**Eligible Shareholders**). Integral Shareholders who are not Eligible Shareholders cannot participate in the Acceptance Facility.

The Acceptance Facility has been established to enable Eligible Shareholders who may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional (for example, by reason of their investment mandate) to indicate their intention to accept the Offer.

Capitol Bidco has appointed Computershare Clearing Pty Limited (ACN 063 826 228 ) AFSL No. 234715 as the facility operator and agent for the Acceptance Facility (**Facility Agent**). The Facility Agent will be remunerated in accordance with its standard services fees for work performed in its capacity as the acceptance collection agent.

### 1.2 Operation of the Acceptance Facility

The Acceptance Facility will operate as summarised below.

- (a) Eligible Shareholders may indicate their intention to accept the Offer by lodging acceptance instructions with the Facility Agent, in the form of:
  - (i) where the Eligible Shareholder is recorded as the holder of Integral Shares, a duly completed and executed Acceptance Form in respect of all of their Integral Shares, in accordance with the terms of the Offer; and/or
  - (ii) where the Eligible Shareholder holds Integral Shares as custodian for another person (the **Beneficial Holder**), a direction from the Beneficial Holder to the Eligible Shareholder to accept the Offer (the form of which will be made available) (a **Custodian Direction**) in respect of all of the Integral Shares to which the Beneficial Holder is entitled, in accordance with the terms of the Offer,(together, **Acceptance Instructions**).
- (b) The Facility Agent will hold Acceptance Instructions as acceptance collection agent only and will not acquire a relevant interest in the Integral Shares the subject of the Acceptance Instructions. Acceptance Instructions lodged with the Facility Agent will demonstrate the intention of the relevant Eligible Shareholder to accept the Offer but will not constitute acceptances of the Offer while they are held by the Facility Agent.
- (c) Capitol Bidco may provide a written notice (**Confirmation Letter**) to the Facility Agent, at any time and in its discretion (subject to the Corporations Act), stating that:
  - (i) Capitol Bidco has declared the Offer free of all the Defeating Conditions; or
  - (ii) Capitol Bidco will declare the Offer free of all the Defeating Conditions not later than the time that all Acceptance Instructions lodged with the Facility Agent are processed.
- (d) Capitol Bidco is under no obligation to give a Confirmation Letter to the Facility Agent.
- (e) Immediately after the Facility Agent receives a Confirmation Letter from Capitol Bidco, the Facility Agent must (as applicable) deliver:
  - (i) the Acceptance Forms in accordance with the instructions on the relevant Acceptance Forms; and
  - (ii) the Custodian Directions to the relevant custodian, nominee and trustee.

- (f) Eligible Shareholders retain all rights and control over the Integral Shares and will be able to withdraw their Acceptance Instructions at any time prior to the Facility Agent receiving the Confirmation Letter from Capitol Bidco.
- (g) Capitol Bidco reserves the right to declare the Offer free from all the Defeating Conditions at any time (subject to the Corporations Act) irrespective of the number of acceptances held by Capitol Bidco, or the number of Integral Shares that are the subject of Acceptance Instructions held by the Facility Agent.

### 1.3 Obtaining documentation

If you are an Eligible Shareholder, a copy of the documentation underlying the Acceptance Facility may be requested from the Facility Agent by email to [custodians@computershare.com.au](mailto:custodians@computershare.com.au) or by calling 1800 095 862.

### 1.4 Disclosure of Acceptance Instructions

By 8.30am (Sydney time) on each business day (or at any other time upon reasonable request from Capitol Bidco), the Facility Agent will notify Capitol Bidco of the number of Integral Shares in respect of which Acceptance Instructions have been received as at 7.00pm (Sydney time) the previous day. Following receipt of this information for every movement of at least 1% in the aggregate level of:

- (a) Capitol Bidco's voting power (as defined in the Corporations Act) in Integral; and
- (b) the Integral Shares in respect of Acceptance Instructions given to the Facility Agent during the Offer Period,

Capitol Bidco will give to the ASX by 9.30am (Sydney time) on the following trading day a notice setting out:

- (c) the aggregate number and percentage of Integral Shares:
  - (i) in which Capitol Bidco has a relevant interest (as defined in the Corporations Act and as modified by ASIC Class Orders); and
  - (ii) which are the subject of Acceptance Instructions; and
- (d) a breakdown between paragraphs (c)(i) and (c)(ii) above.

## 2 Investigating Accountant's Report

The Investigating Accountant's Report attached as Annexure B to the Replacement Bidder's Statement (***Investigating Accountant's Report***) is amended to reflect that the Investigating Accountant's scope of review and conclusions also included:

- the reviewed consolidated statement of financial position of Integral as at 31 December 2017;
- the reviewed consolidated statements of profit and loss of Integral for the six months ended 31 December 2016 and 2017; and
- the reviewed consolidated statements of cash flows of Integral for the six months ended 31 December 2016 and 2017.

A copy of the Investigating Accountant's Report as amended is attached as Annexure A to this Second Supplementary Bidder's Statement.

### **3 Further Information**

For further information, you may call the Capitol Offer Information Line on the following numbers, Monday to Friday between 8.30am and 5.00pm (Melbourne time):

Within Australia: 1300 090 799 (toll-free)

Outside Australia: +61 3 9415 4322

Please note that, as required by the Corporations Act, all calls to these numbers will be recorded.

### **4 Consents**

The Facility Agent and RSM Corporate Australia Pty Ltd have given, and have not as at the date of this Second Supplementary Bidder's Statement withdrawn, their consent to being named in this Second Supplementary Bidder's Statement in the form and context in which they appear.

5      **Approval of this Second Supplementary Bidder's Statement**

This Second Supplementary Bidder's Statement has been approved by a resolution of the Capitol Bidco Directors.

Dated 16 February 2018

Signed on behalf of Capitol Health Holdings Pty Ltd

A handwritten signature in black ink, appearing to read 'Andrew Harrison', with a stylized, cursive script.

**Andrew Harrison**

Director

## Annexure A

### Investigating Accountant's Report



31 January 2018

The Directors, Capitol Health Ltd  
The Directors, Capitol Health Holdings Pty Ltd  
Level 3, 81 Lorimer Street  
Docklands VIC 3008

**RSM Corporate Australia Pty Ltd**  
Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007  
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Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### Independent Limited Assurance Report on the Historical, Pro-Forma Historical Forecast, Pro-Forma Forecast and Statutory Forecast Financial Information

We have been engaged by Capitol Health Ltd ("Capitol") and Capitol Health Holdings Pty Ltd ("Capitol Bidco") to report on certain historical, pro-forma historical, forecast, pro-forma forecast and statutory forecast financial information of Capitol and Integral Diagnostics Ltd ("Integral"), for inclusion in a bidder's statement dated on or about 31 January 2018, as may be supplemented ("the Bidder's Statement").

On 29 November 2017, Capitol announced a proposal to acquire via its wholly owned subsidiary Capitol Bidco, all of Integral's shares by way of an off-market takeover bid for consideration of 6.9 Capitol shares and \$0.36 cash for each ordinary voting share on issue in Integral. The Bidder's Statement is being issued by Capitol Bidco to the Integral Shareholders and contains information on why Integral Shareholders should accept the takeover offer ("Offer").

Expressions and terms defined in the Bidder's Statement have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence ("AFSL") under the Corporations Act 2001. RSM Corporate Australia Pty Ltd holds the appropriate AFSL under the *Corporations Act 2001*.

#### Scope

##### *Historical Financial Information*

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the historical financial information of Capitol, Integral, Radiology Tasmania and I-rad included in sections 2.6, 4.10 and 6.7 of the Bidder's Statement, respectively, and comprising:

- the audited consolidated statements of financial position of Capitol and Integral as at 30 June 2017
- the reviewed consolidated statement of financial position of Integral as at 31 December 2017;
- the unaudited combined statement of financial position of Radiology Tasmania and I-rad as at 30 June 2017;

#### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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- the audited consolidated statements of profit and loss of Capitol and Integral for the three years ended 30 June 2017;
- the reviewed consolidated statements of profit and loss of Integral for the six months ended 31 December 2016 and 2017;
- the audited consolidated statements of cash flows of Capitol and Integral for the three years ended 30 June 2017; and
- the reviewed consolidated statements of cash flows of Integral for the six months ended 31 December 2016 and 2017.

The historical financial information of Capitol has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Capitol's adopted accounting policies.

The historical financial information of Capitol has been extracted from the financial reports of Capitol for the three years ended 30 June 2017, which was audited by RSM Australia Partners ("RSM Australia") and on which an unqualified audit opinion was issued for each financial year.

The historical financial information of Integral has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Integral's adopted accounting policies.

The historical financial information of Integral has been extracted from the audited or reviewed financial reports of Integral for the three years ended 30 June 2017 and the six months ended 31 December 2016 and 2017 on which unqualified audit opinions were issued for each financial period.

The historical financial information of Radiology Tasmania and I-rad has been extracted from the unaudited financial statements of Radiology Tasmania and I-rad for the year ended 30 June 2017.

The historical financial information is presented in the Bidder's Statement in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### *Pro-Forma Historical Financial Information*

You have requested RSM to review the pro-forma historical financial information included in Section 6.7 of the Bidder's Statement and comprising:

- the pro-forma consolidated statement of financial position as at 30 June 2017;
- the pro-forma consolidated statements of profit and loss for the three years ended 30 June 2017; and
- the pro-forma consolidated statements of cash flows for the three years ended 30 June 2017.

The pro-forma historical financial information has been prepared on the basis of Capitol acquiring a 100% relevant interest in Integral and on the basis of Capitol acquiring a 50.1% relevant interest in Integral.

The pro-forma historical financial information has been derived from:

- the audited historical financial information of Capitol and Integral;

- the removal of the financial impact of the NSW Radiology businesses that were disposed by Capitol on 31 August 2017;
- the removal of the impact of non-recurring income and expenses within Capitol and Integral within each respective financial year to demonstrate the underlying normalised earnings of each entity; and
- the pro-forma adjustments applied to the historical financial information to illustrate the effect of events and transactions relating to the Offer as described in Section 6.8 of the Bidder's Statement.

The stated basis of preparation of the pro-forma historical financial information is the recognition and measurement principles contained in Australian Accounting Standards and Capitol's adopted accounting policies applied to the historical financial information, to the extent stated in Section 6.8 of the Bidder's Statement, the events or transactions to which the pro-forma adjustments as described in Section 6.8 of the Bidder's Statement, as if those events or transactions had occurred as at the relevant dates of the historical financial information.

Due to its nature, the pro-forma historical financial information does not represent Capitol's actual or prospective financial position.

The pro-forma historical financial information is presented in the Bidder's Statement in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### *Forecast, Pro-Forma Forecast and Statutory Financial Information*

You have asked RSM Corporate Australia Pty Ltd to review the forecast and pro-forma forecast financial information, as set out in Section 6.9 of the Bidder's Statement and comprising

- the forecast income statement of Capitol for the year ending 30 June 2018 on a stand-alone basis and excluding the forecast impact of
  - the acquisition of Radiology Tasmania and I-rad; and
  - the actual contributions of the NSW radiology businesses for the 2 months to 31 August 2017;
- the forecast income statement of Radiology Tasmania and I-rad for the year ending 30 June 2018 on a stand-alone basis;
- the forecast statement of profit and loss of Integral for the year ending 30 June 2018 on a stand-alone basis;
- the pro-forma consolidated forecast statement of profit and loss of the Combined Group for the year ending 30 June 2018;
- the statutory consolidated forecast statement of profit and loss of the Combined Group for the year endings 30 June 2018; and
- pro-forma forecast debt covenant ratios for the year ending 30 June 2018.

The forecast, pro-forma forecast and statutory forecast financial information has been prepared on the basis of Capitol acquiring a 100% relevant interest in Integral and on the basis of Capitol acquiring a 50.1% relevant interest in Integral.

The forecast, pro-forma forecast and statutory forecast financial information has been derived from:

- Capitol management's financial forecast for Capitol based on actual results for the period to 31 December 2017 excluding the contributions relation to the NSW radiology businesses and forecast results for the 6 months ending 30 June 2018;
- Capitol management's financial forecasts for RT Radiology and I rad Sunshine based on actual results for the period to 31 October 2017 and 30 September 2017, respectively and forecast results for the remainder of the year ending 30 June 2018; and
- Broker forecasts for the year ending 30 June 2018 for Integral.

The stated basis of preparation used in the preparation of the pro-forma forecast financial information is the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast and, to the extent described in Sections 6.10, 6.11 and 6.12, the events and transactions to which the pro-forma adjustments relate as if those events and transactions had occurred on the stated dates. Accordingly, and due to its nature and basis of preparation, the pro-forma forecast financial information does not represent the Combined Group's actual prospective financial performance.

The forecast and pro-forma forecast financial information is presented in the Bidder's Statement in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### **Directors' responsibility**

The directors of the Capitol Bidco are responsible for:

- the preparation and presentation of the historical financial information;
- the preparation and presentation of the pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and included in the pro-forma historical financial information;
- the preparation of the forecast and pro-forma forecast financial information, including the best estimate assumptions underlying the forecast and the selection and determination of pro-forma adjustments made to the forecast and included in the forecast and pro-forma forecast financial information; and
- this includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information, the pro-forma historical financial information, the forecast financial information and the pro-forma forecast financial information that are free from material misstatement, whether due to fraud or error.

#### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the historical, pro-forma historical, forecast and pro-forma forecast financial information;
- a review of Capitol's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors;
- consideration of the pro-forma adjustments described in Sections 6 of Bidder's Statement; and
- the performance of analytical procedures applied to the historical, pro-forma historical, forecast and pro-forma forecast financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

## **Conclusions**

### *Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information of both Capitol and Integral, as described in Sections 2.6 and 4.10 of the Bidder's Statement, respectively and comprising:

- the audited consolidated statements of financial position of Capitol and Integral as at 30 June 2017
- the reviewed consolidated statement of financial position of Integral as at 31 December 2017;
- the unaudited combined statement of financial position of Radiology Tasmania and I-rad as at 30 June 2017;
- the audited consolidated statements of profit and loss of Capitol and Integral for the three years ended 30 June 2017;
- the reviewed consolidated statements of profit and loss of Integral for the six months ended 31 December 2016 and 2017;
- the audited consolidated statements of cash flows of Capitol and Integral for the three years ended 30 June 2017; and
- the reviewed consolidated statements of cash flows of Integral for the six months ended 31 December 2016 and 2017.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2.6, 4.10 and 6.9 of the Bidder's Statement.



#### *Pro-Forma Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro-forma historical financial information, as set out in Section 6.7 of the Bidder's Statement, and comprising:

- the pro-forma consolidated statement of financial position as at 30 June 2017; and
- the pro-forma consolidated statements of profit and loss for the three years ended 30 June 2017; and
- the pro-forma consolidated statements of cash flows for the three years ended 30 June 2017.

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6.8 of the Bidder's Statement.

#### *Forecast and Pro-Forma Forecast Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the forecast, pro-forma forecast and statutory forecast financial information do not provide reasonable grounds for the forecasts, pro-forma forecast and statutory forecast; and
- in all material aspects, the forecast, pro-forma forecast and statutory forecast financial information comprising:
  - the forecast income statement of Capitol for the year ending 30 June 2018 on a stand-alone basis and excluding the forecast impact of
    - the acquisition of Radiology Tasmania and I-rad; and
    - the actual contributions of the NSW radiology businesses for the 2 months to 31 August 2017;
  - the forecast income statement of Radiology Tasmania and I-rad for the year ending 30 June 2018 on a stand-alone basis;
  - the forecast statement of profit and loss of Integral for the year ending 30 June 2018 on a stand-alone basis;
  - the pro-forma consolidated forecast statement of profit and loss of the Combined Group for the year ending 30 June 2018;
  - the statutory consolidated forecast statement of profit and loss of the Combined Group for the year ending 30 June 2018
  - pro-forma forecast debt covenant ratios for the year ending 30 June 2018.

as set out in Section 6.9 of the Bidder's Statement:

- are not prepared on the basis of the directors' best-estimate assumptions, as described in Sections 6.10, 6.11 and 6.12 of the Bidder's Statement; and
- are not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Capitol's

adopted accounting policies, applied to the forecast and pro-forma adjustments as if those adjustments had occurred as at the date of the forecast; and

- the forecast, pro-forma forecast, and statutory forecast financial information is unreasonable.

*Important Information in relation to the Forecast, Pro-Forma Forecast and Statutory Forecast Financial Information*

The forecast, pro-forma forecast and statutory forecast financial information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Capitol following the proposed transaction.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the forecast and pro-forma forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the forecast, pro-forma forecast and statutory forecast financial information are based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Capitol.

Evidence may be available to support the directors' best-estimate assumptions on which the forecast, pro-forma forecast and statutory forecasts are based, however, such evidence is generally future-orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. However, as stated above, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the directors' best-estimate assumptions used in the preparation of the forecast, pro-forma forecast and statutory forecast financial information do not provide reasonable grounds for the forecast, pro-forma forecast and statutory forecast. The limited assurance conclusion expressed in this report has been formed on the above basis.

Integral Shareholders should be aware of the material risks and uncertainties in relation to an investment in Capitol, which are detailed at Section 9 of the Bidder's Statement, and the inherent uncertainty relating to the forecast and pro-forma forecast. Accordingly, prospective investors should have regard to the investment risks and as described in Section 9 of the Bidder's Statement.

We express no opinion as to whether the forecast, pro-forma forecast or statutory forecast financial information will be achieved.

The forecast, pro-forma forecast and statutory forecast financial information have been prepared by the directors for the purpose of providing Integral Shareholders with information on whether or not to accept the Offer. We disclaim any assumption of responsibility for any reliance on this report, or on the forecast or pro-forma forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Capitol, that all material information concerning the prospects and proposed operations of Capitol has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

**Restriction on Use**

Without modifying our conclusions, we draw attention to Section 6.10, which describes the purpose of the financial information, being for inclusion in the Bidder's Statement. As a result, the financial information may not be suitable for use for another purpose.

**Declaration of Interest**

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

**Financial Services Guide (FSG)**

We have attached our FSG at Appendix A to this IAR. The FSG is designed to assist retail clients in their use of any general financial product advice in our IAR.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Glyn Yates".

**RSM CORPORATE AUSTRALIA PTY LTD**  
**Glyn Yates**  
**Director**

## APPENDIX A – FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 AFSL 255 847 (RSM Corporate or we or us or ours as appropriate) has been engaged to issue general financial product advice in the form of an independent limited assurance report (the IAR) to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (FSG). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### Financial services we will provide

For the purpose of our report and this FSG, the financial service which we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### Benefits that we may receive

We charge various fees for providing various different financial services. However, in respect of the financial services being provided to you by us, fees will be agreed with, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Capitol will pay our fees. These fees are disclosed in the Bidder's Statement to which this FSG is included.

Except for the fees referred to above, neither RSM Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### Remuneration or other benefits received by our employees

All of our employees who provide or provided services in relation to the financial services being provided to you receive a salary. However, other employees of RSM Corporate may be remunerated in other ways, such as salaries with the





entitlement to earn a bonus, depending on meeting revenue, compliance and marketing targets throughout any given financial year. Such other remuneration structures are not relevant to the financial services being provided to you.

#### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

#### **Associations and relationships**

RSM Corporate is wholly owned by the partners of RSM Australia Pty Limited (RSP Australia), a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate, RSM Australia Partners, RSM Australia and / or RSM related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

#### **Complaints resolution**

##### ***Internal complaints resolution process***

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844, +61 (0) 8 9261 9100.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

##### ***Referral to external dispute resolution scheme***

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

#### **Contact details**

You may contact us using the details set out in our letterhead on the first page of the report to which this FSG is attached.