

LETTER TO SHAREHOLDERS

22 September 2016

Dear Shareholder

Annual General Meeting

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Pulse Health Limited ("Pulse Health"). This will be held at 10.30am (AEDT) on Wednesday 30 November 2016 at:

The Yurra Room
The Grace Hotel
Level 2
77 York Street
Sydney NSW 2000

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement;
- Proxy Form for the Annual General Meeting; and
- Annual Report for the year ended 30 June 2016, for those Shareholders who have requested a printed copy.

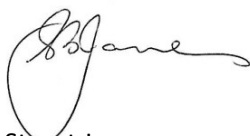
If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 15 of the Notice.

Important notice – 2016 Annual Report

Shareholders are reminded that the 2016 Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2016 Annual Report can be viewed on the Company's website at <http://www.pulsehealth.net.au/investor-information#financialresults>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully



Stuart James
Chairman



Pulse Health
L1, 175 Castlereagh St
Sydney CBD 2000
PO Box A2346
Sydney South NSW 1235
T 02 8262 6300
F 02 8262 6399
info@pulsehealth.net.au
www.pulsehealth.net.au

PULSE HEALTH LIMITED

ABN 69 104 113 760

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (AEDT)

DATE: Wednesday 30 November 2016

PLACE: The Yurra Room
The Grace Hotel
Level 2
77 York Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 15.

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed Resolutions)	5
Explanatory Statement (explaining the proposed Resolutions)	8
Glossary	16
Proxy Form	Separate

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out on page 5.

APPOINTING A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Pulse Health.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholders' votes that each proxy may exercise, each proxy may exercise half of the Shareholders' votes on a poll. Fractions will be disregarded.

To appoint a proxy online, either log onto www.investorvote.com.au using the control number shown on the front of the enclosed proxy form, or scan the QR code on the front of the proxy form.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to:

- (a) by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia; or
- (b) by fax to Computershare Investor Services at:
 - (within Australia) 1800 783 447
 - (outside Australia) +61 3 9473 2555.

The deadline for receipt of proxy appointments is 10.30am (AEDT) on Monday, 28 November 2016.

Proxy appointments received later than this time will be invalid.

POWER OF ATTORNEY

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form by the deadline for receipt of proxy appointments for the Meeting, unless the power of attorney has already been provided to the Share Registry.

INTERMEDIARY ONLINE

Participating intermediaries can lodge their proxy appointments online through

<http://www.intermediaryonline.com>

CORPORATE REPRESENTATIVES

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Computershare Investor Services by calling (+61 3) 9473 2555 or online at

<https://www-au.computershare.com/Investor/help/PrintableForms>

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Pulse Health Limited will be held at the The Yurra Room, The Grace Hotel, Level 2, 77 York Street, Sydney, NSW, 2000, at 10.30am (AEDT) on Wednesday 30 November 2016. Registration will open at 9.45am (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under 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 at 7.00pm (AEDT) on Monday, 28 November 2016.

AGENDA

1. 2016 ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016.

There is no vote on this item of business.

2. RESOLUTION 1 - RE-ELECTION OF DIRECTOR – MR STUART JAMES

To consider and, if thought fit, approve the following resolution as an Ordinary Resolution:

"That Mr Stuart James be re-elected as a Director of the Company."

3. RESOLUTION 2 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, approve the following resolution as a non-binding advisory resolution:

"That, for the purposes of section 250R(2) of the Corporations Act, the Pulse Health Remuneration Report for the year ended 30 June 2016 be adopted."

4. RESOLUTION 3 – GIVING OF FINANCIAL ASSISTANCE BY ZENITAS HOLDINGS PTY LTD AND ITS SUBSIDIARIES

To consider and, if thought fit, approve the following resolution as a Special Resolution:

"That, in accordance with section 260B(2) of the Corporations Act, the Company in general meeting approves the giving of financial assistance by:

- 1. Zenitas Holdings Pty Ltd (ACN 131 435 508);*
- 2. Zenitas ALT Pty Ltd (ACN 606 320 227);*
- 3. Zenitas SYD Pty Ltd (ACN 606 320 263);*
- 4. Zenitas WER Pty Ltd (ACN 606 320 316);*
- 5. Zenitas WPH Pty Ltd (ACN 606 320 334);*
- 6. Zenitas WDS Pty Ltd (ACN 606 320 272); and*
- 7. Healthwoods Day Surgery Pty Ltd (ACN 606 320 245) (formerly Zenitas HWO Pty Ltd),*

to Pulse Health Hospitals Pty Ltd (ACN 120 817 834), in connection with the acquisition by Pulse Health Hospitals Pty Ltd of 100% of the issued shares in the capital of Zenitas Holdings Pty Ltd, in the manner and on the terms set out in the Explanatory Statement accompanying the Notice."

5. OTHER BUSINESS

To consider any other business that may be lawfully brought forward.

DATED: 22 September 2016

BY ORDER OF THE BOARD



**PULSE HEALTH LIMITED
DAVID FRANKS
COMPANY SECRETARY**

Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 16.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting on Resolution 2.

What this means for Shareholders: If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on Resolution 2. If you do not do so, your proxy will not be able to vote on your behalf on Resolution 2.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking the boxes for Resolution 2 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on Resolution 2 (even though those Resolutions are connected with the remuneration of KMP). The Chairman of the Meeting intends to vote in favour of all Resolutions (where permissible).

The Company will disregard votes cast on Resolution 2 by the persons detailed in the table below.

Resolution	Voting exclusions
Resolution 2 – Adoption of Remuneration Report	<p>The Company will disregard any votes cast in any capacity by:</p> <ul style="list-style-type: none"> - a current or former member of the KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2016, and - any Closely Related Parties of such member of the KMP. <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote on Resolution 2 if:</p> <ul style="list-style-type: none"> - it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the The Yurra Room, The Grace Hotel, Level 2, 77 York Street, Sydney, NSW, 2000, at 10.30am (AEDT) on Wednesday 30 November 2016.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read in conjunction with it.

1. ANNUAL REPORT

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016, which are included in Pulse Health's Annual Report.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of Pulse Health.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- the independence of the auditor in relation to the conduct of the audit.

Written questions for the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report to the Company's auditor, please send your question to the Company using the contact details on page 15. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, that is, by Wednesday, 23 November 2016.

2. RESOLUTION 1 - RE-ELECTION OF DIRECTOR

Clause 8.1(e) of the Constitution requires that one third of the Directors (or if their number is not a multiple of three, then the number nearest one third, rounded down) must retire at each annual general meeting of the Company, providing always that at every annual general meeting, at least one Director must retire. The Managing Director and any director appointed as an addition to the existing directors or to fill a casual vacancy during the year is exempt from this requirement.

Under clause 8.1(h) of the Constitution, a Director who retires under clause 8.1(e) is eligible for re-election.

MR STUART JAMES

Mr Stuart James will retire by rotation at the AGM and seeks re-election in accordance with clause 8.1(h) of the Constitution.

Brief Curriculum Vitae of Mr Stuart James – BA (Hons), MAICD, FAIM

Independent Non-Executive Chairman

Experience and expertise

Mr James joined the Board of Pulse Health on 7 November 2007.

Mr James is an experienced executive within the financial and healthcare sectors. Mr James' past roles have included Managing Director of Australian Financial Services for Colonial and Managing Director of Colonial State Bank (formerly the State Bank of NSW).

Mr James has also held an executive role as CEO of the Mayne Group from January 2002 to January 2005. Prior to that Mr James was Mayne's Chief Operating Officer from July 2000 to January 2002.

Current directorships of other listed companies

Greencross Limited (ASX: GXL)

Former directorships of other listed companies in the last three years

Phosphagenics Limited

Wolters Kluwer NV.

Affinity Education Group Limited (ASX: AFJ)

Prime Financial Group Limited (ASX: PFG)

Special responsibilities

Independent Chairman

Board recommendation: *The Directors (with Mr James abstaining) unanimously recommend the re-election of Mr James.*

3. RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 2 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 2 are against the adoption of the Remuneration Report then:

- if comments are made on the Remuneration Report at the Meeting, Pulse Health's 2017 Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and

- if, at next year's annual general meeting, at least 25% of the votes cast on the resolution for adoption of the 2017 Remuneration Report are against it, Pulse Health will be required to put to Shareholders at the meeting a resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), the Company must convene the EGM within 90 days of the Spill Resolution and all of the Directors who were in office when the 2017 Remuneration Report was approved by the Board (other than the Managing Director) will cease to hold office immediately before the EGM but may stand for re-election at the EGM.

Last year, a resolution was passed to adopt the 2015 Remuneration Report by poll, with 93.69% of votes cast in favour of the resolution.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

Board recommendation: *The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Director recommends that Shareholders vote in favour of adopting the Remuneration Report.*

4. **RESOLUTION 3 - GIVING OF FINANCIAL ASSISTANCE BY ZENITAS HOLDINGS PTY LTD AND ITS SUBSIDIARIES**

Background and details of Proposed Financial Assistance

As previously announced by the Company, on 15 January 2016 Pulse Health Hospitals Pty Ltd (**Purchaser**), a wholly owned subsidiary of the Company, completed the acquisition of 100% of the shares in Zenitas Holdings Pty Ltd (**ZHPL**) and each of its wholly owned subsidiaries. These subsidiaries are Zenitas ALT Pty Ltd, Zenitas WER Pty Ltd, Zenitas SYD Pty Ltd, Zenitas WPH Pty Ltd, Zenitas WDS Pty Ltd and Healthwoods Day Surgery Pty Ltd (formerly Zenitas HWO Pty Ltd) (these companies together, the **ZHPL Subsidiaries**) (**Acquisition**).

The Acquisition was financed through a placement, entitlement offer and incremental debt facilities of the Company (refer to the Company's announcement lodged on the ASX Market Announcements Platform on 7 December 2015).

The Purchaser is a party to bank facility documentation dated 27 April 2015 (**Facility Documentation**) between:

- (i) the Company, as borrower;
- (ii) the entities listed below (including the Purchaser), as guarantors (together, **Other Guarantors**); and
- (iii) National Australia Bank Limited, as lender (**Lender**).

This Facility Documentation relates to a \$42,160,000, 3 year multi-option secured loan facility. The Directors consider that the terms of the Facility Documentation, including in relation to interest charges, events of default, undertakings,

representations and warranties (from the Company and its subsidiaries), are customary for a facility of this nature.

As is customary for a facility of the type provided, the Facility Documentation includes a condition that:

- (a) each of ZHPL and the ZHPL Subsidiaries (having each become subsidiaries of the Purchaser after the Acquisition) grant an interlocking guarantee and indemnity to the Lender in relation to the indebtedness of the Company and the Other Guarantors to the Lender by becoming a 'guarantor' under the Facility Documentation by signing a document of accession (**Accession Document**); and
- (b) that this guarantee and indemnity is supported by a registered general security deed (**GSD**) and potentially also a registered Mortgage of Lease (**Mortgage of Lease**),

all so as to further secure the obligations of the Company and the Other Guarantors to the Lender under the Facility Documentation.

The terms of the interlocking guarantee and indemnity, the Accession Document, the GSD and any Mortgage of Lease (if required) granted by each of ZHPL and the ZHPL Subsidiaries (together, **Securities**) are customary for a facility of the nature provided by the Lender and the associated security package. The Securities will be first ranking in respect of the current and/or future property to which they relate.

It is necessary for Resolution 3 to be passed in order for ZHPL and the ZHPL Subsidiaries to give the Securities to the Lender. If Resolution 3 is not passed and ZHPL and the ZHPL Subsidiaries are unable to give the Securities to the Lender, the condition in the Facility Documentation will not be satisfied and the Lender could require the Company to repay all money outstanding under the facility.

Pursuant to the Facility Documentation, ZHPL and the ZHPL Subsidiaries will (with the Other Guarantors):

- (a) guarantee payment to the Lender on demand of all present and future, actual and/or contingent liabilities and obligations of the Company and the Other Guarantors to the Lender; and
- (b) indemnify the Lender against all or any loss or damage suffered or incurred by the Lender by reason or in consequence of any of the matters referred to in the Facility Documentation.

The following entities are currently guarantors of the Company's liabilities and obligations under the Facility Documentation, and of each other's liabilities and obligations under the Facility Documentation:

- (a) Pulse Health Services Pty Ltd ABN 19 120 817 825
- (b) Pulse Health Hospitals Pty Ltd ABN 21 120 817 834
- (c) Bega Valley Private Hospital Pty Ltd ABN 24 126 077 183
- (d) Forster Private Hospital Pty Ltd ABN 59 128 758 958
- (e) Gympie Private Hospital Pty Ltd ABN 47 128 759 213

- (f) Gold Coast Surgical Hospital Pty Ltd ABN 40 134 340 864
- (g) KPH Hospital Pty Ltd ABN 45 128 758 458
- (h) NMP Hospital Pty Ltd ABN 135 382 008
- (i) PERH Pty Ltd ABN 22 143 486 515
- (j) Westmead Rehabilitation Hospital Pty Ltd ABN 28 132 458 818
- (k) Recruitment Specialist Group Pty Ltd ABN 52 111 514 286
- (l) Pulse Health Nursing Pty Ltd ACN 131 484 501
- (m) Pulse Health Aged Care Pty Ltd ABN 51 134 054 541
- (n) Pulse Community Care Pty Ltd ABN 72 112 755 307
- (o) The Hills Clinic Pty Ltd ABN 69 131 435 508

(together, the **Other Guarantors**).

The granting of the Securities by ZHPL and the ZHPL Subsidiaries may constitute ZHPL and the ZHPL Subsidiaries giving "financial assistance" in connection with the Acquisition within the meaning of section 260A of the Corporations Act insofar as doing so assists the Purchaser to purchase shares in ZHPL.

Accordingly, Shareholders are being asked under Resolution 3 to approve the giving of the financial assistance by ZHPL and the ZHPL Subsidiaries for the purposes of section 260B(2) of the Corporations Act in order for ZHPL and the ZHPL Subsidiaries to give the Securities to the Lender.

The requirements for obtaining member approval under section 260B of the Corporations Act

Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares in the company or its holding company only in certain circumstances, one of which is if the assistance is approved by shareholder(s) under section 260B.

While the Corporations Act does not define what is meant by "financially assist", it is generally accepted that the guaranteeing by ZHPL and the ZHPL Subsidiaries of the obligations of the Company and the Other Guarantors may fall within the broad scope of that term insofar as it assists the Purchaser to purchase shares in ZHPL.

The requirements for shareholder approval under section 260B of the Corporations Act are:

- (a) The assistance must be approved by shareholders of each of ZHPL and the ZHPL Subsidiaries by:
 - (i) a Special Resolution passed at a general meeting of each of ZHPL and the ZHPL Subsidiaries with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or

- (ii) a resolution agreed to, at a general meeting of each of ZHPL and the ZHPL Subsidiaries, by all ordinary shareholders.

Under section 249B of the Corporations Act, a company that has only one member may pass a resolution without a general meeting being held if the sole member signs a document containing a statement that they are in favour of the resolution set out in the document. The Purchaser proposes to sign such a document in its capacity as sole shareholder of ZHPL to approve the giving of financial assistance by ZHPL in relation to the Acquisition. ZHPL proposes to sign such a document in its capacity as sole shareholder of ZHPL Subsidiaries to approve the giving of financial assistance by ZHPL Subsidiaries in relation to the Acquisition.

- (b) In addition, if, immediately after the Acquisition, ZHPL and the ZHPL Subsidiaries will have an ultimate Australian holding company that is a listed domestic corporation, the financial assistance must also be approved by a Special Resolution passed at a general meeting of the body corporate that will be the ultimate Australian holding company.

Immediately after the Acquisition, the Company became the ultimate Australian holding company of ZHPL and ZHPL Subsidiaries and, accordingly, Shareholder approval is required for the giving of financial assistance by ZHPL and ZHPL Subsidiaries in relation to the Acquisition in order for ZHPL and ZHPL Subsidiaries to provide the Security to the Lender.

- (c) The Corporations Act requires that the Company must include with the notice of meeting a statement setting out all the information known to the Company that is material to the decision on how to vote on the resolution, unless it would be unreasonable to require the Company to do so because the Company has previously disclosed the information to its shareholders. The information has been included in section 4 of this Explanatory Statement by the Company to satisfy this requirement.

Reasons for Proposed Financial Assistance

The strategic rationale and reasons why the Company has made the investment in ZHPL and the ZHPL Subsidiaries have been fully explained in the Company's announcements lodged on the ASX Market Announcements Platform on 7 December 2015, 15 January 2016 and 26 February 2016.

The reasons for the giving of the financial assistance are to enable the Company to comply with its obligations under the Facility Documentation.

Effects of the financial assistance

The Directors believe that the giving of the financial assistance described in this Explanatory Statement by ZHPL and the ZHPL Subsidiaries is unlikely to have any material adverse effect on ZHPL and ZHPL Subsidiaries.

Advantages

- (a) The provision of the financial assistance by ZHPL and the ZHPL Subsidiaries as detailed above will enable the Company to comply with its obligations under the Facility Documentation, thereby preserving the benefit of all of the facilities from the Lender available to the Company and its subsidiaries under

the Facility Documentation. In this regard, if Resolution 3 is not passed, ZHPL and ZHPL Subsidiaries are not able to provide the Security to the Lender and the Lender could require immediate repayment of the amounts due under the Facility Documentation which would have a material adverse impact on the operations of the Company, the Purchaser, ZHPL and the ZHPL Subsidiaries.

- (b) As a member of the group of companies of which the Company is the ultimate holding company, ZHPL and the ZHPL Subsidiaries will have the benefit of access to the resources, skills and financial expertise the Company provides its various subsidiaries and the opportunity to take advantage of those which it would not otherwise have had.
- (c) The Directors accordingly believe, after careful consideration of all relevant factors and in the context of the positive benefits of the acquisition by the Purchaser of ZHPL and the ZHPL Subsidiaries for the Company, that the provision of financial assistance as referred to in this Explanatory Statement is in the best interests of and of commercial benefit to the Company, ZHPL and the ZHPL Subsidiaries.

Disadvantages

- (a) As the Company is already liable for the amounts due under the Facility Documentation, the Directors of the Company do not believe there are any disadvantages to the Company approving the giving of financial assistance by ZHPL and the ZHPL Subsidiaries.
- (b) For ZHPL and the ZHPL Subsidiaries, the disadvantages of granting the Security include:
 - (i) ZHPL and the ZHPL Subsidiaries will become liable for the amounts due under the Facility Documentation and the Securities;
 - (ii) the assets of each of ZHPL and the ZHPL Subsidiaries will be subject to the Securities and their operations will be restricted by the representations and undertakings given by each of them under the Facility Documentation and the Securities; and
 - (iii) although the Directors consider this unlikely, the Company may default under the Facility Documentation, and the Lender may then make a demand under the guarantees provided by ZHPL and the ZHPL Subsidiaries requiring immediate repayment of the amounts due under the Facility Documentation and seek to enforce the Securities, which may result in the appointment of a controller over the assets of, or the winding up of, ZHPL and the ZHPL Subsidiaries.

Special Resolution

Under the provisions of section 260B(2) of the Corporations Act, the proposed financial assistance requires shareholder approval by way of Special Resolution. That is, at least 75% of the votes cast by Shareholders entitled to vote on the Resolution must be in favour of the Resolution for it to be passed.

Notice to ASIC

Copies of the Notice and this Explanatory Statement were lodged with ASIC before being sent to Shareholders in accordance with section 260B(5) of the Corporations Act.

Disclosure of information

The Directors consider that this Explanatory Statement contains all material information known to the Company that could reasonably be required by Shareholders in deciding whether to approve Resolution 3, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to Shareholders.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3. The reason the Board makes this recommendation is that it considers that the giving of financial assistance described above is appropriate in connection with the Company's acquisition of ZHPL and the ZHPL Subsidiaries.

5. ENQUIRIES

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in the Documents.

David Franks
Company Secretary
Pulse Health Limited
c/- Franks & Associates Pty Limited
GPO Box 4325, Sydney, NSW 2001
Tel: (+61 2) 9299 9690
Fax: (+61 2) 9299 9629
Email: dfranks@fa.com.au

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time, Sydney, New South Wales.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors of the Company as constituted from time to time.

Closely Related Parties, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Pulse Health (or the Pulse Health Group), and any company the member controls.

Company or Pulse Health means Pulse Health Limited (ABN 69 104 113 760).

Constitution means the Constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Documents means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany them when sent to each Shareholder.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel or KMP means those persons having authority and responsibility for planning, directing and controlling the activities of Pulse Health or the Pulse Health Group, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

Notice means the notice of Meeting that accompanies and forms part of the Documents.

Ordinary Resolution means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

Proxy Form means the proxy form accompanying this Notice.

Pulse Health Group means Pulse Health and its controlled entities.

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

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

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services.

Special Resolution means a resolution passed by more than 75 per cent of the votes at a general meeting of Shareholders.

ZHPL Subsidiaries means Zenitas ALT Pty Ltd (ACN 606 320 227), Zenitas WER Pty Ltd (ACN 606 320 316), Zenitas SYD Pty Ltd (ACN 606 320 263), Zenitas WPH Pty Ltd (ACN 606 320 334), Zenitas WDS Pty Ltd (ACN 606 320 272) and Healthwoods Day Surgery Pty Ltd (ACN 606 320 245) (formerly Zenitas HWO Pty Ltd).

Interpretation

In these Documents, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) reference to “\$”, “A\$”, “Australian Dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

PHG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10:30am on Monday 28 November 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Pulse Health Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pulse Health Limited to be held at The Yurra Room, The Grace Hotel, Level 2, 77 York Street, Sydney NSW 2000 on Wednesday, 30 November 2016 at 10.30am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Director – Mr Stuart James	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Giving of Financial Assistance by Zenitas Holdings Pty Ltd and its Subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /