

17 July 2015



Company Announcements
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Our reference:
2828489

Dear Sir/Madam

Off-market takeover bid by Pulse Health Limited – Replacement Bidder's Statement

On 6 July 2015, Pulse Health Limited ABN 69 104 113 760 (**Pulse**) lodged a bidder's statement in relation to its off-market takeover bid for all the ordinary voting shares in Vision Eye Institute Limited ABN 21 098 890 816 (**Vision**) (**Offer**).

On behalf of Pulse and in accordance with the terms of ASIC Class Order 13/528, we **enclose** a replacement bidder's statement dated 16 July 2015 in relation to the Offer.

The replacement bidder's statement was lodged with ASIC and provided to Vision earlier today.

Vision has consented to the replacement bidder's statement being dispatched to Vision's shareholders on and from 20 July 2015.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J. Stewart'.

James Stewart
Partner
Norton Rose Fulbright Australia

Encl.

APAC-#27517216-v1

Pulse Health Limited

BIDDER'S STATEMENT

Off-market bid by

Pulse Health Limited

ABN 69 104 113 760

to purchase all of the fully paid ordinary voting shares on issue in

Vision Eye Institute Limited

ABN 21 098 890 816

for

1.60 Pulse Shares for each of your Vision Shares

ACCEPT

the Offer by Pulse for all of your Vision Shares

Information hotline:

If you have any queries in relation to the Offer, please call the Pulse Offer Information Line on: 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia) between 9:00am and 5:00pm (Sydney time) on Business Days.

Financial Advisor

ALLIER
— C A P I T A L —

Legal Advisor

 **NORTON ROSE FULBRIGHT**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with this document, you should consult your broker, financial advisor or other professional advisor immediately

Important Notices

This replacement Bidder's Statement is dated 17 July 2015 and is given by Pulse Health Limited ABN 69 104 113 760 (**Pulse**) to Vision Eye Institute Limited ABN 21 098 890 816 (**Vision**) under Part 6.5 of the Corporations Act (as amended by ASIC Class Order 13/528) in relation to the Takeover Bid for all of the fully paid ordinary voting shares in Vision. This replacement Bidder's Statement was lodged with ASIC and ASX on 17 July 2015. This replacement Bidder's Statement replaces the original Bidder's Statement lodged with ASIC and ASX on 6 July 2015. References in this document to "date of this Bidder's Statement" (or similar) should be read as references to 6 July 2015. Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the content of this Bidder's Statement.

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. Before deciding whether to accept the Offer, you should consider the contents of this Bidder's Statement in light of your personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional advisor.

You should read this Bidder's Statement in its entirety.

KEY DATES

Date of announcement of Takeover Bid	6 July 2015
Date of the original Bidder's Statement	6 July 2015
Date of this replacement Bidder's Statement	17 July 2015
Opening date of Offer	20 July 2015
Closing Date of Offer (unless extended or withdrawn)	21 August 2015

KEY CONTACTS

Share Registrar	Pulse Offer Information Line *
Computershare Investor Services Pty Limited	1300 387 045 (within Australia) + 61 3 9415 4617 (outside Australia)
Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067	
Ph: 1300 787 272	

* Between 9:00am and 5:00pm (Sydney time) on Business Days. Pulse may record calls to these telephone numbers.

Disclaimer as to forward looking statements

This Bidder's Statement may include certain statements that are in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement.

The forward looking statements in this Bidder's Statement reflect the views held only as at the date of this Bidder's Statement. While Pulse believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct.

None of Pulse, the officers or employees of Pulse, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

Disclaimer as to Vision and Merged Group information

The information on Vision, Vision Shares, Vision Non-Voting Shares and the Vision Group contained in this Bidder's Statement is based on publicly available information. None of the information in the Bidder's Statement concerning Vision's business and the assets and liabilities, financial position and performance, profits and losses and prospects of the Vision Group has been verified by Pulse for the purpose of this Bidder's Statement. Accordingly, subject to the Corporations Act, Pulse does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information. The information on Vision in this Bidder's Statement should not be deemed to be comprehensive.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Vision and the Vision Group, has also been prepared using publicly available information. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Further information relating to Vision's business may be included in Vision's Target's Statement which Vision will be providing to Vision Shareholders.

Foreign jurisdictions and shareholders

The Offer Consideration includes Pulse Shares which are listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries.

Pulse Shares will only be issued under the Offer to Vision Shareholders with registered addresses in Australia or its external territories, unless Pulse determines to the contrary. Foreign Shareholders will not be entitled to Pulse Shares as part of the Offer Consideration. Instead, the Pulse Shares that Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds will be paid to each relevant Foreign Shareholder pro rata according to their respective holdings of Vision Shares by cheque in Australian dollars drawn on an Australian bank account.

This Bidder's Statement is intended to be distributed in Australia. The distribution of this Bidder's Statement in jurisdictions outside of Australia may be restricted by law or regulation. If you are a Foreign Shareholder and in possession of this Bidder's Statement, please ensure that you are aware of and observe any restrictions imposed in your jurisdiction.

This Bidder's Statement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

The Pulse Shares to be issued pursuant to the Offer have not been, and will not be, registered under the *United States Securities Act of 1933 (Securities Act)* and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws. None of the US Securities Exchange Commission, any United States state securities commission or any other United States regulatory authority has passed comment upon or endorsed the merits of the Offer or the accuracy, adequacy or completeness of this Bidder's Statement.

Privacy

Pulse has collected your personal information from the register of Vision Shareholders for the purpose of making this Offer and, if accepted, administering an acceptance over your holding of Vision Shares and for issuing the Offer Consideration to you. The type of personal information Pulse has collected about you includes your name, address, contact details and information on your holding of Vision Shares. Without this information, Pulse will be hindered in its ability to carry out its Takeover Bid.

The Corporations Act requires the name and address of shareholders to be held in a public register. Your personal information may be disclosed on a confidential basis to Pulse's Related Bodies Corporate and external service providers and professional advisors, and may be required to be disclosed to regulators such as ASIC and the ASX. You can contact Pulse by post at Suite 1.04, Level 1, 175 Castlereagh Street, Sydney, New South Wales, Australia 2000, by telephone on +61 2 9215 8900 or by email at investorrelations@pulsehealth.net.au.

Pulse will otherwise collect, hold, use and disclose your personal information in accordance with its Privacy Policy (available at: www.pulsehealth.net.au/privacy-policy), which sets out how you may access and correct the personal information that Pulse holds about you and how to lodge a complaint relating to Pulse's treatment of your personal information.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 16 of this Bidder's Statement. In addition, unless the contrary intention appears or the context otherwise requires, words and phrases used in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

Table of Contents

IMPORTANT NOTICES	1
1 Chairman's Letter	3
2 Reasons to Accept the Offer and Risks.....	5
3 Summary of the Offer and How to Accept.....	11
4 Frequently Asked Questions	13
5 Information About Pulse.....	19
6 Information About Pulse's Securities	29
7 Information About Vision and the Vision Group	34
8 Information About Vision Securities.....	40
9 Profile of the Merged Group and Effect of the Offer on Pulse	42
10 Pulse's Intentions for Vision	50
11 Offer Consideration.....	53
12 Risk Factors	54
13 Taxation Considerations.....	58
14 Other Material Information.....	61
15 Terms and Conditions of the Offer.....	69
16 Definitions and Interpretation	82
17 Approval of Bidder's Statement	87
Annexure A – Announcement in relation to the Offer	88
Annexure B – Pulse Announcements since 29 August 2014	94
Annexure C – Vision Announcements since 20 October 2014	95
CORPORATE DIRECTORY	98

1. Chairman's Letter

17 July 2015

Dear Vision Shareholder,

Off-market takeover bid for Vision Eye Institute Limited (Vision)

On behalf of the Board of Pulse Health Limited (**Pulse**), we are pleased for Pulse to offer you a significant premium and substantial value for your ordinary voting shares in Vision, as well as an opportunity to participate in the creation of one of Australia's leading providers of specialist healthcare services, through the combined Pulse and Vision network of niche hospitals, surgery centres, and ophthalmic practices.

Pulse is offering 1.60 Pulse Shares for each Vision Share (**Offer**). The Offer implies a value of **\$0.88 per Vision Share**, based on a valuation of each Pulse Share of \$0.55 reflecting the 5-day VWAP of Pulse Shares to 3 July 2015¹.

The value of the Offer Consideration comprising \$0.88 per Vision Share¹ represents a significant premium to recent trading levels of Vision Shares, being a:

- 31% premium to the closing price of Vision Shares on 3 July 2015² of \$0.68;
- 33% premium to the 5-day VWAP of Vision Shares to 3 July 2015² of \$0.66;
- 31% premium to the 30-day VWAP of Vision Shares to 3 July 2015² of \$0.67; and
- 47% premium to the offer price of \$0.60 for Vision Shares under Vision's institutional placement completed in October 2014.

The Offer provides Vision Shareholders with the opportunity to participate in the value creation strategy that Pulse has developed for the merger of Pulse and Vision (**Merged Group**) underpinned by:

- Strategic alignment in operating complementary networks of niche specialist hospitals, day surgery centres and ophthalmic practices. The Merged Group will be a leader in the surgery centre market and will be well positioned to consolidate this attractive and fragmented market.
- Pulse's proven management team which has successfully executed an organic and acquisition based growth strategy.

¹ Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance. The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

² The last trading day prior to announcement of the Offer to ASX.

- Pulse's surgery centre expertise will be enhanced by a proposed services agreement with an entity controlled by Mr David Manning. Mr Manning is also proposed to be appointed as a Non-Executive Director to the Pulse Board if the Offer is successful. Mr Manning has over 35 years of surgery centre experience including having co-founded NASDAQ listed AmSurg Corp. (**AmSurg**). AmSurg operates the largest eye surgery network and one of the largest surgery centre networks in the United States, with a market capitalisation of approximately US\$3.4 billion. Mr Manning has a strategic relationship with AmSurg and has agreed to an in-principle arrangement with AmSurg under which the entity controlled by him will receive an exclusive agreement to access, and use outside of North America, AmSurg's intellectual property in relation to operational services and the development of surgery centres. It is proposed that the services agreement between Pulse and the entity controlled by Mr Manning will provide the Merged Group with access to this intellectual property and global best practice in surgery centre development and operation.
- Potential annual pre-tax cost-synergies estimated at \$2.0 million.³
- Greater scale and financial strength. The Merged Group is estimated to have underlying unaudited pro forma FY15 EBITDA of \$32.3 million, a pro forma market capitalisation of approximately \$255 million and a pro forma FY15 enterprise value ("EV") of \$291 million⁴. The Merged Group will have a greater balance sheet capacity with a FY15 pro forma net debt of \$35.6 million⁴. Shareholders of the Merged Group should benefit from owning shares in a company that will have greater liquidity, a larger balance sheet and greater capacity to access capital to fund further growth opportunities.

Vision and Pulse are highly complementary businesses and have a strong strategic fit. The proposed acquisition is in line with Pulse's strategy to develop and acquire niche specialist hospitals and surgery centres.

Our strategy for the Merged Group is expected to provide strong benefits for the doctors, employees and shareholders of both organisations.

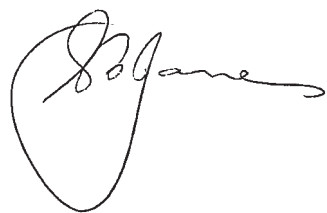
The Offer is subject to some conditions, full details of which are contained in section 15.7.

The Pulse Board believes that the Offer is compelling for Vision Shareholders, providing an attractive premium for your Vision Shares.

We encourage you to read all of this Bidder's Statement carefully and then accept the Offer as soon as possible.

To accept the Offer, you should follow the instructions on the enclosed Acceptance Form. If you require additional assistance, please contact the Pulse Offer Information Line on 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia).

Yours faithfully,



Stuart James
Chairman

³ Refer to section 2.2(3) for further information.

⁴ The Merged Group unaudited underlying pro forma FY15 EBITDA is based on the combination of Pulse's earnings guidance release to ASX on 30 June 2015 (with pro forma underlying unaudited FY15F EBITDA of \$10.7 million) and Vision's earnings guidance released to ASX on 13 May 2015 (with underlying unaudited FY15F EBITDA of \$25 - \$26 million), excluding synergies and adjusted for announced asset transactions. The Merged Group pro forma FY15 net debt is based on the combination of pro forma FY15 net debt for Pulse and Vision, including \$9.0 million of anticipated transaction costs relating to the Offer. The pro forma EV of the Merged Group is estimated to be \$291 million and is based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market capitalisation of Vision at the implied value of the Offer of \$0.88 per Vision Share (refer to Footnote 1 on Page 4) plus the pro forma FY15 net debt of the Merged Group. Refer to section 9.4 for more details.

2. Reasons to Accept the Offer and Risks

REASONS TO ACCEPT THE OFFER

1

The Offer represents a SIGNIFICANT PREMIUM to recent Vision Share trading levels

2

The Offer provides Vision Shareholders with exposure to the Merged Group, which is expected to benefit from:

- Strategic alignment of Pulse and Vision;
- Proven management capability;
- Access to global surgery centre expertise;
- Synergies; and
- Greater scale and financial strength.

3

Vision Shareholders may not have to pay brokerage in respect of the transfer of their Vision Shares under the Offer

4

Vision Shareholders may be eligible for CGT rollover relief in respect of the transfer of their Vision Shares under the Offer

5

No other proposal has been provided for your Vision Shares at the date of this Bidder's Statement

6

The Vision Share price and liquidity may fall if Vision Shareholders do not accept the Offer

The list of reasons to accept the Offer set out above is a summary only and should be considered in conjunction with the specific details provided in relation to each reason in the remainder of this section 2 of the Bidder's Statement.

2.1 The Offer represents a SIGNIFICANT PREMIUM to recent Vision Share trading levels

The value of the Offer Consideration being 1.60 Pulse Shares for each Vision Share represents a significant premium to the recent trading levels of Vision Shares, being a:

- 31% premium to the closing price of Vision Shares on 3 July 2015⁵ of \$0.68;
- 33% premium to the 5-day VWAP of Vision Shares to 3 July 2015⁵ of \$0.66;
- 31% premium to the 30-day VWAP of Vision Shares to 3 July 2015⁵ of \$0.67; and
- 47% premium to the offer price of \$0.60 for Vision Shares under Vision's institutional placement completed in October 2014.

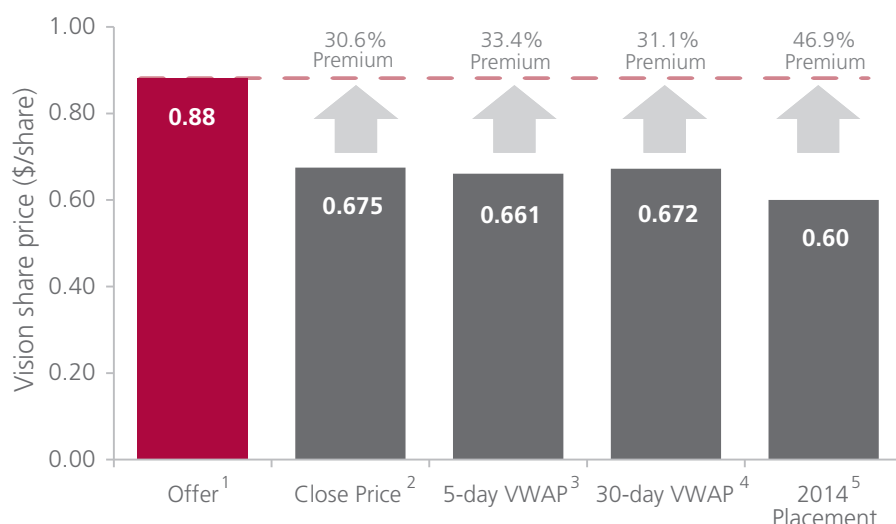


Figure 2.1: Offer premium summary

¹ **Offer:** Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance. The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

² **Close Price:** Based on the closing price of Vision Shares on 3 July 2015

³ **5-day VWAP:** Based on the 5-day VWAP of Vision Shares to 3 July 2015 of \$0.66

⁴ **30-day VWAP:** Based on the 30-day VWAP of Vision Shares to 3 July 2015 of \$0.67

⁵ **2014 Placement:** Based on the offer price for Vision Shares under Vision's institutional placement completed in October 2014 of \$0.60

2.2 The Offer provides Vision Shareholders with the opportunity to participate in the value creation strategy that Pulse has developed for the merger of Pulse and Vision. The merger strategy is underpinned by:

1. Strategic alignment of Pulse and Vision

- Pulse and Vision have significant alignment in operating complementary networks of niche specialist hospitals, surgery centres and ophthalmic practices, and partnering with high quality healthcare professionals to deliver best-in-class outcomes for doctors and patients.
- Both companies have stated an overlapping growth strategy of expanding their facilities footprint and diversifying their network into complementary specialties.
- The Merged Group will be a leader in the surgery centre market and will be well positioned to consolidate this attractive and fragmented market.

Refer to section 9 for further information on the Merged Group.

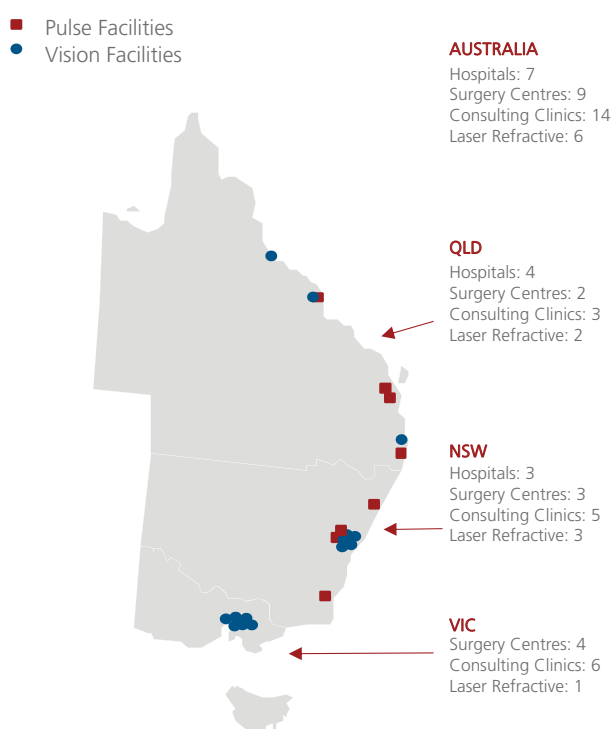


Figure 2.2: Facilities networks of Vision and Pulse⁶

2. Proven management capability

- Pulse has a proven management capability and has successfully executed an organic and acquisition based growth strategy.
- Under the auspices of Pulse's senior management team, led by Ms Phillipa Blakey who was appointed CEO in June 2013, Pulse has achieved the following milestones:
 - On 30 June 2015, released an investor update to the ASX indicating a pro forma underlying unaudited FY15F EBITDA of \$10.7 million, demonstrating strong earnings momentum entering FY16;
 - Implemented Pulse's *Shared Services Platform* to support growth and management efficiency, and realise material cost savings;
 - Completed three transactions involving the acquisition or development of three new facilities to Pulse's network;
 - Successfully divested North Coast Community Care, a non-core asset of Pulse;
 - Successfully arranged a new \$42.2 million debt facility in April 2015 for acquisition, asset finance, guarantees and working capital requirements with National Australia Bank; and

⁶ Includes Pulse's Gold Coast Surgical Hospital that is currently under development and Vision's PANCH Day Surgery Centre

- Successfully raised \$30.0 million in April 2014 through a share placement to fund growth.
- Pulse has achieved these results while partnering with healthcare professionals to deliver best-in-class outcomes for doctors and patients.
- The results of Pulse management's initiatives are reflected in the attractive performance of the closing price of Pulse Shares on 3 July 2015, which has risen by 100% since Ms Blakey's appointment on 5 June 2013 as acting CEO.
- With the recently announced resignation of Mr Brett Coverdale as Managing Director and Chief Executive Officer of Vision, the Offer provides Vision with a strong management capability at a time when it is searching for new senior leadership.

Refer to section 5.4 for information on Pulse management and section 6.2 for the Pulse Share price history.

3. Access to global surgery centre expertise through partnership with David Manning

Pulse's surgery centre expertise will be enhanced by a proposed services agreement with an entity controlled by Mr David Manning. Mr Manning is also proposed to be appointed as a Non-Executive Director to the Pulse Board if the Offer is successful. Mr Manning has over 35 years of surgery centre experience including having co-founded NASDAQ listed AmSurg. AmSurg operates the largest eye surgery network and one of the largest surgery centre networks in the United States, with a market capitalisation of approximately US\$3.4 billion. Mr Manning has a strategic relationship with AmSurg and has agreed to an in-principle arrangement with AmSurg under which the entity controlled by him will receive an exclusive agreement to access, and use outside of North America, AmSurg's intellectual property in relation to operational services and the development of day surgery centres. It is proposed that the services agreement between Pulse and the entity controlled by Mr Manning will provide the Merged Group with access to global best practice in surgery centre development and operation.

Refer to section 5.5 for further information on Mr Manning.

4. Synergies

- Pulse management's analysis and review of publicly available information on Vision and its experience with previous industry integration has led it to conclude that, if Pulse acquires 100% of the Vision Shares, potential pre-tax cost synergies of approximately \$2.0 million should be realised once fully implemented.
- The potential synergies have been assessed by Pulse management as realisable through:
 - removing duplication of costs across the operations of the Merged Group including such areas as head office, senior executives, audit and corporate services;
 - removing costs associated with Vision being listed on ASX and its board; and
 - leveraging best practice for corporate processes and systems.
- The potential synergies are based on estimates by Pulse management. Pulse has not discussed its analysis of achievable synergies with Vision management and does not have available to it (based on the publicly available information) sufficient information to develop a detailed integration plan to achieve the synergies.
- There are potential revenue synergies available from better optimisation of the Merged Group's facilities network.
- The extent and timing of the benefit of the potential synergies is currently uncertain and will depend on, among other things, whether or not Pulse is able to acquire 100% of Vision and the results of the operational review that Pulse intends to conduct following the conclusion of the Offer, as referred to in sections 10.3 and 10.4.
- The full benefit of the potential synergies would not be available if Pulse acquires less than 100% of Vision. Relevantly, Pulse reserves its right to declare the Offer free from the Minimum Acceptance Condition (or any other Condition) to the Offer.

Refer to section 9.4 for financial information on the Merged Group.

5. Greater Scale and Financial Strength

The Merged Group is estimated to have underlying unaudited pro forma FY15 EBITDA of \$32.3 million and a pro forma market capitalisation of approximately \$255 million based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market capitalisation of Vision at the value of the Offer price of \$0.88 per Vision Share⁷. The Merged Group is also estimated to have a pro forma FY15 enterprise value of \$291 million (based on an unaudited pro forma FY15 net debt of the Merged Group of \$35.6 million). Holding shares in the Merged Group compared to Vision Shares should result in owning shares in a company with a larger balance sheet, greater liquidity and greater capacity to access capital to fund further growth opportunities.

Refer to section 9.4 for financial information on the Merged Group.

2.3 Vision Shareholders may not have to pay brokerage on the transfer of their Vision Shares under the Offer

1. Issuer Sponsored Holding

If your Vision Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Pulse, you will not incur any brokerage fees in connection with your acceptance of the Offer.

2. CHESS Holding

If your Vision Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Vision Shares are registered in the name of a broker, bank, custodian, or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

3. Foreign Shareholder

If you are a Foreign Shareholder, brokerage will be payable in respect of the Pulse Shares sold under the nominee facility described in section 15.6 and will be deducted from the proceeds of sale.

2.4 Vision Shareholders may be eligible for CGT rollover relief in respect of the transfer of their Vision Shares under the Offer

Should Pulse be successful in acquiring more than 80% of Vision Shares, Vision Shareholders who are deemed Australian residents for tax purposes and who would otherwise derive a capital gain in respect of the exchange of Vision Shares for Pulse Shares should be entitled to choose scrip for scrip rollover relief.

The effect of this would be that the capital gain arising from the exchange of Vision Shares for Pulse Shares would effectively be disregarded for CGT purposes until a later CGT event happens in respect of the Pulse Shares acquired.

Please refer to section 13 for a general summary of Australian tax considerations for Vision Shareholders.

2.5 No other proposal has been provided for your Vision Shares at the date of this Bidder's Statement

As at the date of this Bidder's Statement, no other proposal for your Vision Shares has been announced by Vision or another party.

2.6 The Vision Share price and liquidity may fall if Vision Shareholders do not accept the Offer

⁷ The Merged Group unaudited underlying pro forma FY15 EBITDA is based on the combination of Pulse's earnings guidance release to ASX on 30 June 2015 (with pro forma underlying unaudited FY15F EBITDA of \$10.7 million) and Vision's earnings guidance released to ASX on 13 May 2015 (with underlying unaudited FY15F EBITDA of \$25 - \$26 million), excluding synergies and adjusted for announced asset transactions. The Merged Group pro forma FY15 net debt is based on the combination of pro forma FY15 net debt for Pulse and Vision, including \$9.0 million of anticipated transaction costs relating to the Offer. The pro forma EV of the Merged Group is estimated to be \$291 million and is based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market capitalisation of Vision at the implied value of the Offer of \$0.88 per Vision Share (refer to Footnote 1 on Page 4) plus the pro forma FY15 net debt of the Merged Group. Refer to section 9.4 for more details.

The closing price of Vision Shares on the ASX prior to the announcement of the Offer was \$0.68. Pulse believes that if the Offer does not succeed, and if there are subsequently no other alternative offers or proposals for Vision Shares, it is likely that the trading price of Vision Shares may fall from the prevailing trading price during the Offer Period.

If Vision remains listed on the ASX following the close of the Offer, it is likely that the market for your Vision Shares will become less liquid than the market for those Vision Shares as it is after the Announcement Date. A less active or liquid market for Vision Shares may result in increased difficulty in selling your Vision Shares on market at a date after the close of the Offer.

RISKS OF ACCEPTING THE OFFER

2.7 There are risks associated with accepting the Offer

Some of the risks associated with accepting the Offer include:

- The consideration being offered for your Vision Shares consists of a specified number of Pulse Shares. Accordingly, the value of the consideration will fluctuate depending upon the market value of the Pulse Shares.
- There are risks that integration of the businesses of the Pulse Group and the Vision Group may take longer than expected and that anticipated benefits of that integration may be less than estimated.
- It is possible that the change in control of Vision that will arise as a result of the Offer may trigger termination rights under material contracts to which Vision or its Subsidiaries are a party.
- The arrangements described in this Bidder's Statement for the services of Mr David Manning and the access to AmSurg's intellectual property and systems are currently only a proposal. If definitive binding agreements between Pulse and Mr Manning, and Mr Manning and AmSurg respectively, are not entered into, Pulse may not receive the benefits of Mr Manning's services and the intellectual property and systems of AmSurg.
- Both Pulse and Vision operate in the private healthcare industry and, accordingly, any investment in the Merged Group will remain subject to the risks affecting that industry, including changes in government policies, uncertainties in relation to contract negotiations and renewals with private health insurance funds, litigation and insurance risks and project development risks.

Refer to section 12 for further information about these risks and additional risks associated with accepting the Offer.

3. Summary of the Offer and How to Accept

The information in this section is a summary of the Offer only. You should read it in conjunction with the remainder of this Bidder's Statement.

Offer	<p>Pulse is offering to buy all of your Vision Shares on the terms set out in this Bidder's Statement.</p> <p>You may only accept the Offer in respect of all (and not some only) of the Vision Shares held by you.</p>
Offer Consideration	<p>If you accept the Offer and it becomes unconditional, you will receive 1.60 Pulse Shares for each of your Vision Shares.</p> <p>Foreign Shareholders who accept the Offer will not be entitled to Pulse Shares as part of the Offer Consideration. Instead, the Pulse Shares that Foreign Shareholders would have been entitled to receive will be dealt with in accordance with section 15.6.</p>
Offer Period	<p>The Offer is open for acceptance between 20 July 2015 and 7:00pm (Sydney time) on 21 August 2015, unless it is extended or withdrawn by Pulse.</p>
Expected date of receipt of consideration by Vision Shareholders who accept the Offer	<p>If you accept the Offer and it becomes unconditional, you will be provided the Offer Consideration for your Vision Shares 1 month after the later of the date you accept and the date the Offer becomes unconditional and, in any event, no later than 21 days after the Closing Date.</p>
Conditions	<p>The Offer is subject to the following key conditions:</p> <ul style="list-style-type: none">• Minimum Acceptance Condition;• Pulse obtaining all third party and regulatory approvals;• no adverse regulatory action in respect of Vision;• no Prescribed Occurrences;• no Material Adverse Change;• no misleading announcements by Vision to ASX;• Vision continuing to conduct its business in the ordinary course (including not making any material acquisitions or disposals and not making changes to its board or senior management);• Vision to maintain material contracts;• Vision providing Pulse with information to enable Pulse to undertake due diligence investigations in relation to Vision and its business for the purpose of confirming certain financial, compliance and operational aspects of the business of the Vision Group;• Vision not agreeing to any break fees with any other third parties and providing equal access to information;• Vision not entering into or amending any Related Party transactions; and• no adverse decision in relation to the outstanding dispute with Dr Kitchen. <p>Full details of the Conditions of the Offer are set out in section 15.7.</p>
Risks in accepting Offer	<p>If you accept the Offer and it becomes unconditional, you will be issued with Pulse Shares as part of the Offer Consideration (unless you are a Foreign Shareholder).</p> <p>There are a number of risk factors associated with an investment in Pulse Shares and with the Offer itself. Some of these risks are described in section 12. In deciding whether or not to accept the Offer, you should carefully consider these risks.</p>

How to accept the Offer	<p>You may only accept the Offer for all of your Vision Shares.</p> <p>If your Vision Shares are in an Issuer Sponsored Holding (if your SRN begins with an "I"):</p> <p>Return a completed and signed Acceptance Form and send it with all other documents required by the instructions on the Acceptance Form to the address indicated in the form so that your acceptance is received <u>before</u> the end of the Offer Period.</p> <p>If your Vision Shares are in a CHESS Holding (if your HIN begins with an "X"):</p> <p>Either:</p> <ul style="list-style-type: none"> • return a completed and signed Acceptance Form so that it is received at the address indicated in the form <u>before</u> the end of the Offer Period; or • instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period. <p>If you are a Broker or an ASX Settlement Participant:</p> <p>Acceptance of the Offer must be initiated in accordance with the requirements of the ASX Settlement Operating Rules <u>before</u> the end of the Offer Period.</p> <p>Beneficial owners of Vision Shares:</p> <p>If you are a beneficial owner of Vision Shares registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.</p>
Address for return of completed Acceptance Forms	<p>Postal and delivery addresses for your completed personalised Acceptance Forms</p> <p>Postal address</p> <p>Computershare Investor Services Pty Limited GPO Box 2115 Melbourne VIC 3001</p> <p><i>A reply paid envelope (for use by Vision Shareholders within Australia) is enclosed for your convenience. The transmission of your personalised Acceptance Form and other documents are at your own risk.</i></p>
Foreign Shareholders	<p>Foreign Shareholders, being Vision Shareholders with a registered address outside of Australia or its external territories, who accept the Offer will not be entitled to Pulse Shares as part of the Offer Consideration. Instead, the Pulse Shares that Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds will be paid to each relevant Foreign Shareholder pro rata according to their respective holdings of Vision Shares by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Foreign Shareholders should read sections 15.1(3) and 15.6 which provide further information on Foreign Shareholders and the Nominee sale process.</p>
Further information	<p>If you have any queries in relation to the Offer or how to accept it, or if you have lost your personalised Acceptance Form and require a replacement, please call the Pulse Offer Information Line on: 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia) between 9:00am and 5:00pm (Sydney time) on Business Days.</p>

4. Frequently Asked Questions

The information in this section is a summary of the Offer only. You should read it in conjunction with the remainder of this Bidder's Statement.

What is the Offer?	<p>Pulse offers to acquire all of your Vision Shares. If you accept the Offer and it becomes unconditional, you will receive 1.60 Pulse Shares for each of your Vision Shares.</p> <p>You may only accept the Offer in respect of all (and not some only) of the Vision Shares held by you.</p>
Who is Pulse?	<p>Pulse is an ASX-listed private hospital operator with a niche focus on specialist hospitals, including rehabilitation, surgical and mental health. Pulse currently operates a network of seven hospitals across New South Wales and Queensland and has commissioned a specialist surgical facility on the Gold Coast.</p> <p>Refer to section 5 for further information about Pulse.</p>
What is a Pulse Share?	<p>A Pulse Share is a fully paid ordinary share in Pulse, a company listed on the ASX under the ASX Code "PHG".</p>
What is the value of Offer?	<p>The Offer Consideration implies a value of \$0.88 per Vision Share, based on a valuation of each Pulse Share of \$0.55 being the 5-day VWAP of Pulse Shares to 3 July 2015 (the last trading day prior to announcement of the Offer to ASX).⁸</p> <p>It is important to note that the value of a Pulse Share and, therefore, the Offer Consideration may change as a consequence of changes in the market price of Pulse Shares.</p>
Are there any circumstances in which I will not be entitled to receive Pulse Shares?	<p>Foreign Shareholders, being Vision Shareholders with a registered address outside of Australia or its external territories, who accept the Offer will not be entitled to receive Pulse Shares.</p> <p>Instead, the Pulse Shares that Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds will be paid to each relevant Foreign Shareholder pro rata according to their respective holdings of Vision Shares by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Foreign Shareholders should read sections 15.1(3) and 15.6 which provide further information on Foreign Shareholders and the Nominee sale process.</p>
Why should I accept the Offer?	<p>You should accept the Offer for the following reasons:</p> <ul style="list-style-type: none"> • Pulse is offering you a significant premium for your Vision Shares • You will participate in the benefits available to the Merged Group • You will not have to pay stamp duty and may not have to pay brokerage in respect of the transfer of your Vision Shares under the Offer • You may be eligible for CGT rollover relief • The Offer is the only proposal for your Vision Shares at the time of this Bidder's Statement • The price and liquidity of Vision Shares may fall after the Closing Date <p>Refer to section 2 for a full explanation as to why you should accept the Offer.</p>

⁸ Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance. The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

Are there any risks in accepting the Offer?	<p>If you accept the Offer and it becomes unconditional, you will be issued with Pulse Shares as part of the Offer Consideration (unless you are a Foreign Shareholder).</p> <p>There are a number of risk factors associated with an investment in Pulse Shares and with the Offer itself. These risks include:</p> <ul style="list-style-type: none"> • The consideration being offered for your Vision Shares consists of a specified number of Pulse Shares. Accordingly, the value of the consideration will fluctuate depending upon the market value of the Pulse Shares. • There are risks that integration of the businesses of the Pulse Group and the Vision Group may take longer than expected and that anticipated benefits of that integration may be less than estimated. • It is possible that the change in control of Vision that will arise as a result of the Offer may trigger termination rights under material contracts to which Vision or its Subsidiaries are party. • The arrangements described in this Bidder's Statement for the services of Mr David Manning and the access to AmSurg's intellectual property and systems are currently only a proposal. If definitive binding agreements between Pulse and Mr Manning, and Mr Manning and AmSurg respectively, are not entered into, Pulse may not receive the benefits of Mr Manning's services and the intellectual property and systems of AmSurg. • Both Pulse and Vision operate in the private healthcare industry and, accordingly, any investment in the Merged Group will remain subject to the risks affecting that industry, including changes in government policies, uncertainties in relation to contract negotiations and renewals with private health insurance funds, litigation and insurance risks and project development risks. <p>The risks outlined above, together with other risk factors including general industry and investment risks, are described in section 12. In deciding whether or not to accept the Offer, you should carefully consider these risks.</p>
When does the Offer open?	The Offer opens on 20 July 2015.
When does the Offer close?	Unless the Offer is extended or withdrawn, acceptances for the Offer close at 7:00 pm (Sydney time) on 21 August 2015.
Is there any possibility that the Offer Period will be extended?	The Offer Period can be extended at Pulse's election, subject to the Corporations Act. Any extension to the Offer Period will be announced to ASX and, if the Offer is still subject to Conditions or if you have not accepted, you will be sent written notice of the extension.
What is the Bidder's Statement?	<p>This document is the Bidder's Statement and describes the terms and conditions of the Offer for your Vision Shares and sets out information relevant to your decision as to whether to accept the Offer for all of your Vision Shares.</p> <p>This Bidder's Statement is an important document and should be read in its entirety. If you are in any doubt as to how to deal with this document, please consult your legal, financial or other professional advisor as soon as possible.</p>
Which securities does the Offer relate to?	<p>The Offer relates to Vision Shares which exist or will exist as at 9:00am (Sydney time) on 6 July 2015 (Register Date). It also extends to:</p> <ul style="list-style-type: none"> • holders of securities that come to be Vision Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities which are on issue as at the Register Date; and • any person who becomes registered as the holder of your Vision Shares during the Offer Period.

How are Vision Non-Voting Shares being treated under the Offer?	<p>The Offer does not relate to Vision Non-Voting Shares. However, the Offer will extend to holders of Vision Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of Vision Non-Voting Shares into Vision Shares.</p> <p>Pulse intends to enter into discussions with each holder of Vision Non-Voting Shares with a view to negotiating arrangements under which, subject to successful completion of the Offer, the registered holders of Vision Non-Voting Shares agree to transfer their Vision Non-Voting Shares to Pulse, or otherwise agree to cancel their Vision Non-Voting Shares, in consideration for the issue of equivalent securities in Pulse.</p> <p>If satisfactory arrangements cannot be agreed between Pulse and holders of Vision Non-Voting Shares for the transfer to Pulse, or cancellation, of all Vision Non-Voting Shares and Pulse is entitled to compulsorily acquire any outstanding Vision Shares after the Offer Period, Pulse will seek to exercise its rights to compulsorily acquire the Vision Non-Voting Shares pursuant to Part 6A.2 of the Corporations Act.</p> <p>Please refer to section 14.6 for further details.</p>
Can I accept the Offer in respect of some, but not all, of my Vision Shares?	<p>No. You can only accept the Offer in respect of all of your Vision Shares.</p> <p>If you accept the Offer, you will be deemed to have accepted the Offer in respect of all of your Vision Shares.</p>
What is the expected date of payment to Vision Shareholders who accept the Offer?	<p>If you accept the Offer and it becomes unconditional, you will be provided the Offer Consideration for your Vision Shares 1 month after the later of the date you accept and the date the Offer becomes unconditional and, in any event, no later than 21 days after the Closing Date.</p>
Are there conditions to the Offer?	<p>The Offer is subject to some Conditions, full details of which are set out in section 15.7. The Conditions include:</p>
What happens if the conditions to the Offer are not satisfied or waived?	<ul style="list-style-type: none"> • Minimum Acceptance Condition; • Pulse obtaining all third party and regulatory approvals; • no adverse regulatory action in respect of Vision; • no Prescribed Occurrences; • no Material Adverse Change; • no misleading announcements by Vision to ASX; • Vision continuing to conduct its business in the ordinary course (including not making any material acquisitions or disposals and not making changes to its board or senior management); • Vision to maintain material contracts; • Vision providing Pulse with information to enable Pulse to undertake due diligence investigations in relation to Vision and its business for the purpose of confirming certain financial, compliance and operational aspects of the business of the Vision Group; • Vision not agreeing to any break fees with any other third parties and providing equal access to information; • Vision not entering into or amending any Related Party transactions; and • no adverse decision in relation to the outstanding dispute with Dr Kitchen. <p>Pulse may choose to waive any of these Conditions.</p> <p>If the Conditions are not fulfilled or waived by the end of the Offer Period (or shortly afterwards in the case of the Condition set out in section 15.7(4) (Prescribed Occurrences)), the Offer will lapse.</p> <p>As at the date of this Bidder's Statement, Pulse is not aware of any events or circumstances which would result in non-fulfilment of any of the Conditions.</p>

Does Pulse currently have a Relevant Interest in Vision?	<p>Pulse currently has a Relevant Interest in the 28,560,215 (15.91%) Vision Shares held by Viburnum (as trustee and manager of the Viburnum Funds) as a result of the commitment Viburnum has given to Pulse to not accept the Offer, as described in section 14.1. Pulse does not currently hold a Relevant Interest in any Vision Non-Voting Shares.</p> <p>Refer to section 14.4 for more information.</p>
Will my new Pulse Shares be listed on the ASX?	<p>Pulse will make an application within 7 days after the date of this Bidder's Statement to ASX for the granting of official quotation of the Pulse Shares to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.</p> <p>Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Pulse Shares issued pursuant to the Offer be granted no later than 7 days after the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.</p>
What will happen if I accept the Offer?	<p>If you accept the Offer and the Offer becomes unconditional (i.e. all of the Conditions are either satisfied or waived), your Vision Shares will be transferred to Pulse and you will receive the Offer Consideration within the time specified above.</p>
Can I sell my Vision Shares on ASX?	<p>Yes. However, once you accept the Offer (even while it remains subject to any Conditions), you will not be permitted to sell any of your Vision Shares on ASX, accept any other offer or otherwise dealing with your Vision Shares, subject to you exercising any withdrawal rights which might arise.</p>
When will I receive Vision's Target's Statement?	<p>Vision will be required to send you its Target's Statement on or before 4 August 2015.</p>
What if I accept the Offer and Pulse increases the Offer Consideration?	<p>In accordance with the Corporations Act, if Pulse increases the Offer Consideration, you will receive the higher price irrespective of when you accepted the Offer. If you have already received payment in respect of the Offer, you will be paid the difference between the amount you have already received for your Vision Shares and the higher price.</p>
What will happen if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a Vision Shareholder and will not be issued Pulse Shares. If Pulse becomes entitled to compulsorily acquire your Vision Shares and the Conditions are all satisfied or waived, then Pulse intends to seek to compulsorily acquire your Vision Shares. If this occurs, you will be paid the Offer Consideration for your Vision Shares. However, you will receive the Offer Consideration for your Vision Shares earlier if you accept the Offer during the Offer Period rather than through the compulsory acquisition process. If Pulse does not acquire your Vision Shares through compulsory acquisition, you will remain a Vision Shareholder. Refer to section 10 for more information on Pulse's intentions for Vision.</p>
What are the tax implications if I accept the Offer?	<p>Tax implications for accepting the Offer for your Vision Shares will vary for each individual and you are advised to consult your financial, tax or other professional advisor on the tax implications of acceptance.</p> <p>A general summary of the likely Australian taxation implications of accepting the Offer is provided in section 13 of this Bidder's Statement.</p>

How do I accept the Offer?

Depending on the nature of your holding, you may accept the Offer in the following ways:

If your Vision Shares are in an Issuer Sponsored Holding (SRN beginning with "I"):

Return a completed and signed Acceptance Form and send it with all other documents required by the instructions on the Acceptance Form to the address indicated in the form so that your acceptance is received before the end of the Offer Period.

If your Vision Shares are in a CHESS Holding (HIN beginning with "X"):

Either:

- return a completed and signed Acceptance Form so that it is received at the address indicated in the form with sufficient time to be actioned before the end of the Offer Period; or
- instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

If you are a Broker or an ASX Settlement Participant:

Acceptance of the Offer must be initiated in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Further details on how to accept the Offer are set out in section 15.4.

Beneficial owners of Vision Shares:

If you are a beneficial owner of Vision shares registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

Postal and delivery addresses for your completed personalised Acceptance Forms**Postal address**

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001

A reply paid envelope (for use by Vision Shareholders within Australia) is enclosed for your convenience. The transmission of your personalised Acceptance Form and other documents are at your own risk.

Can I withdraw my acceptance?

Once you accept the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a right will arise if, after you have accepted the Offer and the Offer remains conditional, Pulse varies the Offer in a way that postpones for more than one month the time by which Pulse has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.

What if I am a Foreign Shareholder?

Foreign Shareholders, being Vision Shareholders with a registered address outside of Australia or its external territories, who accept the Offer will not be entitled to receive Pulse Shares.

Instead, the Pulse Shares that Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds will be paid to each relevant Foreign Shareholder pro rata according to their respective holdings of Vision Shares by cheque in Australian dollars drawn on an Australian bank account.

Foreign Shareholders should read sections 15.1(3) and 15.6 which provide further information on Foreign Shareholders and the Nominee sale process.

Where do I go for further information about the Offer?	<p>If you have any queries in relation to the Offer, please call the Pulse Offer Information Line on: 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia) between 9:00am and 5:00pm (Sydney time) on Business Days.</p> <p>Calls to these numbers may be recorded. Alternatively, you may contact your legal, financial or other professional advisor.</p> <p>Any further material information relating to the Offer from Pulse will be lodged with ASX. Further material information may also be the subject of a supplementary bidder's statement from Pulse.</p> <p>Vision will also issue a Target's Statement which includes further information in relation to the Offer.</p>
Do I have to pay brokerage or stamp duty if I accept the Offer?	<p>If your Vision Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Pulse, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If your Vision Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Vision Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p> <p>If you are a Foreign Shareholder, brokerage will be payable in respect of the Pulse Shares sold under the Nominee facility described in section 15.6 and will be deducted from the proceeds of sale.</p>
Following the Offer, will Vision remain a company listed on the ASX?	<p>This depends on the number of Vision Shares acquired by Pulse pursuant to the Offer.</p> <p>If Pulse acquires a Relevant Interest in 90% or more of Vision Shares, Pulse will seek to delist Vision from ASX.</p> <p>Refer to section 10 for further information on Pulse's intentions for Vision.</p>

5. Information About Pulse

5.1 Overview of Pulse

Pulse is an ASX-listed private hospital operator with a niche focus on specialist hospitals, including rehabilitation, surgery and mental health.

Pulse currently operates a network of seven hospitals across New South Wales and Queensland (and has commissioned a specialist surgical facility on the Gold Coast), and aims to grow the portfolio in the communities where leading doctors and surgeons want to live and work.

Pulse's management team has been critical in driving revenue growth by way of organic and acquisitive growth strategies. Additionally, the implementation of Pulse's *Shared Services Platform*, whereby corporate services have been centralised in a scaleable shared services model, has improved management efficiency and positioned the company well for future growth. Implementation of the *Shared Services Platform* was completed in June 2014 and has realised significant savings delivered via the following changes:

- from site based accountants to a centralised accounting and accounts payable team;
- from individual sited based manual payroll systems and people to a fully automated centrally managed time and attendance system and integrated payroll system;
- from site based individuals separately managing quality systems, compliance and implementation of the new national standards to a new centrally developed and managed quality and compliance framework, ensuring compliance with all national standards; and
- from site based individually managed HR processes to a centrally developed and managed HR service.

5.2 Pulse Operations

The map below outlines the locations of Pulse's operations:

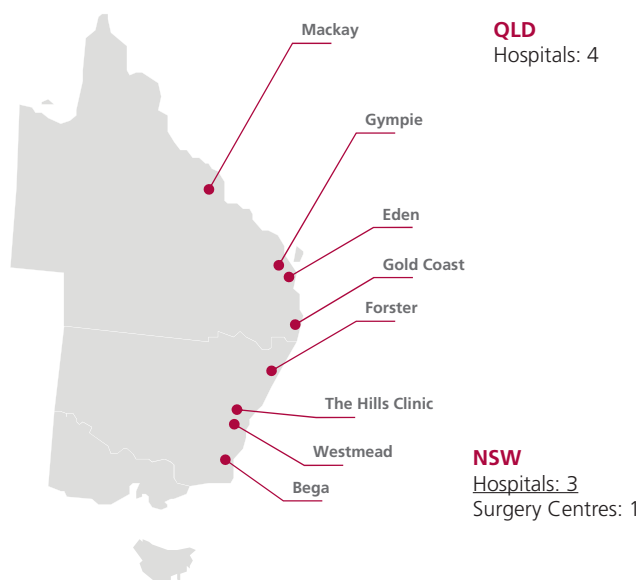


Figure 5.2A: Pulse facilities network⁹

⁹ Includes Pulse's Gold Coast Surgical Hospital that is currently under development

The following summarises each of the facilities:

New South Wales Hospital Assets

Westmead Rehabilitation Hospital

- Specialist rehabilitation.
- 65 beds, hydrotherapy pool, gymnasium.
- Attractive location 3km west of Parramatta.
- 5 bed brownfield expansion completed in April 2014.
- Operates near capacity and examining brownfield expansion options.

Forster Private Hospital

- Acute surgical, medical and rehabilitation.
- 74 beds, 2 theatres, hydrotherapy pool, gymnasium.
- Site has brownfield potential as demand grows.
- Only hospital in the Great Lakes local government area.

Bega Valley Private Hospital

- Day surgery centre.
- Single theatre.
- Only private surgical facility in region.
- More complex procedures are currently referred to Canberra and elsewhere.
- Local demand for development of a private inpatient surgical facility.

The Hills Clinic

- Mental health hospital.
- 59 beds, 7 consulting rooms.
- Provides inpatient and day patient mental health programs.
- Specialises in treating mood and anxiety, addiction and depression related issues.
- Operates at high utilisation.
- Planning underway for brownfield expansion.

Queensland Hospital Assets

Eden Rehabilitation Hospital (Cooroy)

- Specialist rehabilitation.
- 48 beds, extensive gymnasium.
- Located 20 minutes from Noosa and 45 minutes from Gympie.
- Operates at high capacity.
- Extensive brownfield capacity for further expansion.

Gympie Private Hospital

- Surgical (including ophthalmology) and medical.
- 40 beds, 2 theatres.
- Surgical based hospital.

Mackay Rehabilitation Hospital

- Specialist rehabilitation.
- 34 beds, gymnasium, hydrotherapy pool.
- Only specialist rehabilitation hospital in greater region.
- Facility fully refurbished and commissioned in February 2014.
- Site has substantial brownfield potential as demand grows.

Gold Coast Surgical Hospital (opening proposed for September 2015)

- 24 beds, 6 operating theatres.
- On-site radiology and consulting suites.
- Strong demand from local surgeons for a high quality, specialist surgical hospital.

Figure 5.2B: Pulse facilities overview

5.3 Pulse Strategy

Pulse is a private hospital operator growing through acquisition or development of niche, specialist private hospitals or surgery centres. Core to this strategy is partnering with specialist doctors to provide best-in-class care in locations in which they wish to live and work.

Pulse partners with healthcare property developers and owners for facility development and ownership. Close involvement from doctors as new facilities are developed ensures the best design and technology to meet doctors' needs.

Newly acquired or developed hospitals or surgery centres leverage Pulse's *Shared Services Platform* to drive quality improvements, cost synergies and efficiencies through each hospital. The *Shared Services Platform*, along with the niche specialist focus of hospitals, ensures that managers are able to focus closely on high quality patient care and service to doctors.

5.4 Directors and Senior Management of Pulse

1. Existing Directors and Senior Managers of Pulse

As at the date of this Bidder's Statement, the Directors and senior managers of Pulse are:

- **Mr Stuart James (Independent Chairman and Non-Executive Director)**

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

- **Ms Phillipa Blakey (Managing Director and CEO)**

Ms Blakey has been Pulse CEO since June 2013 before being appointed Managing Director in May 2014. Ms Blakey is an experienced healthcare executive with a track record in strategy and performance improvement. She has held COO roles in NSW Health (10 hospitals across North Sydney and Central Coast) and the Amity Group (48 for profit nursing homes, CVC owned and then sold to Bupa). Most recently Ms Blakey was CEO and director of Think Education Pty Ltd, the private higher education provider previously owned by SEEK Group. Ms Blakey is a director of the not-for-profit Bairo Pite Hospital (Australia) Ltd.

- **Mr Craig Coleman (Non-Executive Director)**

Mr Coleman is the Executive Chairman of Viburnum Funds Pty Ltd, an Australian based specialist investment manager independently owned by its staff and foundation investor Wyllie Group Pty Ltd. Mr Coleman is Chairman of Rubik Financial Ltd and other directorships include Bell Financial Group Ltd, Keybridge Capital Ltd, Amcom Telecommunications Ltd and Wyllie Group Pty Ltd. Mr Coleman is a former Managing Director of Home Building Society Limited, and previous to this held a number of senior executive positions with ANZ Bank including Managing Director Banking Products, Managing Director Wealth Management and Non-Executive Director of E*Trade Ltd.

- **Mr Mark Hays (CFO)**

Mr Hays has held senior finance positions in privately held companies across the hospitality, property and finance sectors. Prior to joining Pulse, Mr Hays held a dual CFO/Investment Director role working with investments of Viburnum in Perth, Western Australia. Mr Hays is a chartered accountant and started his professional career at Ernst & Young providing taxation, accounting and business advisory services to large privately owned Western Australian companies.

- **Mr Matthew Mackay (COO)**

Mr Mackay has held senior management positions in public, private and military health facilities / hospitals over the past 17 years. Prior to joining Pulse, Mr Mackay's most recent executive role was as General Manager / Director of Surgery Centres of Australia. Mr Mackay has previously held senior management positions within Macquarie Health Services, Healthscope, NSW Department of Health and The Sydney Private Hospital. Mr Mackay was also a Captain in the Australian Army and has had multiple operational deployments in command positions to both Afghanistan and Timor.

2. Remuneration Existing Directors and Senior Managers of Pulse

The remuneration paid to the Directors and senior managers of Pulse for the financial year ended 30 June 2014 and the respective ownership interests of the Directors and senior managers in Pulse are as follows:

Name	Role	Cash Salary & Fees (\$)	Cash Bonus (\$)	Non-Monetary Benefits (\$)	Super-annuation (\$)	Long Service Leave (\$)	Pulse Performance Rights (\$)	Interest in Pulse Shares ¹
Stuart James	Chairman	100,000	-	-	-	-	-	1.66%
Phillipa Blakey	CEO/MD	384,500	100,000	2,577	20,862	6,389	42,364	0.32%
Craig Coleman	Non-Exec	80,000	-	-	7,400	-	-	0.91% ²
Mark Hays	CFO	244,508	-	2,419	15,829	3,400	16,945	0.13%
Matthew Mackay	COO	164,760	11,670	6,971	16,354	3,428	16,945	0.13%
Total		973,768	111,670	11,967	60,445	13,217	76,254	3.1%

¹ Pulse shareholdings are calculated on a fully diluted basis and incorporate Pulse Performance Rights issued to relevant key management members. Refer to section 6.5 for further information about Pulse Performance Rights.

² Craig Coleman is also Executive Chairman of Viburnum which holds 48,998,923 Pulse Shares, representing 29.84% of the Voting Power in Pulse, as trustee and manager for the Viburnum Funds. Please refer to section 14.2 for further information.

Figure 5.4: Director & Senior Management Remuneration Summary

5.5 Mr David Manning

Pulse intends to appoint Mr David Manning as a Non-Executive Director to the Pulse Board and to enter into a services agreement with an entity controlled by Mr Manning if the Offer is successful. Mr Manning has a strategic relationship with AmSurg and has agreed to an in-principle arrangement with AmSurg under which the entity controlled by him will receive an exclusive agreement to access, and use outside of North America, AmSurg's intellectual property in relation to operational services and the development of surgery centres. It is proposed that the services agreement between Pulse and the entity controlled by Mr Manning will provide Pulse with access to this intellectual property and operational support in respect of surgery centre opportunities outside of North America. AmSurg operates the largest eye surgery centre network in the United States and the services agreement will provide the Merged Group with access to global best practice in surgery centre development and operation via AmSurg's unique intellectual property and systems.

It is proposed that under the services agreement between Pulse and the entity controlled by Mr Manning, Pulse will have the ability to request services from AmSurg in the following indicative areas:

Department	Specific Service or Function
Clinical	Clinical Support Operational efficiency and expense management Policies and procedures
Quality	Quality Benchmarking Risk Management Clinical Research Patient Satisfaction Survey
Human Resources	HealthStream Education
Strategy and Marketing	Media solutions/social media
Materials Management	Purchasing Business Reviews
Finance	Financial Statements
Other Operational	Facilities Management and Construction Information Technology Organisational structure
Acquisitions	Acquisition IP

It is proposed that the cost framework for the services provided to Pulse will be on a “pay-on-use” basis. Accordingly, the financial impact on the Merged Group of the services agreement between Pulse and the entity controlled by Mr Manning will ultimately depend on the number and type of services Pulse requests.

Mr Manning has over 35 years of healthcare leadership and management experience, and is a pioneer in the creation of the single-specialty day surgery model. As co-founder of Practice Development Associates, Mr Manning’s work resulted in the construction of over 75 new day surgery facilities between 1987 and 1992. The consulting company grew into AmSurg, now a USD\$3.4 billion publicly traded company, listed on the NASDAQ.

While at AmSurg, Mr Manning was responsible for the management of 250+ new individual centre development and acquisition transactions in excess of USD\$1.5 billion (in aggregate), and most recently served as Executive Vice President and Chief Development Officer until his recent departure in December 2014.

In addition to annual director fees of \$80,000, the appointment will provide him and the relevant entity he controls with the opportunity to acquire the following shares and options. The issue of any securities in Pulse to Mr Manning will be subject to Pulse first obtaining Pulse Shareholder approval in accordance with the requirements of the Corporations Act and ASX Listing Rules.

Name	Security	Number (million)	Share Price / Exercise Price (\$/share)	Potential Proceeds to Pulse (\$ million)
David Manning	Pulse Shares (via placement)	1.5	0.550	0.83
David Manning	Pulse Option – vesting 1-year after the date of David Manning’s appointment as a Pulse director	0.5	0.550	0.28
David Manning	Pulse Option – vesting 2-years after the date of David Manning’s appointment as a Pulse director	0.5	0.605	0.30
David Manning	Pulse Option – vesting 3-years after the date of David Manning’s appointment as a Pulse director	0.5	0.630	0.32
Entity controlled by David Manning	Pulse Option – vesting 150 days after the date of the proposed services agreement between Pulse and the relevant entity controlled by David Manning	9.0	0.550	4.95
Total		12.0		6.67

Figure 5.5: Proposed Mr David Manning Equity

The proposed Pulse Share placement and Pulse Option exercise by Mr Manning and the entity which he controls could provide Pulse with up to \$6.67 million of cash inflows and result in up to 12.0 million Pulse Shares being issued.

5.6 Corporate Governance

The Pulse Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council’s Principles for Good Corporate Governance and Best Practice Recommendations.

Details on Pulse’s corporate governance procedures, policies and practices can be obtained from the “Investor Information” page on Pulse’s website located at: <http://pulsehealth.net.au/investor-information>.

5.7 Pulse Financial Information

1. Historical Consolidated Financial Information on Pulse

a. Basis of presentation of historical consolidated financial information

The summarised historical statement of comprehensive income of Pulse below relates to Pulse on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and has been extracted from Pulse’s audited financial statements for the year ended 30 June 2014 and auditor reviewed accounts for the half year ended 31 December 2014. The full financial accounts for Pulse, which include the notes to the accounts, can be found in Pulse’s reports for those periods.

The Pulse historical consolidated financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

b. **Summary of historical consolidated statement of comprehensive income**

(\$m)	FY14a	1H15a
Revenue	52.4	29.7
Operating expenses	(47.7)	(26.8)
EBITDA	4.7	2.9
Depreciation and amortisation	(0.8)	(0.5)
EBIT	3.9	2.4
Net Interest	(1.6)	0.1
Profit Before Tax	2.3	2.5
Tax	(0.5)	(0.6)
Net Profit After Tax	1.9	1.9
Non-recurring Items	(1.0)	(0.6)
Net Profit After Tax (Reported)	0.9	1.3

Figure 5.7A: Historical consolidated statement of comprehensive income

In addition to the historical periods referred to above, Pulse released an Investor Update to ASX on 30 June 2015 indicating a pro forma underlying unaudited FY15F EBITDA of \$10.7 million.

As disclosed in Pulse's Investor Update on 30 June 2015, the pro forma underlying unaudited Y15F EBITDA of \$10.7 million was prepared on the following basis:

Underlying Momentum

Unaudited 11 Month EBITDA to May 2015 from existing assets	\$5.19m
June 2015F EBITDA (based on management's forecast)	\$0.46m
Forecast Underlying FY15F EBITDA¹	\$5.65m

Pro Forma Adjustments

Add

Mackay Rehabilitation Hospital (Unaudited ramp-up losses incurred in FY15 to May 2015)	\$1.05m
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Add

The Hills Clinic annualised EBITDA (Based on unaudited May 2015 EBITDA)	\$4.03m
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Pro Forma Underlying FY15F EBITDA²	\$10.73m
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¹ Forecast underlying FY15F EBITDA excludes contributions from assets acquired and divested in FY15 and associated transaction costs.

² Pro forma underlying FY15F EBITDA is not intended as FY16 guidance, and excludes rent expenses associate with the sale and leaseback of the Gympie Private Hospital, and anticipated Gold Coast Surgical Hospital ramp-up costs

c. **Pulse management discussion of historical financial performance**

Statement of comprehensive income of Pulse for year ended 30 June 2014

The following management discussion in relation to the statement of comprehensive income of Pulse for year ended 30 June 2014 has been extracted from the 2014 Annual Report of Pulse lodged with ASX on 29 August 2014:

- The year ended 30 June 2014 (FY14) saw revenue growth of 9% to \$52.4 million and EBITDA of \$4.7 million.
- Revenue growth was driven by additional capacity at Eden Rehabilitation Hospital, with 12 additional beds and Westmead Rehabilitation Hospital (**WRH**) with 5 additional beds. Throughout FY14, with these additional beds and the acquisition of Mackay Rehabilitation Hospital, Pulse increased total bed capacity by 22%.
- In addition, surgical activity at key surgical sites grew well, up 11% on the previous year, but the growing trend to day surgery and shorter length of stay resulted in reduced utilisation of surgical beds.

- There was no uplift in FY14 EBITDA. Underlying this was the market rent now payable at WRH as a consequence of the FY13 change in the WRH ownership structure. Lease interest and intangible asset amortisation were removed and replaced with market rent.
- During FY14, Pulse incurred acquisition and integration costs of \$0.8 million in the acquisition of Mackay Rehabilitation Hospital together with costs associated with the development of the acquisition pipeline.

Statement of comprehensive income of Pulse for half year to 31 December 2014

The following management discussion in relation to the statement of comprehensive income of Pulse for half year ended 31 December 2014 has been extracted from the 2015 Half Yearly Reported Accounts of Pulse lodged with ASX on 25 February 2015:

- The half year ended 31 December 2014 (1H15) saw revenue increase by 12% to \$29.7 million and EBITDA increase to \$2.9 million compared to 1H14, driven by the newly acquired Mackay Rehabilitation Hospital and increased activity across most hospitals, most notably Eden Rehabilitation Hospital and Gympie Private Hospital. Surgical activity was up 13% on 1H14, partly due to a large public surgical contract at Gympie Private Hospital. Also, back-office savings from the establishment of centralised shared services together with improved skill-mix, roster management and procurement savings drove margin improvement.
- During 1H15, Pulse incurred corporate acquisition and integration costs of \$0.3 million in the development of the Gold Coast Surgical Hospital, together with costs associated with development of the acquisition pipeline.

2. Pro forma Consolidated Financial Information on Pulse

Pro Forma Historic Statement of Financial Position

Set out below is a stand-alone unaudited Pro forma Historic Statement of Financial Position for Pulse as at 31 December 2014 which has been prepared to show the auditor reviewed Statement of Financial Position for Pulse as at 31 December 2014 adjusted for significant transactions and events that have occurred post 31 December 2014 (**Unaudited Pro Forma Pulse Stand-alone**).

The Unaudited Pro Forma Pulse Stand-alone has been presented in an abbreviated form. As a result, the Unaudited Pro Forma Pulse Stand-alone has not been prepared in accordance with the Corporations Act and does not contain the disclosures required by Australian Accounting Standards when presenting financial statements.

(\$m)	Auditor Reviewed 31-Dec-14	Pro Forma Adjustments	Unaudited Pro Forma Pulse Stand-alone 31-Dec-14
Cash and cash equivalents	7.1	1.4	8.4
Trade and other receivables	7.7	1.6	9.4
Other current assets	0.0	-	0.0
Inventories	0.8	-	0.8
Current assets	15.6	3.0	18.6
Deferred tax assets	2.6	-	2.6
Property, plant and equipment	13.22	(3.7)	9.6
Intangible assets	31.3	30.2	61.5
Other non-current assets	-	-	-
Non-current assets	47.1	26.5	73.7
Total assets	62.8	29.5	92.3
Trade and other payables	4.4	3.4	7.8
Current tax liabilities	0.5	-	0.5
Borrowings	0.1	-	0.1
Provisions	2.8	-	2.8
Other Liabilities	0.4	-	0.4
Current liabilities	8.2	3.4	11.6
Trade and other payables	-	3.6	3.6
Borrowings	0.2	24.0	24.2
Deferred tax liabilities	-	-	-
Provisions	0.5	-	0.5
Other Liabilities	1.3	-	1.3
Non-current liabilities	2.0	27.6	29.6
Total liabilities	10.2	31.0	41.3
Net Assets	52.5	(1.5)	51.0
Contributed equity	56.3	-	56.3
Share based payment reserve	0.1	-	0.1
Accumulated losses	(3.9)	(1.5)	(5.4)
Total equity	52.5	(1.5)	51.0

Figure 5.7B: Pro forma historic statement of financial position

Pro forma adjustments

The following pro forma adjustments have been made to the auditor reviewed Statement of Financial Position for Pulse as at 31 December 2014 as if they had occurred at 31 December 2014:

- Sale of North Coast Community Care – Announced to ASX on 23 March 2015.
 - Increased cash by \$0.4 million and a deferred payment in trade and other receivables of \$0.1 million.
 - A loss of \$0.2 million was recognised on the sale.

- Acquisition of The Hills Clinic for an initial payment of \$27.7 million and total payments of up to \$33.6 million, funded by a new debt facility and existing cash reserves – Announced to ASX on 30 April 2015.
 - Maximum consideration of \$33.6 million effected by \$24.0 million debt drawn, \$3.7 million cash, and \$5.9 million in deferred payments.
 - Received \$2.3 million in property plant and equipment.
 - Received \$1.5 million in trade and other receivables but also assumed \$1.1 million in trade and other payables.
 - Paid \$1.3 million in transaction costs funded through cash.
- Closure of the loss making South Burnett Private Hospital – Announced to ASX on 25 May 2015.
 - No Statement of Financial Position impacts have been assumed as property and goodwill has been transferred to other facilities.
- Heads of agreement for the sale and leaseback of Gympie Private Hospital – Announced to ASX on 30 June 2015.
 - Proceeds of \$6.0 million attributed to cash.

3. Forecasted Financial Information for Pulse for FY16

As at the date of this Bidder's Statement, Pulse is unable to provide standalone FY16 earnings. Pulse has previously adopted a practice of issuing earnings guidance for a given financial year to ASX around the time of releasing its audited financial results for the previous financial year to ASX. Pulse will consider whether it is able to issue standalone FY16 earnings to ASX at the time of releasing its Annual Report for the financial year ended 30 June 2015 to ASX.

5.8 Publicly Available Information

Pulse is listed on ASX and is obliged to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act which require continuous disclosure of any information Pulse has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Pulse's annual financial report for the year ended 30 June 2014 was lodged with ASIC and given to ASX on 29 August 2014. Pulse's half-year financial report for the half-year ended 31 December 2014 was announced to ASX on 25 February 2015.

On 6 July 2015 Pulse made an announcement to ASX in relation to the Offer. A copy of the announcement is set out in Part 1 of Annexure A to this Bidder's Statement. A list of announcements made by Pulse between 29 August 2014 (being the date on which the most recent annual financial report for Pulse was lodged with ASX) and 17 July 2015 (being the date of this replacement Bidder's Statement) is set out at Annexure B.

Further publicly available information about Pulse is available on Pulse's website at www.pulsehealth.net.au and from ASX's website at www.asx.com.au. Information on the websites referenced in this Bidder's Statement does not constitute part of this Bidder's Statement.

On request, Vision Shareholders may obtain a copy of any of the following documents from Pulse free of charge:

- the annual financial report of Pulse for the year ending 30 June 2014 (being the annual financial report most recently lodged with ASIC by Pulse before the date of this Bidder's Statement);
- the half-year financial report of Pulse for the half-year ended 31 December 2014; and
- any continuous disclosure announcement lodged by Pulse with ASX since 29 August 2014 (being the date Pulse lodged its annual financial report for the year ending 30 June 2014 with ASIC) and before lodgement of this Bidder's Statement with ASIC.

If you are a Vision Shareholder and would like a copy of any of the documents referred to above, please call the Pulse Offer Information Line on: 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia) between 9:00am and 5:00pm (Sydney time) on Business Days.

6. Information About Pulse's Securities

6.1 Pulse's Issued Securities

As at the date of this Bidder's Statement, Pulse's issued securities consisted of:

Class	Number on issue
Pulse Shares	164,221,202 ¹
Pulse Performance Rights	1,260,000 ²

¹ Pulse also proposes to issue 1,500,000 Pulse Shares and 10,500,000 Pulse Options to David Manning and the relevant entity which he controls (see section 5.5 for the information).

² Each Pulse Performance Right entitles the holder to one Pulse Share on satisfaction of certain key performance criteria. Refer to section 6.5 for further information about the Pulse Performance Rights.

Figure 6.1: Pulse Shares and Pulse Performance Rights

6.2 Recent Trading of Pulse Shares

The latest recorded sale price of Pulse Shares on ASX on 3 July 2015, being the trading day before the Announcement Date, was \$0.56.

The highest recorded sale price of Pulse Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.57.

The lowest recorded sale price of Pulse Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.48.

The following chart shows the last sale price of Pulse Shares on ASX in the two months before the date on which this Bidder's Statement was lodged with ASIC:



Figure 6.2A: Pulse two-month share price history¹⁰

Pulse Share price

The successful implementation of Pulse's strategy (described in section 5.3) and proven management capability (described in section 2.2(2)) has resulted in the Pulse Share price outperforming the ASX300 and ASX300 Healthcare indexes and has positioned Pulse well for future growth initiatives.

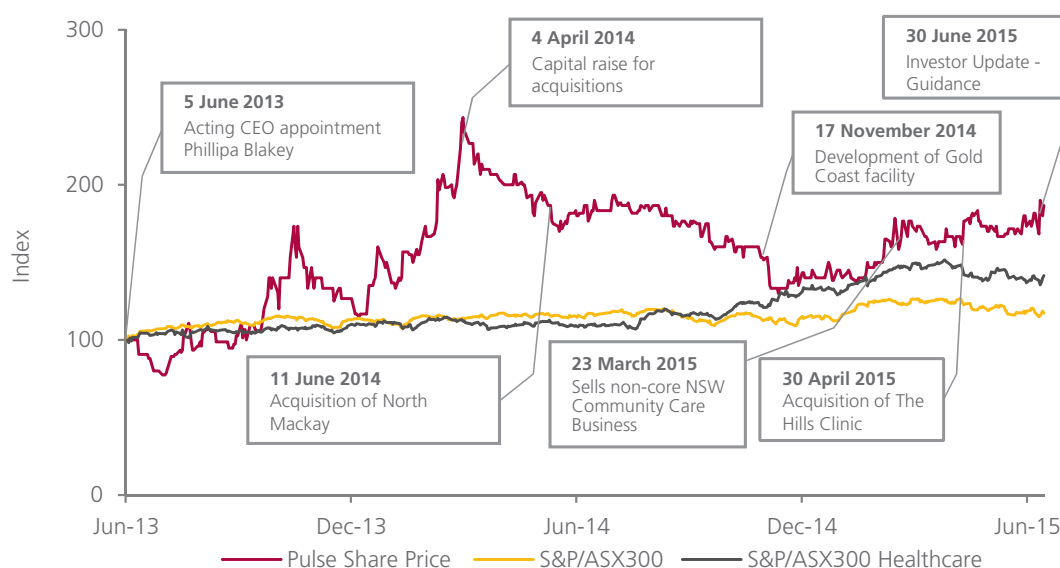


Figure 6.2B: Pulse Share Price History¹¹

6.3 Dividend History

On 30 June 2014 Pulse declared its maiden dividend of \$0.005 per Pulse Share.

Since its maiden dividend, Pulse declared an interim dividend of \$0.003 per Pulse Share on 31 December 2014.

Pulse Directors intend to continue paying dividends while maintaining a growth program to provide both yield and capital gains to investors. This intention is subject to ongoing review of the circumstances of Pulse at the relevant time of declaring any future dividends and no final decisions or declarations in relation to future periods has been made at this time.

6.4 Summary of Key Terms of Pulse Shares

1. Introduction

The rights and liabilities attaching to the Pulse Shares which will be issued as the consideration under the Offer are determined by Pulse's constitution and the Corporations Act.

Pulse Shares are fully paid ordinary shares which have no par value and Pulse does not have a limited amount of authorised capital.

The main rights and liabilities attaching to the Pulse Shares are summarised below.

2. Meetings of shareholders and voting

Pulse shareholders are entitled to attend general meetings of Pulse and vote:

- in person or, where a shareholder is a body corporate, by its representative;
- by proxy; or
- by attorney.

Subject to any rights or restrictions attached to any Pulse Shares, at a general meeting:

- on a show of hands, every shareholder present in person or by proxy, attorney or representative has one vote; and
- on a poll, every shareholder present has:
 - one vote for each fully paid share held by the shareholder and in respect of which the shareholder is entitled to vote; and

- ii. a fraction of a vote for each partly paid share held by the shareholder and in respect of which the shareholder is entitled to vote, equivalent to the proportion which the amount paid up (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited). Amounts paid or credited as paid in advance of a call are ignored when calculating the fraction.

Where a person present at a general meeting represents personally or by proxy, attorney or representative more than one shareholder:

- a. on a show of hands the person is entitled to one vote only despite the number of shareholders the person represents; and
- b. that vote will be taken as having been cast for all the shareholders the person represents.

3. Dividends

Pulse may pay any interim and final dividends that, in the judgment of the Directors, the financial position of Pulse justifies, or pay any dividend required to be paid under the terms of issue of a Pulse Share.

When determining a dividend is payable, the Directors of Pulse may fix the date for payment and method of payment. Without prejudice to any other method of payment the Directors may adopt, the Directors may direct payment of the dividend wholly or partly by the distribution of specific assets, including paid-up shares of Pulse or of another body corporate, or payment may be made in cash or by cheque.

All dividends in respect of Pulse Shares must be paid to the shareholders in proportion to the number of shares held by a shareholder but, where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid (not credited) on the shares. All dividends must be apportioned and paid proportionately to the amounts so paid (not credited) during any portion or portions of the period in respect of which the dividend is paid. Interest is not payable by Pulse in respect of any dividend.

Pulse may deduct from any dividend payable to a shareholder all sums of money presently payable by the shareholder to Pulse for calls that have not been paid, and apply the amount deducted in or towards satisfaction of the money owing.

Where a person is entitled to a Pulse Share as a result of a share transfer, the Directors may, but are not obliged to, retain any dividends payable in respect of that share until that person becomes registered as the holder of the share or transfers it.

Where any dividend is unclaimed, Pulse is entitled to deal with it in accordance with the provisions of the *Unclaimed Monies Act 1962* (Vic) and no interest is payable on any unclaimed dividends.

4. Winding up

Subject to the Pulse constitution and to the rights or restrictions attached to any Pulse Shares, if Pulse is wound up and the property of Pulse is more than sufficient to pay all of the debts and liabilities of Pulse and the costs, charges and expenses of the winding up, the excess must be divided among the Pulse shareholders in proportion to the number of Pulse Shares held by them, irrespective of the amounts paid or credited as paid on the shares. For the purpose of calculating the excess, any amount unpaid on a Pulse Share is to be treated as property of Pulse.

The amount of the excess that would otherwise be distributable to the holder of a partly paid Pulse Share must be reduced by the amount unpaid on that share at the date of the distribution. If the effect of the reduction would be to reduce the distribution payable to a negative amount, the shareholder must contribute that amount to Pulse.

In the event that Pulse is wound up, the liquidator may, with the sanction of a special resolution passed by Pulse shareholders, divide among the shareholders the whole or any part of the property of Pulse and determine how the division is to be carried out as between the shareholders.

Any division made by the liquidator may be otherwise than in accordance with the legal rights of Pulse shareholders. However, where a division is otherwise than in accordance with legal rights, a shareholder is entitled to dissent and to exercise the same rights as if the special resolution sanctioning the division were a special resolution passed under section 507 of the Corporations Act.

5. Transfer

Subject to the Pulse constitution and any rights and restrictions attached to any Pulse Shares by virtue of the ASX Listing Rules or the Corporations Act, Pulse Shares may be freely transferred via a proper ASX Settlement and Transfer Corporation transfer or any other written instrument approved by the directors of Pulse.

The Directors of Pulse may decline to register an instrument of transfer where the transfer is not in registrable form or the refusal to register the transfer is permitted under the ASX Listing Rules. Reasons for refusal may include (but are not limited to) that the registration may break an Australian law, or that Pulse has a lien on the securities under the ASX Listing Rules.

Under certain rules in the Pulse constitution, the Directors of Pulse are entitled to sell a holding of Pulse Shares which constitutes less than a marketable parcel by sending a written notice to the shareholder advising the shareholder of the intended sale. The shareholder may elect to be exempt from these rules or to increase their shareholding to a marketable parcel, in which case the rules allowing Directors to sell the parcel will no longer apply.

6. Alteration of rights attaching to Pulse Shares

Subject to section 246B of the Corporations Act, Pulse may vary or abrogate the rights attaching to Pulse Shares by special resolution passed at a meeting of Pulse shareholders holding shares in the class to be varied, or with the written consent of shareholders with at least 75% of the votes in the class.

6.5 Summary of Key Terms of Pulse Performance Rights

Pulse Performance Rights are rights to acquire Pulse Shares issued to executives of Pulse and approved by Pulse shareholders in general meeting. The purpose of the issue of Pulse Performance Rights was to provide a remuneration incentive for executives of Pulse.

Pulse Performance Rights granted to executives of Pulse will vest if the required VWAP of Pulse Shares is achieved at the agreed vesting dates, subject to the executives' continued employment until the end of each vesting period. Each Pulse Performance Right carries the right to one Pulse Share upon vesting.

Pulse Performance Rights are held by senior management of Pulse. The vesting VWAP and vesting dates of the Pulse Performance Rights are as follows:

Type	Number of Pulse Performance Rights	Vesting Date	VWAP
Tranche 2 ¹	630,000	31 December 2015	30 day VWAP up to and including expiry date > 60 cents
Tranche 3	315,000	31 December 2016	30 day VWAP up to and including expiry date > 72 cents
Tranche 4	315,000	31 December 2017	30 day VWAP up to and including expiry date > 84 cents
Total	1,260,000		

¹ 315,000 Tranche 1 Pulse Performance Rights automatically became Tranche 2 Pulse Performance Rights as of 20 January 2015.

Figure 6.5: Pulse Performance Rights

Pulse Performance Rights carry no dividends or voting rights.

6.6 Substantial Shareholders

The following are substantial shareholders of Pulse as at the date of this Bidder's Statement:

Substantial shareholder	Pulse Shares	Voting Power
Viburnum ^{1 2}	48,998,923	29.8%
Throvena Pty Ltd ³	10,956,939	6.7%
IOOF Holdings	10,890,740	6.6%
CBA	8,539,274	5.2%
Other Shareholders	84,835,326	51.7%
Total Pulse Shares on Issue	164,221,202	100.0%
Pulse Performance Rights	1,260,000 ⁴	
Total Diluted Equity on Issue	165,481,202⁵	

¹ Viburnum is also a substantial holder of Vision holding 15.91% of Vision Shares. Viburnum is the trustee and manager of these investments for the Viburnum Funds.

² Wyllie Funds Management Pty Ltd ACN 125 689 693, Wyllie Group Pty Ltd ACN 008 763 120 and Mrs Rhonda Wyllie hold Voting Power in Viburnum of greater than 20% and/or control Viburnum.

³ Throvena Pty Ltd ACN 001 738 763 is currently a substantial holder of Pulse. Pulse understands that Throvena Pty Ltd is controlled by Dr Tom Wenkart.

⁴ Refer to 6.5 for information about the Pulse Performance Rights.

⁵ It is proposed to issue 1,500,000 Pulse Shares and 10,500,000 Pulse Options to Mr David Manning and the entity which he controls. Refer to section 5.5 for further information.

Figure 6.6: Pulse substantial holders

7. Information About Vision and the Vision Group

7.1 Disclaimer

The information set out in this Bidder's Statement in relation to Vision has been prepared by Pulse using publicly available information, which has not been independently verified. Accordingly, Pulse does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on Vision in this Bidder's Statement should not be considered comprehensive.

Further information relating to Vision's business will be included in the Target's Statement.

7.2 Overview of Vision

Vision is Australia's largest provider of ophthalmic care, diagnosing and treating people with eye disorders and diseases.

Vision provides services to 78 doctors, including 33 Vision Doctors, 21 Vision Associates and 24 Visiting Surgeons, offering a broad range of services including specialist eye care in the areas of corneal surgery, refractive surgery, cataract surgery, ocular plastics, glaucoma treatment and surgery, vitreo-retinal surgery, and treatment for macular degeneration.

Vision operates in Queensland, New South Wales, and Victoria with 14 consulting clinics, 8 day surgeries (including PANCH Day Surgery which is currently under development) and 6 laser refractive clinics.

Vision earns revenue through:

- Consultation fees for patient examinations and tests;
- Surgical fees for ophthalmic procedures;
- Surgical fees for non-ophthalmic procedures; and
- Day surgery theatre fees.

This revenue is derived from a combination of the Medicare Rebate, Department of Veterans' Affairs, private health insurers and patient out-of-pocket expenses.

Consultation and surgical fees are shared with doctors under individual contracts.

Vision has three types of doctors:

- Vision Doctors who are salaried employees with equity interests in Vision;
- Vision Associates who work at facilities on a revenue-share basis and may own equity; and
- Visiting Surgeons who are independent surgeons using Vision day surgeries for some or all of their surgical procedures.

7.3 Vision operations

The map below outlines the locations of Vision's operations:

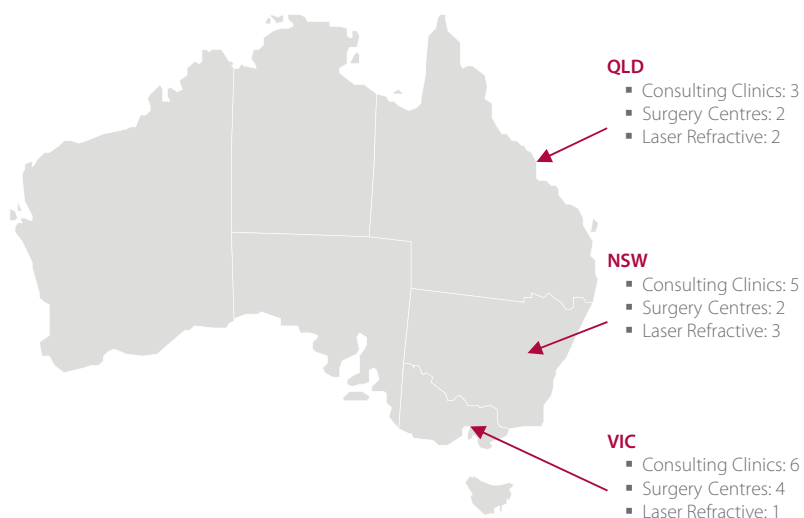


Figure 7.3A: Vision facilities network¹²

The following table summarises each of these facilities (excluding the Gold Coast):

Location	Services	Practice Type		
Townsville (Queensland)		Consulting Clinic	Surgery Centre	Laser Refractive
Pimlico	Cataract surgery, laser vision correction, refractive lens exchange surgery, general ophthalmic	✓	✓	✓
Brisbane (Queensland)				
Auchenflower	Day surgery, vision correction, retinal surgery, general ophthalmic care	✓	✓	✓
Mackay (Queensland)				
Mackay	General ophthalmic, sub-specialist services	✓		
Sydney (NSW)				
Bondi Junction	Refractive/laser surgery	✓		✓
Chatswood	Vision correction surgery, cataract/IOL surgery, retinal and general ophthalmic, glaucoma, corneal and dry eye	✓	✓	✓
Drummoyne	Cataract, glaucoma retinal, paediatric/strabismus, diabetic eye disease and cataract surgery	✓		
Hurstville	Refractive/laser surgery, day surgery, retinal and general ophthalmic	✓	✓	✓
Mosman	Retinal, general ophthalmic	✓		
Melbourne (Victoria)				
Blackburn South	Glaucoma, oculoplastics, retinal surgery, cataract surgery	✓		
Box Hill	Retinal care, day surgery	✓	✓	
Camberwell	General ophthalmic, cataract appointments, glaucoma checks, corrective laser and retinal assessments	✓	✓	
Coburg	General ophthalmic, cataract, diabetic, retinal, oculoplastics	✓		
Footscray	General ophthalmic, day surgery, cataract and diabetic retinopathy	✓	✓	
Melbourne	Refractive/laser surgery	✓		✓

Figure 7.3B: Vision facilities summary

12 Adjusted for the sale of the Gold Coast clinics in Coolangatta, Southport, Varsity Lakes and the development of PANCH Day Surgery.

7.4 Directors

As at the date of this Bidder's Statement, the Directors of Vision are as follows:

- Shane Tanner (Non-Executive Chairman)
- Garry Sladden (Non-Executive Director)
- Iain Kirkwood (Non-Executive Director)
- Zita Peach (Non-Executive Director)
- Dr Michael Lawless (Medical Director)
- Dr Joseph Reich (Executive Director)
- Dr Tim Roberts (Executive Director)

7.5 Managing Director / Chief Executive Officer

Vision's previous Managing Director and Chief Executive Officer, Brett Coverdale, announced his retirement from the position effective 30 June 2015. Vision is currently seeking a replacement, however has not announced any suitable candidates to date.

7.6 History and Ownership of the Vision Group

Vision was established in 2001 as a private ophthalmic group. Vision initially provided its ophthalmic services through three consulting clinics and two day surgeries, all in Melbourne. Since then, Vision has grown organically and through acquisitions, whereby it also entered the refractive surgery market.

Vision listed on the ASX in December 2004. Vision made a number of acquisitions after listing and reported net debt of \$106.6 million as at 30 June 2006, representing net debt / FY06 EBITDA in excess of 4.0x. Over the past nine years Vision has applied its free cash flow toward debt servicing among other purposes. During this time a number of ophthalmologists exited the business or re-negotiated their contracts. As at 31 December 2014, Vision had reduced its net debt position to \$12.8 million.

The table below summarises the substantial shareholders of Vision Shares.

Shareholder	Shares	Voting Power
Primary Health Care	35,236,861	19.6%
Viburnum¹²	28,560,215	15.9%
Adam Smith Asset Management	10,534,389	5.9%
Other Shareholders	105,214,972	58.6%
Total Vision Shares on Issue	179,546,437	100%
Non-Voting Ordinary Shares	4,725,849	
Total Diluted Equity on Issue³	184,272,286	

¹ Viburnum is the trustee and manager of this investment for the Viburnum Funds.

² Wyllie Funds Management Pty Ltd ACN 125 689 693, Wyllie Group Pty Ltd ACN 008 763 120 and Mrs Rhonda Wyllie hold Voting Power in Viburnum of greater than 20% and/or control Viburnum.

³ Assumes that Vision Performance Rights previously issued to Vision's former Managing Director and Chief Executive Officer, Brett Coverdale, have been cancelled.

Figure 7.6: Vision substantial holders

7.7 Vision Financial Information

1. Historical Consolidated Financial Information on Vision

a. Basis of presentation of historical consolidated financial information

The summarised historical statement of comprehensive income of Vision below relates to Vision on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and has been extracted from Vision's audited financial statements for the year ended 30 June 2014 and auditor reviewed accounts for the half year ended 31 December 2014. The full financial accounts for Vision, which include the notes to the accounts, can be found in Vision's reports for those periods.

It should also be noted that, in addition to the historical periods referred to below, Vision released earnings guidance on 25 May 2015 confirming FY15 EBITDA of \$25 - \$26 million (excluding any goodwill write off).

The Vision historical consolidated financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

b. Summary of historical consolidated statement of comprehensive income

(\$m)	FY14a	1H15a
Revenue	110.6	54.9
Operating expenses	(86.5)	(42.1)
EBITDA	24.1	12.8
Depreciation and amortisation	(5.1)	(2.5)
EBIT	19.0	10.3
Net Interest	(2.0)	(0.7)
Profit Before Tax	17.0	9.6
Tax	(5.1)	(2.9)
Net Profit After Tax	11.9	6.7
Non-recurring Items	1.3	-
Net Profit After Tax (Reported)	13.2	6.7

Figure 7.7A: Summary of historical consolidated statement of comprehensive income

c. Vision management discussion of historical financial performance

Statement of comprehensive income of Vision for year ended 30 June 2014

The following management discussion in relation to the statement of comprehensive income of Pulse for year ended 30 June 2014 has been extracted from the 2014 Annual Report of Vision lodged with ASX on 26 August 2014:

- Operating revenue for Vision was \$110.6 million, an increase of \$3.5 million (3.3%) on FY13. The increase was due to:
 - An increase in theatre procedures, with surgery centre revenue increasing \$2.4 million (6.7%); and
 - An increase in consulting and surgical revenue \$1.3 million (2.1%).
- Industry data indicates that demand for ophthalmic procedures continue to increase. This was reflected by the increase in procedures at Vision's day surgery facilities. The consulting and surgical revenue growth was mainly due to the introduction of additional doctors in Victoria who were able to meet further demand and improve utilisation of our facilities.
- During the financial year ended 30 June 2014, Vision benefited from insurance claims of \$1.9 million.

Statement of comprehensive income of Vision for half year to 31 December 2014

The following management discussion in relation to the statement of comprehensive income of Pulse for half year ended 31 December 2014 has been extracted from the 2015 Half Yearly Reported Accounts of Vision lodged with ASX on 24 February 2015:

- Operating revenue at \$54.9 million for the half-year to 31 December 2014 was consistent compared to the prior period, however there was significant variations by type and across the regions.
 - Theatre revenue increased \$0.8 million (4%) predominantly driven by an increase in intravitreal injection procedures which is consistent with industry trends;
 - Consulting and Surgical Revenue declined \$0.2 million (<1%) with an increase in Victoria from three new partner doctors, offset by a decrease in Queensland where there was three less partner doctors than the same period last year; and
 - Refractive revenue decreased \$0.6 million (12%), with lower volumes experienced in NSW.

2. Pro forma Consolidated Financial Information on Vision

Pro Forma Historic Statement of Financial Position

Set out below as stand-alone unaudited Pro forma Historic Statement of Financial Position for Vision as at 31 December 2014 which has been prepared to show the auditor reviewed Statement of Financial Position for Vision as at 31 December 2014 adjusted for significant transactions and events that have occurred post 31 December 2014 (**Unaudited Pro Forma Pulse Stand-alone**).

The Unaudited Pro Forma Vision Stand-alone has been presented in an abbreviated form. As a result, the Unaudited Pro Forma Vision Stand-alone has not been prepared in accordance with the Corporations Act and does not contain the disclosures required by Australian Accounting Standards when presenting financial statements.

(\$m)	Auditor Reviewed 31-Dec-14	Pro Forma Adjustments	Unaudited Pro Forma Vision Stand-alone 31-Dec-14
Cash and cash equivalents	21.5	-	21.5
Trade and other receivables	2.1	-	2.1
Other current assets	2.3	-	2.3
Inventory	0.9	-	0.9
Current assets	26.7	-	26.7
Deferred tax assets	3.0	-	3.0
Property, plant and equipment	18.2	(1.1)	17.0
Goodwill	98.2	(1.0)	97.2
Other non-current assets	0.2	-	0.2
Non-current assets	119.5	(2.1)	117.3
Total assets	146.1	(2.1)	144.0
Trade and other payables	9.5	-	9.5
Current tax liabilities	1.5	-	1.5
Interest bearing liabilities	2.3	(2.1)	0.2
Provisions	4.3	-	4.3
Other Liabilities	-	-	-
Current liabilities	17.6	(2.1)	15.5
Trade and other payables	1.9	-	1.9
Interest bearing liabilities	32.0	-	32.0
Deferred tax liabilities	-	-	-
Provisions	0.5	-	0.5
Other Liabilities	-	-	-
Non-current liabilities	34.4	-	34.4
Total liabilities	52.0	(2.1)	49.9
Net Assets	94.1	-	94.1
Contributed equity	130.5	-	130.5
Reserves	0.9	-	0.9
Accumulated losses	(37.3)	-	(37.3)
Total equity	94.1	-	94.1

Figure 7.7B: Pro forma historic statement of financial position

Pro forma adjustments for Vision

The following pro forma adjustments have been made to the auditor reviewed Statement of Financial Position for Pulse as at 31 December 2014 as if they had occurred at 31 December 2014:

- Binding agreement to sell Vision's Gold Coast clinic assets and an update on the Southport Day Surgery business – Announced to ASX on 25 May 2015.
 - Sale of equipment and leasehold improvements for \$1.1 million.
 - Goodwill exit payment of \$1.0 million.
- Assumed no contingent liabilities with regard to the outstanding dispute with Dr Kitchen.

7.8 Publicly Available Information

Vision is listed on ASX and is obliged to comply with its continuous disclosure requirements.

Vision's annual report for the year ended 30 June 2014 was lodged with ASIC and given to ASX on 20 October 2014.

On 10 July 2015 Vision made an announcement to ASX in relation to the Offer. A copy of the announcement is set out in Part 2 of Annexure A to this Bidder's Statement. A list of announcements made by Vision between 20 October 2014 (being the date on which the most recent annual financial report for Vision was lodged with ASX) and 17 July 2015 (being the date of this replacement Bidder's Statement) is set out at Annexure C.

Further publicly available information about Vision is available on Vision's website at www.visioneyeinstitute.com.au.

8. Information About Vision Securities

8.1 Vision Securities on Issue

According to documents provided by Vision to ASX, as at the date of this Bidder's Statement, Vision has the following securities on issue:

Class	Number on issue
Vision Shares	179,546,437
Vision Non-Voting Shares	4,725,849

Figure 8.1: Vision securities

8.2 Vision Shares

All issued Vision Shares carry one vote per share and the right to dividends. The Vision Shares are quoted on ASX and are freely transferable.

8.3 Vision Non-Voting Shares

The Vision Non-Voting Shares are unlisted non-voting ordinary shares in Vision.

Pulse understands that the Vision Non-Voting Shares have been issued to Vision Doctors, Vision Associates, Visiting Surgeons and other eligible staff as part consideration for ophthalmology practices acquired by the Vision Group. Pulse understands that each Vision Non-Voting Share is subject to a voluntary escrow arrangement which provides that the Vision Non-Voting Share will convert into a Vision Share, on a 1:1 basis, at the end of the relevant escrow period.

The Offer **does not** relate to Vision Non-Voting Shares. However, in accordance with section 15.1 the Offer will extend to holders of Vision Shares issued during the period from the Register Date to the end of the Offer Period due to the conversion of Vision Non-Voting Shares into Vision Shares (i.e. as a result of the relevant voluntary escrow period lapsing).

Pulse also reserves its right to make an offer in accordance with Chapter 6 of the Corporations Act for the Vision Non-Voting Shares.

Please refer to section 14.6 for details of Pulse's intentions in relation to Vision Non-Voting Shares.

8.4 Vision Performance Rights

Vision Performance Rights comprise rights to acquire Vision Shares issued to senior executives of Vision who are invited to participate in the *Vision Eye Institute Limited Performance Rights Plan* approved by Vision Shareholders at the 2014 annual general meeting of Vision held on 21 November 2014 or any substitute or replacement plan.

Pulse understands that there are no longer any Vision Performance Rights on issue following Brett Coverdale's recent resignation as a Director of Vision.

It is a Condition to the Offer that Vision makes available to Pulse information to confirm that Vision does not have any performance rights on issue. Please refer to section 15.7(9)(e).

8.5 Recent Share Price Performance of Vision Shares

The latest recorded sale price of Vision Shares on ASX on 3 July 2015, being the trading day before the Announcement Date, was \$0.68.

The highest recorded sale price of Vision Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.74.

The lowest recorded sale price of Vision Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.61.

The following chart shows the last sale price of Vision Shares on ASX in the two months before the date on which this Bidder's Statement was lodged with ASIC:



Figure 8.5A: Closing price of Vision Shares: two-month share price history¹³

The following chart demonstrates the Vision Share Price performance relative to the ASX 300 and ASX Healthcare indexes:

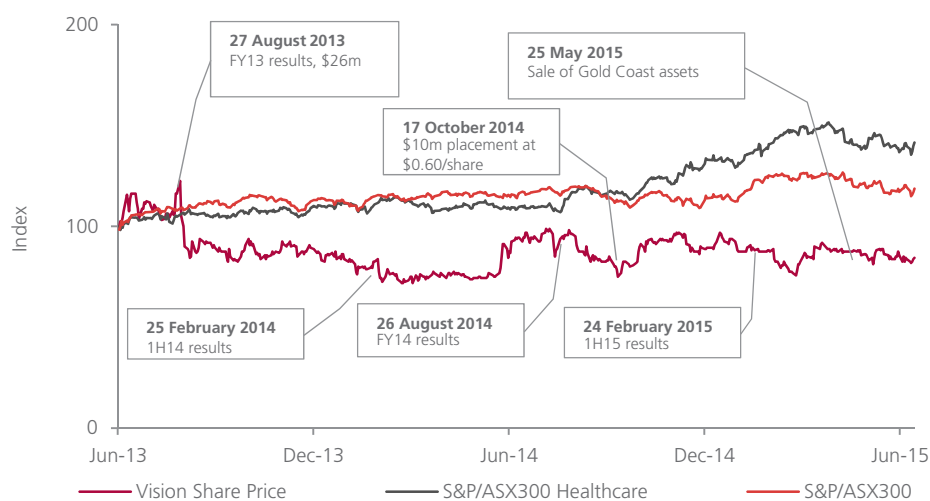


Figure 8.5B: Vision Share price history¹⁴

13 Source: CapitalIQ

14 Source: CapitalIQ.

9. Profile of the Merged Group and Effect of the Offer on Pulse

9.1 Merged Group Operations

The combination of Pulse and Vision will create one of Australia's leading private providers of specialist healthcare services, through the combined Pulse and Vision network of niche hospitals, surgery centres and ophthalmic practices.

The Merged Group's facility network will comprise 7 private hospitals across New South Wales and Queensland and a further 14 consulting clinics, 9 surgery centres (including PANCH Day Surgery which is currently under development) and 6 laser refractive clinics throughout Queensland, New South Wales, and Victoria, as depicted in Figure 9.1 below.

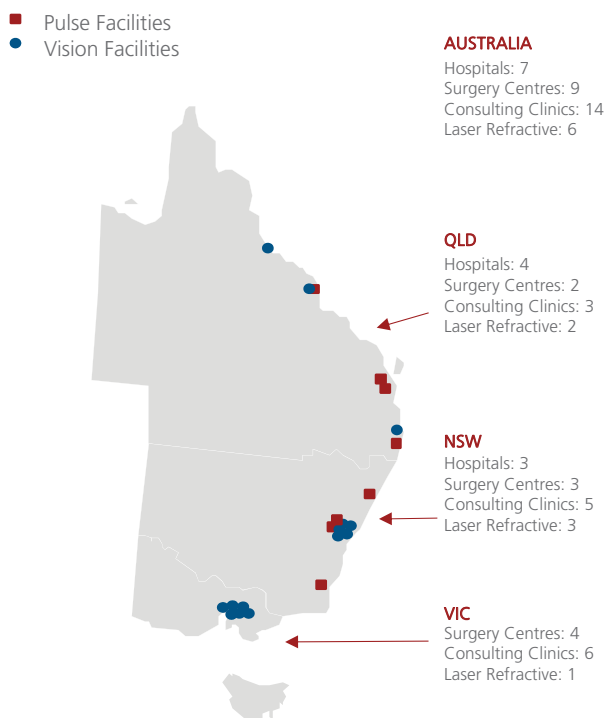


Figure 9.1: Combined facilities network of Vision and Pulse¹⁵

The healthcare services provided at these facilities will include rehabilitation, surgery, mental health and ophthalmology.

The Merged Group is estimated to have a pro forma market capitalisation of approximately \$255 million based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market cap of Vision at the value of the Offer price of \$0.88 per Vision Share¹⁶.

The Merged Group's larger balance sheet and greater capacity to access capital is expected to allow the Merged Group to undertake an aggressive growth strategy of acquiring attractive targets and developing new facilities in attractive geographies. The Merged Group is estimated to have underlying unaudited pro forma FY15 EBITDA of \$32.3 million, unaudited pro forma FY15 net debt of \$35.6 million and a pro forma FY15 enterprise value of \$291 million.¹⁷

¹⁵ Includes Pulse's Gold Coast Surgical Hospital that is currently under development and Vision's PANCH Day Surgery Centre

¹⁶ Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance. The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

¹⁷ The Merged Group unaudited underlying pro forma FY15 EBITDA is based on the combination of Pulse's earnings guidance release to ASX on 30 June 2015 (with pro forma underlying unaudited FY15F EBITDA of \$10.7 million) and Vision's earnings guidance released to ASX on 13 May 2015 (with underlying unaudited FY15F EBITDA of \$25 - \$26 million), excluding synergies and adjusted for announced asset transactions. The Merged Group pro forma FY15 net debt is based on the combination of pro forma FY15 net debt for Pulse and Vision, including \$9.0 million of anticipated transaction costs relating to the Offer. The pro forma EV of the Merged Group is estimated to be \$291 million and is based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market capitalisation of Vision at the implied value of the Offer of \$0.88 per Vision Share (refer to Footnote 1 on Page 4) plus the pro forma FY15 net debt of the Merged Group. Refer Bidder's Statement for more details.

9.2 Ownership of Pulse (Merged Group)

If Pulse acquires all of the Vision Shares and Vision Non-Voting Shares (and any Vision Shares issued on conversion of Vision Non-Voting Shares), there will be 460,316,860 Pulse Shares on issue, of which 294,835,658 Pulse Shares will be held by Vision Shareholders. This equates to a percentage of 64.1%.

If Pulse acquires 50.1% of the Vision Shares (excluding any Vision Shares issued on conversion of Vision Non-Voting Shares), there will be 309,405,626 Pulse Shares on issue, of which 143,924,424 Pulse Shares will be held by Vision Shareholders. This equates to a percentage of 46.5%.

A list of the Merged Group's top 6 shareholders if Pulse acquires 100% of Vision Shares under the Takeover Bid based on shareholdings reported prior to the date of this Bidder's Statement, and assuming these Vision Shareholders do not dispose of their Vision Shares other than pursuant to the Takeover Bid, is set out below:

Shareholder	No of Pulse Shares	Voting Power
Viburnum ^{1 2}	94,695,267	20.6%
Primary Health Care Limited	56,379,978	12.3%
Adam Smith Asset Management	16,855,022	3.7%
Throvena Pty Ltd ³	10,956,939	2.4%
IOOF Holdings	10,890,740	2.4%
CBA	8,539,274	1.9%

¹ Viburnum is the trustee and manager of the shares it holds in Vision and Pulse for the Viburnum Funds. . As set out in section 14.1, Pulse requires shareholder approval before it can acquire the Vision Shares held by Viburnum. Viburnum has therefore informed Pulse that it will not accept the Offer in respect of the Vision Shares it holds for so long as Pulse is not allowed to acquire those shares. Viburnum has also informed Pulse that if during the Offer Period Pulse becomes able to acquire the Vision Shares held by Viburnum, it intends to accept the Offer in the absence of a Superior Proposal. Pulse may seek shareholder approval to allow it to acquire the Vision Shares held by Viburnum during or after the Offer Period. If Pulse is not able to acquire these Vision Shares, Viburnum's shareholding in Pulse if Pulse acquires all the other Vision Shares will be diluted to 11.8

² Wyllie Funds Management Pty Ltd ACN 125 689 693, Wyllie Group Pty Ltd ACN 008 763 120 and Mrs Rhonda Wyllie hold Voting Power in Viburnum of greater than 20% and/or control Viburnum.

³ Throvena Pty Ltd ACN 001 738 763 is currently a substantial holder of Pulse. Pulse understands that Throvena Pty Ltd is controlled by Dr Tom Wenkart.

Figure 9.2: Merged Group substantial holders

9.3 Structure of Merged Group Board

The Board of Directors of Pulse, as the parent entity of the Merged Group should Pulse acquire control of Vision under the Takeover Bid, will comprise Stuart James, Craig Coleman, Phillipa Blakey and it is also proposed to include David Manning. Any other appointments to the Pulse Board will be considered in the normal course of Pulse Board deliberations

Stuart James, Craig Coleman and Phillipa Blakey are existing Directors of Pulse. Refer to sections 5.4 for further information on these individuals and section 5.5 for further information on David Manning.

9.4 Financial Information for the Merged Group

1. Overview

This section provides an overview of the pro forma financial position of the Merged Group as at 31 December 2014 to illustrate the impact of transactions relating to the Offer as if they occurred on 31 December 2014 (**Merged Group Pro Forma Consolidated Statements of Financial Position**).

The Merged Group Pro Forma Consolidated Statement of Financial Position are indicative only. The Pulse Directors have drawn their conclusions based on the facts known and other information publicly available as at the date of this Bidder's Statement. If the facts, circumstances or other information should prove different to that described, the conclusions may change accordingly.

This section 9.4 should be read in conjunction with the underlying financial information from which it was derived (being the Unaudited Pro Forma Pulse Stand-alone included in section 5.7 and the Unaudited Pro Forma Pulse Stand-alone included in section 7.7), the risk factors set out in section 12 and the accounting policies of Pulse (as detailed in its audited consolidated financial statements for the year ended 30 June 2014).

2. Basis of preparation

The Merged Group Pro Forma Consolidated Statements of Financial Position comprise the Unaudited Pro Forma Pulse Stand-alone included in section 5.7 and the Unaudited Pro Forma Vision Stand-alone included in section 7.7 adjusted for transactions to reflect the acquisition by Pulse of Vision in accordance with the Offer.

The Merged Group Pro Forma Consolidated Statements of Financial Position have been presented assuming the following scenarios:

- acquisition by Pulse of 100% of Vision (**100% Ownership Case**); and
- acquisition by Pulse of 50.1% % of Vision (**50% Ownership Case**).

Accounting policies applied by Vision have been consistently applied in the preparation of the Merged Group Pro Forma Consolidated Statements of Financial Position. However, no review has been undertaken on the appropriateness of these policies or accounting treatment or their alignment with Pulse's accounting policy.

3. Merged Group Pro Forma Consolidated Statement of Financial Position for 100% Ownership Case

(\$m)	Unaudited Pro Forma Pulse Standalone 31-Dec-14	Unaudited Pro Forma Vision Standalone 31-Dec-14	Pro Forma Adjustments	Unaudited Pro Forma Merged Group 31-Dec-14
Cash and cash equivalents	8.4	21.5	-	29.9
Trade and other receivables	9.4	2.1	-	11.4
Other current assets	0.0	2.3	-	2.3
Inventory	0.8	0.9	-	1.7
Current assets	18.6	26.7	-	45.3
Deferred tax assets	2.6	3.0	-	5.6
Property, plant and equipment	9.6	17.0	-	26.6
Goodwill	61.5	-	165.6	227.1
Other non-current assets	-	0.2	-	0.2
Non-current assets	73.7	20.2	165.6	259.4
Total assets	92.3	46.8	165.6	304.7
Trade and other payables	7.8	9.5	-	17.3
Current tax liabilities	0.5	1.5	-	2.0
Interest bearing liabilities	0.1	0.2	-	0.2
Provisions	2.8	4.3	-	7.1
Other Liabilities	0.4	-	-	0.4
Current liabilities	11.6	15.5	-	27.1
Trade and other payables	3.6	1.9	-	5.5
Interest bearing liabilities	24.2	32.0	9.0	65.2
Deferred tax liabilities	-	-	-	-
Provisions	0.5	0.5	-	1.0
Other Liabilities	1.3	-	-	1.3
Non-current liabilities	29.6	34.4	9.0	73.1
Total liabilities	41.3	49.9	9.0	100.2
Net Assets	51.0	(3.1)	156.6	204.6
Contributed equity	56.3	-	162.6	218.9
Non-controlling interest	-	-	-	-
Reserves	0.1	-	-	0.1
Accumulated losses	(5.4)	-	(9.0)	(14.4)
Total equity	51.0	-	153.6	204.6

Figure 9.4A: Merged Group Pro forma consolidated statement of financial position for 100% Ownership Case

Pulse acquiring a 100% ownership interest in Vision will have the following indicative pro forma impacts for the Merged Group:

- Assumed that Vision property plant and equipment is equal to fair value.
- Goodwill on acquisition of Vision reflecting the premium of the Offer Consideration at the implied value of the Offer of \$0.88¹⁸ per Vision Share over Pulse's net tangible assets multiplied by total Pulse Shares issued to Vision less Vision's net tangible assets. Goodwill being recognised at \$165.6 million.
- Draw down of a debt facility of \$9.0 million¹⁹, representing estimated transaction costs for the Offer, which also decreases retained earnings.
- Merged Group contributed equity increases by \$162.6 million, representing the value of additional Pulse Shares issued to Vision Shareholders in accordance with the Offer net of transaction costs.

¹⁸ Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance. The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

¹⁹ Pulse's \$9.0 million estimate of the transaction costs for the Offer includes professional advisory fees (as disclosed in section 14.18), printing and postage, ASX quotation fees, Vision's professional advisory fees, public relations, marketing, some integration costs and the costs of refinancing Vision's debt (if that is necessary).

4. Merged Group Pro Forma Consolidated Statement of Financial Position for 50.1% Ownership Case

(\$m)	Unaudited Pro Forma PHG Standalone 31-Dec-14	Unaudited Pro Forma VEI Standalone 31-Dec-14	Pro Forma Adjustments	Unaudited Pro Forma Merged Group 31-Dec-14
Cash and cash equivalents	8.4	21.5	-	29.9
Trade and other receivables	9.4	2.1	-	11.4
Other current assets	0.0	2.3	-	2.3
Inventory	0.8	0.9	-	1.7
Current assets	18.6	26.7	-	45.3
Deferred tax assets	2.6	3.0	-	5.6
Property, plant and equipment	9.6	17.0	-	26.6
Goodwill	61.5	-	165.6	227.1
Other non-current assets	-	0.2	-	0.2
Non-current assets	73.7	20.2	165.6	259.4
Total assets	92.3	46.8	165.6	304.7
Trade and other payables	7.8	9.5	-	17.3
Current tax liabilities	0.5	1.5	-	2.0
Interest bearing liabilities	0.1	0.2	-	0.2
Provisions	2.8	4.3	-	7.1
Other Liabilities	0.4	-	-	0.4
Current liabilities	11.6	15.5	-	27.1
Trade and other payables	3.6	1.9	-	5.5
Interest bearing liabilities	24.2	32.0	9.0	65.2
Deferred tax liabilities	-	-	-	-
Provisions	0.5	0.5	-	1.0
Other Liabilities	1.3	-	-	1.3
Non-current liabilities	29.6	34.4	9.0	73.1
Total liabilities	41.3	49.9	9.0	100.2
Net Assets	51.0	(3.1)	156.6	204.6
Contributed equity	56.3	-	79.4	135.6
Non-controlling interest	-	-	83.2	83.2
Reserves	0.1	-	-	0.1
Accumulated losses	(5.4)	-	(9.0)	(14.4)
Total equity	51.0	-	153.6	204.6

Figure 9.4B: Merged Group Pro forma consolidated statement of financial position for 50.1% Ownership Case

Pulse acquiring a 50.1% ownership interest in Vision will have the following indicative pro forma impacts for the Merged Group:

- Goodwill on acquisition of Vision reflecting the premium of the Offer Consideration at the implied value of the Offer of \$0.88²⁰ per Vision Share over Pulse's net tangible assets multiplied by total Pulse Shares issued to Visionless Pulse's net tangible assets. Goodwill being at \$165.6 million.
- Non-controlling equity interest, reflecting the proportionate ownership of the 49.9% non-controlling interest in Vision Shares outstanding plus the non-controlling interest in the Vision Non-Voting Shares, increases to \$83.2 million
- Draw down of a debt facility of \$9.0 million, representing estimated transaction costs for the Offer²¹, which also decreases retained earnings.
- Merged Group contributed equity increases by \$79.4 million, representing the value of additional Pulse Shares issued to Vision Shareholders in accordance with the Offer

5. Forecast Financial Information

The Merged Group is expected to deliver double digit accretion relative to a Pulse stand-alone pro forma FY15 earnings per share ("**EPS**") of 3.5 cents.

EPS accretion is calculated on a pro forma unaudited basis. The pro forma FY15 EPS of the Merged Group includes full year contributions from Pulse and Vision, and pre-tax cost-synergies realised in the first twelve months of \$1.5 million²² as though the transaction was effected on 1 July 2014.

The Merged Group pro forma FY15 EPS includes anticipated interest expense associated with the Offer, and interest and earnings effects from asset transactions announced to the ASX. It does not include direct transaction or integration costs.

Acquisition accounting adjustments have not yet been undertaken and pro forma EPS accretion is before any amortisation on intangibles identified as part of this process. Australian Accounting Standards allow for twelve months from completion to finalise accounting and purchase price allocation

Basis for calculating pro forma FY15 EPS of the Merged Group

a. Pulse stand-alone pro forma FY15 EPS

Pulse stand-alone pro forma FY15 EPS has been calculated on the basis of the Investor Update released by Pulse to ASX on 30 June 2015 with pro forma underlying unaudited FY15F EBITDA of \$10.7 million, with the following adjustments:

- Sale and leaseback of Gympie Private Hospital: the additional rental expense associated with this transaction has been included for the full year
- Interest revenue/expense as well as depreciation and amortisation has been adjusted for the full year effect of the sale and leaseback of Gympie Private Hospital, the sale of North Coast Community Care and the acquisition of The Hills Clinic
- Anticipated ramp-up costs associated with the Gold Coast Surgical Hospital have not been included.

²⁰ Pulse has adopted a 5-day VWAP of Pulse Shares to 3 July 2015 (being the last trading day prior to announcement of the Offer to ASX) as the basis for determining the implied value of a Vision Share. Pulse considers this approach provides a reliable and reasonable measure of the current value of Pulse Shares. Relevantly, Pulse provided updated FY15 earnings guidance to ASX on 30 June 2015. A 5-day VWAP to 3 July 2015 includes 1 day of trading prior to the release and 4 days of trading after release by Pulse of its earnings guidance.

The 2-day VWAP of Pulse Shares to 15 July 2015 (which reflects a valuation methodology consistent with that contemplated in ASIC Class Order [CO 00/2338]) was \$0.548. Accordingly, Pulse considers that it is reasonable to adopt a value of each Pulse Share of \$0.55 for the purposes of determining the implied value of the Offer.

²¹ Pulse's \$9.0 million estimate of the transaction costs for the Offer includes professional advisory fees (as disclosed in section 14.18), printing and postage, ASX quotation fees, Vision's professional advisory fees, public relations, marketing, some integration costs and the costs of refinancing Vision's debt (if that is necessary).

²² Pulse management expects potential pre-tax cost synergies of approximately \$2.0 million should be realised once integration and implementation has occurred. Refer to section 2.2(4).

- Corporate tax rate assumed at 30%

This results in a Pulse stand-alone pro forma FY15 EPS estimated at 3.5 cents.

b. Vision stand-alone pro forma FY15 EPS

Vision stand-alone pro forma FY15 EPS has been calculated on the basis of the earnings guidance released by Vision to ASX on 25 May 2015 with underlying unaudited FY15F EBITDA of \$25 - \$26 million, with the following adjustments and assumptions:

- Sale of the of the Gold Coast clinic assets: announced to have a \$1.7 million EBIT impact, and depreciation has been adjusted for the sale of the associated \$1.1 million in assets.
- Intended sale of the Southport Day Surgery business: estimated to have a \$1.7 million EBIT impact.
- Interest expense as per the midpoint of guidance of \$1.3 - \$1.4 million.
- Corporate tax rate assumed at 30%

This results in a Vision stand-alone pro forma FY15 EPS estimated at 6.1 cents.

c. Pro forma FY15 EPS of the Merged Group

Based on the Investor Update released by Pulse to ASX on 30 June 2015 with pro forma underlying unaudited FY15F EBITDA of \$10.7 million and the earnings guidance released by Vision to ASX on 25 May 2015 with underlying unaudited EBITDA of \$25 - \$26 million, adjusted in accordance with the sections above, the unaudited FY15F EBITDA of the Merged Group is estimated to be \$32.3 million (exclusive of synergies).

Pro forma FY15 EPS of the Merged Group has been calculated on the basis of the estimated Pulse stand-alone pro forma FY15 EPS of 3.5 cents and the estimated Vision stand-alone pro forma FY15 EPS of 6.1 cents, adopting the following assumptions:

- The acquisition by Pulse of 100% of Vision Shares occurred on 1 July 2014.
- The issue of approximately 294.8 million Pulse Shares to Vision Shareholders.
- Additional financing costs incurred associated with funding transaction costs relating to the Offer.
- Pre-tax cost synergies realised in the first twelve months estimated at \$1.5 million of the total \$2.0 million of identified pre-tax cost synergies.
- No revenue or costs adjustments have been made with regard to the strategic partnership involving David Manning.

Disclaimer

The financial information presented in this section 9.4 in relation to Vision has been prepared by Pulse using publicly available information that has not been independently verified. Pulse has not been provided with non-public due diligence information on Vision as at the date of this Bidder's Statement and is not in a position to provide forecast financial information for the Merged Group.

Pulse has relied on the information in the audited full year financial report of Vision for the year ended 30 June 2014, the reviewed half year financial report of Vision for the period ended 31 December 2014 and the Vision announcements to ASX referred to in this section 5.7 and section 7.7 above to prepare the financial information in relation to Vision contained in this Bidder's Statement.

Accordingly, Pulse does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. It is expected that Vision will release financial information in its Target's Statement that will be sent to Vision Shareholders and made publicly available. The financial information regarding Pulse, Vision and the Merged Group in this Bidder's Statement should not be regarded as comprehensive and readers should have regard to the risks outlined in section 12.

10. Pulse's Intentions for Vision

10.1 Introduction

This section 10 sets out Pulse's intentions for the Vision Group, which are based on the information concerning the Vision Group and its business known to Pulse at the time of preparation of this Bidder's Statement. Pulse will only make final decisions in light of the material information available to it and circumstances at the relevant time.

The statements set out in this section are therefore statements of current intentions only, which may vary as new information becomes available or circumstances change. Pulse will only make final decisions on the courses of action and intentions set out in this section after undertaking a review of the Vision Group and following receipt of appropriate legal, taxation and financial advice, and in light of the material circumstances at the relevant time, including each Vision Director's obligations to act in the best interests of Vision and Vision Shareholders. In addition, Pulse's intentions must be read subject to the requirements of the Corporations Act and ASX Listing Rules (if Vision remains listed) including in relation to Related Party transactions.

10.2 Continuation of Operations

Whether Vision becomes wholly or partly owned by Pulse, except as set out elsewhere in this section 10, it is Pulse's current intention:

- to continue the business of Vision;
- not to make any major changes to the business of Vision; and
- to continue the employment of the present employees of Vision, including each doctor engaged by Vision, subject to the outcomes of the integration review and assessment of the Merged Group (see 10.3), which may result in changes for management and head office employees

10.3 Integration and Strategy Review

If Pulse acquires control of Vision under the Takeover Bid, Pulse and Vision would be combined to form the Merged Group, a leading provider of specialist healthcare services, through the combined Pulse and Vision network of niche hospitals, surgical centres and ophthalmic practices.

Pulse does not anticipate making any immediate material changes to the business operations of Pulse or Vision. Instead, Pulse will undertake an integration review and assessment of the Merged Group. In the absence of a Chief Executive Officer of Vision, Vision management will maintain their existing responsibilities with oversight and support from the Pulse's Managing Director (Phillipa Blakey) and Pulse's other senior executives until the outcomes of the integration review and assessment is complete.

Key areas of focus for Pulse's integration review and assessment will include:

- Doctor engagement;
- Organisation and management structure;
- Brand strategy – optimising the Vision and the Pulse brands;
- Potential support services agreement integration;
- System integration;
- Facilities optimisation;
- Target markets; and
- Acquisition opportunities.

10.4 Specific intentions if Pulse becomes entitled to proceed with compulsory acquisition

If Pulse and its Associates have a Relevant Interest in 90% or more of the Vision Shares and Pulse becomes entitled to compulsorily acquire all of the Vision Shares and Vision Non-Voting Shares (and any Vision Shares issued on conversion of Vision Non-Voting Shares) in accordance with Parts 6A.1 and 6A.2 of the Corporations Act, its current intentions for Vision, in addition to the integration and strategy review contemplated in section 10.3, are as follows:

1. Corporate Matters

Pulse intends to proceed with compulsory acquisition of all remaining:

- a. Vision Shares and, if it does so, will give a notice of compulsory acquisition to the holders of the remaining Vision Shares, even if the Vision Shares to which those notices relate are issued:
 - i. after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
 - ii. on conversion or exercise of rights attaching to securities convertible into Vision Shares, up to six weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act); and
- b. Vision Non-Voting Shares which have not been acquired by Pulse or cancelled prior to the Closing Date in accordance with the arrangements contemplated in section 14.6.

2. ASX listing

If Pulse proceeds with the compulsory acquisition of all of the Vision Shares and Vision Non-Voting Shares, Pulse will procure that Vision be removed from the official list of the ASX.

3. Structure of Vision Board

Subject to the Corporations Act and the constitution of Vision, Pulse will consider an appropriate structure for the boards of Vision and its Subsidiaries as part of the integration and strategy review contemplated in section 10.3.

4. Head office

Pulse intends to centralise corporate head office functions of Vision, such as company secretarial, treasury, financial management, legal, risk management and overall corporate administration of the Merged Group operations, to reduce and eliminate duplication where appropriate. The relevant business units will perform any remaining head office functions.

Pulse will seek to allocate alternative responsibilities to any Vision head office employees whose responsibilities currently include head office activities that are duplicated. If Pulse considers that it is not feasible to allocate alternative responsibilities to any such employee having regard to the centralisation of head office functions, then an appropriate redundancy package would be made available to the employee. Pulse has not yet determined the identity of any such employee.

5. Divestment policy

Pulse does not currently intend to dispose of any assets of Vision.

6. Vision Shares held by Viburnum

As set out in section 14.1, ASX Listing Rule 10.1 prohibits Pulse from acquiring the 28,560,215 Vision Shares held by Viburnum without first obtaining Pulse Shareholder approval. Pulse would therefore currently need to obtain shareholder approval before it can acquire these Vision Shares under the Offer or pursuant to compulsory acquisition. Pulse may seek shareholder approval to do so during or after the Offer Period. Pulse's ability to implement its intentions in this section may be dependent upon its ability to acquire the Vision Shares held by Viburnum.

It will not be necessary for Viburnum to accept the Offer in respect of the 28,560,215 Vision Shares it holds in order for the Minimum Acceptance Condition to be fulfilled or for Pulse to compulsorily acquire the Vision Shares of Vision Shareholders who do not accept the Offer because Pulse already has a Relevant Interest in the relevant Viburnum Shares held by Viburnum.

10.5 Specific intentions for Vision as a partly owned company

Pulse reserves its right to declare the Offer free from the Minimum Acceptance Condition (or any other condition) to the Offer. However, Pulse has not decided whether it will free the Offer from the Minimum Acceptance Condition (or any other condition).

This section 10.5 describes Pulse's intentions, in addition to the integration and strategy review contemplated in section 10.3, if it were to declare the Offer free of the Minimum Acceptance Condition and if Vision becomes a controlled entity of Pulse, but Pulse is not entitled to proceed to compulsory acquisition in accordance with Parts 6A.1 and 6A.2 of the Corporations Act.

1. Corporate Support

Pulse intends to provide strategic and managerial support to Vision.

2. Structure of Vision Board

Subject to the Corporations Act and the constitution of Vision, it is Pulse's intention to replace some or all of the Vision Directors with Pulse's nominee Directors, so as to reflect Pulse's ownership interest in Vision. The board structure and identity of Pulse's nominees in these circumstances have not yet been determined by Pulse.

3. ASX listing

Subject to the ASX Listing Rules, it is Pulse's intention for Vision to continue to be listed on the ASX. The ability of Vision to remain listed on ASX will be subject to the ongoing requirements of the ASX Listing Rules (including there being a sufficient number and spread of Vision Shareholders) being satisfied. If Vision is not able to satisfy those requirements, ASX may require Vision be delisted, regardless of the result of the review of the Directors of Vision.

4. Further acquisition of Vision Shares

Pulse may acquire additional Vision Shares, including under the "creep" provisions of the Corporations Act and by other means. In summary the "creep" provisions would allow Pulse and its Associates to acquire up to 3% of Vision Shares every six months. Pulse has not decided whether it will acquire further Vision Shares, as that will be dependent upon (among other things) the extent of the Voting Power of Pulse in Vision and market conditions at the time.

Pulse would only make a decision on these courses of action following receipt of appropriate legal, taxation and financial advice, and in light of the material circumstances at the relevant time, including Vision Director's obligations to have regard to the interests of Vision and all Vision Shareholders. Pulse's intentions must also be read subject to the requirements of the Corporations Act and the ASX Listing Rules (if Vision remains listed) in relation to Related Party transactions.

10.6 Intentions for Vision as a partly owned company

Pulse's intentions, if it were to declare the Offer free of the Minimum Acceptance Condition and if Pulse does not acquire control of Vision, are to seek to obtain representation on the Vision Board.

10.7 Conflicts

Pulse intends that the Vision Directors appointed by it will act at all times in accordance with their fiduciary duties as required by law and that all legal requirements are complied with in pursuing the intentions outlined in this Bidder's Statement. Those requirements may, in some circumstances, require the approval of minority Vision Shareholders in order to effect the implementation of any particular objective.

11. Offer Consideration

11.1 Offer Consideration

The consideration for the acquisition of the Vision Shares to which the Offer relates will be satisfied by the issue of Pulse Shares to Vision Shareholders.

The maximum number of Pulse Shares which would need to be issued under the Offer if Pulse acquires all Vision Shares and Vision Non-Voting Shares (and Vision Shares issued on conversion of Vision Non-Voting Shares) on issue as at the date of this Bidder's Statement is approximately 294,835,658 Pulse Shares.

Pulse has the capacity to issue the maximum number of Pulse Shares which it may be required to issue under the Offer.

Pulse intends to apply for the quotation of Pulse Shares issued under the Offer on the ASX within 7 days of the date of this Bidder's Statement in accordance with the Corporations Act.

11.2 Provision of Consideration by Pulse

Pulse believes that it has reasonable grounds for holding the view, and Pulse does hold the view, that Pulse will be able to provide the consideration offered under the Offer.

12. Risk Factors

12.1 Introduction

If the Offer becomes unconditional, Vision Shareholders who accept the Offer will become Pulse Shareholders, and Pulse will acquire an interest in Vision. In that event, Vision Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Vision's assets and general economic, share market and industry risks. There are also additional risks relating to the Offer and the Merged Group, to which Vision Shareholders will be exposed through their holding of Pulse Shares.

12.2 Risks relating to the Offer and the Merged Group

1. Issue of Pulse Shares as consideration

Vision Shareholders are being offered consideration under the Offer that consists of a specified number of Pulse Shares, rather than a number of Pulse Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Pulse Shares.

Furthermore, under the Offer, Pulse will issue a significant number of Pulse Shares. Some Vision Shareholders may not intend to continue to hold their Pulse Shares and may wish to sell them on ASX. The price at which Pulse Shares will trade on ASX after the Offer is uncertain. There is a risk that if a significant number of Vision Shareholders seek to sell their Pulse Shares, this may adversely impact the price of Pulse Shares.

2. Acquisition of less than 100% of Vision shares

The Offer is conditional on Pulse becoming entitled to at least 90% of Vision Shares, and therefore being able to compulsorily acquire any remaining Vision Shares that Pulse is not entitled to. While Pulse has no present intention to waive this condition, it is possible that Pulse will acquire less than 100% of Vision Shares under the Offer.

The impact of this will depend on the level of ownership that is ultimately acquired but, in any event, any minority interest in Vision may have an impact on the Merged Group's capacity to integrate the businesses of the Pulse Group and the Vision Group and realise synergies from the acquisition by Pulse of Vision.

Additionally, if Pulse does not ultimately hold 80% or more of the Vision Shares at the end of the Offer Period, Vision Shareholders who are Australian residents for income tax purposes and who would make a capital gain from the disposal of their Vision Shares will be unable to elect for a rollover of that capital gain, resulting in a capital gain crystallising at the time of the sale of the Vision Shares. Please refer to section 13 for a general overview of the Australian income tax and capital gains tax implications for Vision Shareholders who accept the Offer.

3. Integration risks

There are risks that integration of the businesses of the Pulse Group and the Vision Group and other acquisitions by Pulse may take longer than expected and that anticipated benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

4. Termination of contracts

A change in control of Vision may occur as a result of the Offer. It is possible that material contracts to which Vision is a party, such as debt facilities, leases and contracts with Vision Doctors, may be subject to review or termination upon this change of control.

While Pulse is not aware of any counterparty that may wish to terminate a material contract, should any such contracts be terminated the Merged Group would lose the benefit of the contract and may not be able to obtain similarly favourable terms upon entry into replacement arrangements (should replacement arrangements be available).

5. Limited access to Vision information

Pulse has had no access to information on Vision beyond that which is available in the public domain. Therefore, there remains uncertainty associated with the information disclosed in this Bidder's Statement relating to Vision. Pulse does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

6. Arrangements with Mr Manning and access to AmSurg intellectual property

The arrangements described in this Bidder's statement for the services of Mr David Manning and the access to AmSurg's intellectual property and systems are currently only a proposal and remain subject to a definitive binding agreement being entered into between Pulse and Mr Manning, and Mr Manning and AmSurg respectively. If such binding agreements are not entered into, Pulse may not receive the benefits of Mr Manning's services and the intellectual property and systems of AmSurg.

12.3 Risks relating to the healthcare industry

Both Pulse and Vision operate in the private healthcare industry which itself is exposed to a number of risk factors. Accordingly, any investment in the Merged Group will remain subject to the following industry risks.

1. Government Policies

The healthcare industry is subject to extensive laws and regulations relating to the conduct of operations, licencing and accreditation of facilities, and the addition and development of facilities and services, among other things.

There are several government policies and regulations that could have a material adverse impact on the performance of the Merged Group if changed, including but not limited to changes to initiatives that promoted private health insurance (**PHI**), changes to regulations relating to PHI funds, changes to hospital licensing policy, changes to medical negligence legislation, and changes to public hospital policy that may encourage patients to use public facilities instead of private facilities.

2. Private Health Insurance

A large portion of the revenue received by the Merged Group will be derived from PHI funds, many of which have negotiated schedules of fees with Pulse and Vision such that the latter receive preferred rates. Failure to successfully renegotiate such commercial agreements with PHI funds as they come up for renewal could have a material adverse impact on the profitability of the Merged Group. Additionally, should PHI fund membership decrease as a result of worsening economic conditions, changes in economic incentives, increased PHI fund premiums, or otherwise, or PHI fund members elect to decrease their coverage, this could materially impact on the number of patients electing for services in private healthcare facilities such as those operated by Pulse and Vision.

3. Labour

The Merged Group will rely on Accredited Medical Practitioners (AMPs) as a source of patient referrals to their facilities. For those AMPs that are not currently employed by or remunerated by Pulse or Vision, there is a risk that they may choose to refer their patients to, and perform their services at, facilities other than those operated by the Merged Group.

Additionally, the Merged Group will face competition in attracting and retaining nursing staff, who constitute the majority of people employed by Pulse and Vision. In service areas where there is a relative shortage of available nursing staff, there is a risk that the Merged Group is unable to properly staff its facilities to meet demand, which could have a material adverse impact on earnings.

Separately, from time to time the Merged Group may need to renegotiate enterprise bargaining agreements with its staff, and in such cases there is a risk that such negotiations could result in a staff strike or other form of service interruption, or increased direct and indirect labour costs of the Merged Group, both of which would have a negative impact on earnings.

4. Litigation and Insurance

Private hospital operators such as Pulse and Vision are exposed to the risk of medical indemnity claims and litigation. It is possible that a current or past patient of either Pulse or Vision may commence or threaten litigation for medical negligence against the Merged Group, which could have a negative impact on the financial performance, financial position, and future prospects of the Merged Group.

Separately, while both Pulse and Vision maintain insurance coverage consistent with industry practice, there is no guarantee that such insurance will be available in the future for the Merged Group on commercially reasonable terms or that any cover will be adequate and available to cover all or any future claims.

5. Development Projects

Many private healthcare facilities operators such as Pulse and Vision will from time to undertake development projects to expand their current facilities, and to create new facilities. There is a risk that any such developments by the Merged Group experience cost overruns and or delays in construction, or that the business in the new facility does not perform as anticipated, all of which can have a material negative impact on the earnings of the Merged Group.

12.4 General risks

The following risks have been identified as being key risks specific to investing in the Merged Group. These risks have the potential to have a significant adverse impact on the Merged Group which may in turn affect the financial position, prospects and price of its listed securities. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, others can be covered by insurance, but some are outside the control of Pulse and cannot be mitigated or insured against.

1. Economic risks

Economic conditions: The economic condition of both domestic and global markets may affect the performance of the Merged Group. Factors such as fluctuations in currencies, commodity prices, inflation rate, interest rates, supply and demand and industrial disruption may have an impact on operating costs and therefore future possible revenues and the share market price.

Future capital requirements: The continued operations of the Merged Group will be dependent on its ability to obtain financing through debt, equity financing or capital raising. There is a risk that the Merged Group may not be able to access capital for future projects or developments due to factors beyond its control which could have a material adverse impact on the Merged Group's business and financial condition.

Business factors: The continuing economic viability of the Merged Group will be dependent on managing risk factors normally found in conducting a business, including management of contractual risks, litigation due to breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise), strikes, lockouts, loss of services of key management or operational personnel or change in tax and accounting laws.

There can be no assurance that parties with whom the Merged Group has entered into commercial arrangements will adhere to the terms of the contracts and arrangements. There is the potential of material failure by or insolvency of any contractor used by the Merged Group in any of its activities. Such being the case, this could cause disruption to the operations of the Merged Group. The Merged Group is unable to predict the risk of insolvency or other managerial failure by any of its contractors or other service providers used by the Merged Group.

All of the mentioned business factors could have a material adverse effect on the results of the operations or the financial condition of the Merged Group.

2. Share market conditions

Securities listed on a stock market can experience price and volume fluctuations that are often unrelated to the performance of the company. General factors that may affect the market price of Pulse Shares include economic conditions, both locally and internationally, the global security situation, the possibility of terrorist disturbances and changes in government legislation or policy.

3. Increased competition

Both Pulse and Vision operate in competitive markets. In general, the entry of new competitors in those markets or changes in the strategy of existing competitors (possibly as a result of the formation of the Merged Group) may have an adverse effect on the Merged Group.

13. Taxation Considerations

13.1 Introduction

The information in this section is intended to provide a general overview of the Australian income tax and capital gains tax (**CGT**) implications for Vision Shareholders who accept the Offer.

This summary is not intended to be comprehensive and is based upon Pulse's interpretation of legislation currently in force at the date of this Bidder's Statement. Vision Shareholders should not rely on the information in this section as advice in relation to their own affairs. The Australian taxation laws are complex and there could be implications in addition to those described in this section. Vision Shareholders should seek independent professional advice in relation to their own particular circumstances. Shareholders who are not resident in Australia should seek advice concerning tax implications in their country of residence.

The information in this section does not apply to the following Vision Shareholders, who should obtain their own independent advice:

- non-resident Vision Shareholders who hold a non-portfolio interest in Vision for purposes of section 960-195 of the Australian *Income Tax Assessment Act 1997* (broadly, this means shareholders who together with associates hold or have held 10% or more of the Vision Shares at any time during the 2 years preceding the date of acceptance of the Offer);
- non-resident Vision Shareholders who hold their Vision Shares in connection with a permanent establishment in Australia;
- Vision Shareholders who have received their Vision Shares in their capacity as employees or directors of Vision; and
- holders of Vision Non-Voting Shares.

13.2 Australian tax consequences

The Australian tax consequences of disposing of your Vision Shares will depend on a number of factors, including:

- whether you are an Australian resident or non-resident for tax purposes;
- whether you hold your Vision Shares on capital or revenue account;
- the cost of acquiring your Vision Shares;
- when you acquired your Vision Shares;
- whether you are an individual, a company, a trustee of a trust or a complying superannuation entity; and
- whether Pulse acquires 80% or more of the Vision Shares as a result of the Offer.

13.3 Holding Vision Shares on revenue or capital account

Broadly, if you acquired your Vision Shares as part of a share trading business, as part of certain other businesses (eg, banking and insurance) or for the purpose of reselling them at a profit, then you may be treated as holding your Vision Shares on revenue account.

If, on the other hand, you acquired your Vision Shares as a passive investment, for example, with the intention of generating dividend income and/or long term capital growth, then you may be treated as holding your Vision Shares on capital account.

13.4 Vision Shares held on revenue account

If you are an Australian resident and hold your Vision Shares on revenue account, then you will be liable to Australian tax on any gain you make on the disposal of your Vision Shares by accepting the Offer. Broadly, the amount of the gain liable to Australian tax will be the amount by which the disposal proceeds exceed the cost of the Vision Shares you hold. The disposal proceeds will be equal to the capital proceeds (refer to section 13.6 below). You must include any gain in your assessable income and it will be subject to Australian tax at applicable rates.

If, on the other hand, the cost of the Vision Shares you hold exceeds the disposal proceeds you receive in respect of those Vision Shares, then you will incur a loss equal to the excess. This loss may be offset against your assessable income, and if your losses exceed your assessable income in that year, the difference may be carried forward and used in future income years subject to satisfying certain conditions.

If you are not an Australian resident and hold your Vision Shares on revenue account, then you may be liable to Australian tax on any gain you make on the disposal of your Vision Shares by accepting the Offer, if the gain has an Australian source and subject to any protection you are afforded from such taxation by a relevant double taxation agreement. The source of any gain will depend on a number of factors, including the place of contract to acquire and dispose of your Vision Shares and the place of any activities relevant to the holding of your Vision Shares.

If there is a double taxation agreement between Australia and the country in which you are resident, it may, for example, protect you from Australian tax on income if the gain is a business profit and you do not have a permanent establishment in Australia.

Non-resident shareholders should seek their own independent taxation advice.

13.5 Vision Shares held on capital account

Vision Shareholders who accept the Offer will dispose of their Vision Shares by way of transfer to Pulse. This disposal will constitute a CGT event for Australian CGT purposes.

If you are an Australian resident and hold your Vision Shares on capital account, in the absence of CGT scrip for scrip roll-over relief applying, you will make a capital gain or capital loss, depending on whether the capital proceeds from the transfer exceed or are less than the cost base of your Vision Shares (see section 13.6 below).

The capital gains and capital losses of a taxpayer are aggregated for all CGT events that occur during an income year to determine whether there is a net capital gain or net capital loss for the income year (carry forward capital losses from previous income years must also be applied). The CGT discount (refer to section 13.7 below) and/or other CGT concessions may then be applied in order to further reduce or eliminate an assessable net capital gain.

Any net capital gain is included in the Vision Shareholder's assessable income. Any net capital loss may not be offset against other income for income tax purposes, but may be carried forward to offset against future capital gains subject to satisfying certain conditions.

If you are not an Australian resident, you hold your Vision Shares on capital account and your holding is a portfolio interest (i.e. an interest in Vision of less than 10% held by you and your associates in the 2 years preceding the date of acceptance of the Offer), you will not be liable to CGT in respect of the disposal of your Vision Shares. If your holding is a non-portfolio interest in Vision, you should seek independent taxation advice as to the Australian tax consequences of the disposal of your Vision Shares.

13.6 Calculating the capital gain or loss

If you accept the Offer, the capital proceeds received by you will be the market value of the Pulse Shares you receive immediately after such Pulse Shares are issued to you.

Your cost base in your Vision Shares is used to determine whether any capital gain or loss arises for CGT purposes. Generally, cost base is made up of a number of elements. Broadly, this includes the acquisition cost, incidental costs of acquisition (such as broker's fees and stamp duty), and costs of owning, enhancing or preserving title to the asset which are not otherwise tax deductible.

Modifications to the general cost base rules may apply in certain circumstances, for example, if you have inherited shares by bequest or otherwise acquired shares on a non-arm's length basis.

Broadly, the amount of your capital gain will be the amount (if any) by which the capital proceeds received exceed the cost base of your Vision Shares.

Vision Shareholders whose cost base of their Vision Shares is greater than the capital proceeds received will make a capital loss.

13.7 CGT discount

If you are an Australian resident individual, the trustee of an Australian resident trust, or an Australian resident complying superannuation entity, then you may reduce any capital gain otherwise liable to Australian tax provided that you acquired your Vision Shares more than 12 months before disposing of them by accepting the Offer. However, if you are an Australian resident individual, and you have had a period of foreign or temporary residency, this may affect the calculation of your CGT discount and you should seek specific tax advice regarding your circumstances.

The CGT discount applicable to an individual or to the trustee of a trust is one half. The CGT discount applicable to a complying superannuation entity is one third. That is, the capital gain (after deduction of any capital losses) you take into account in working out your assessable income is reduced by one half or one third as appropriate. Trustees should seek specific tax advice concerning the tax consequences of distributions to beneficiaries attributable to discounted capital gains.

13.8 CGT scrip for scrip roll-over relief

If:

- as a result of the Offer, Pulse acquires 80% or more of the Vision Shares; and
- you would otherwise make a capital gain on the disposal of your Vision Shares,

then you may choose CGT scrip for scrip roll-over relief to apply to the capital gain.

If you choose to obtain the CGT scrip for scrip roll-over relief, then your capital gain will be disregarded, and your cost base of the Pulse Shares you receive will include an amount referable to the cost base of the Vision Shares. Taxation of the capital gain is effectively deferred until the Pulse Shares you received are disposed of. If you choose CGT scrip for scrip roll-over relief, then the choice must be made by the day you lodge your income tax return for the income year in which you accept the Offer. The way in which a Vision Shareholder prepares its income tax return is evidence of the choice. There is no need to lodge a notice with the Australian Taxation Office.

Holders of Vision Shares seeking to choose CGT scrip for scrip roll-over relief should confirm the actual acceptance level for the Offer.

CGT scrip for scrip roll-over relief is not available if you would otherwise make a capital loss on the disposal of your Vision Shares.

13.9 Future income derived from Pulse

If you accept the Offer and are an Australian resident shareholder, you will be assessed on any dividends paid to you by Pulse. The dividends may be franked or unfranked. If any dividends are franked (in whole or in part), you should consult an independent professional advisor to confirm whether an imputation credit is available to you, and if so, how to account for the imputation credit in your income tax return.

13.10 Goods and services tax and stamp duty

No Australian goods and services tax or stamp duty will be payable by you as a consequence of accepting the Offer.

14. Other Material Information

14.1 Vision shareholder support

Viburnum holds 28,560,215 (15.91%) Vision Shares and 48,998,923 (29.84%) Pulse Shares as trustee and manager for the Viburnum Funds. The Offer includes an offer by Pulse to acquire the 28,560,215 Vision Shares held by Viburnum.

However, ASX Listing Rule 10.1.3 provides that an ASX-listed entity must ensure that it does not acquire, without the approval of holders of the entity's ordinary securities, a "substantial asset" from a "substantial holder" of the entity if that person and the person's associates have a relevant interest in at least 10% of the total votes attaching to the voting securities in the entity.

Viburnum is a "substantial holder" of Pulse for the purposes of ASX Listing Rule 10.1.3. In addition, the 28,560,215 Vision Shares held by Viburnum constitute a "substantial asset". Accordingly, ASX Listing Rule 10.1 prohibits Pulse from acquiring the 28,560,215 Vision Shares without first obtaining Pulse Shareholder approval.

In order to facilitate Pulse making the Offer without risk of breaching ASX Listing Rule 10.1, Viburnum has informed Pulse that it will not accept the Offer in respect of the 28,560,215 Vision Shares it holds for so long as ASX Listing Rule 10.1 would not allow Pulse to acquire those shares. Viburnum has also informed Pulse that if during the Offer Period Pulse becomes able to acquire the 28,560,215 Vision Shares held by Viburnum in accordance with ASX Listing Rule 10.1, it intends to accept the Offer in the absence of a Superior Proposal.

Pulse may convene a meeting of Pulse Shareholders during or after the Offer Period for the purposes of seeking Pulse Shareholder approval to acquire the 28,560,215 Vision Shares held by Viburnum.

14.2 Viburnum interests in relation to Pulse and Vision

As noted in section 14.1, Viburnum holds 28,560,215 (15.91%) Vision Shares as trustee and manager of the Viburnum Funds. Viburnum also holds 48,998,923 (29.84%) Pulse Shares as trustee and manager of the Viburnum Funds.

Viburnum conceived the merger of Pulse and Vision and presented it to Pulse to undertake, in the interests of creating value for shareholders in both Pulse and Vision. The conduct of Viburnum and Pulse in respect of the Offer would constitute them acting in concert in relation to the affairs of Vision for the purposes of sections 12 and 53 of the Corporations Act and they are therefore Associates. As a result of the commitment Viburnum has given to Pulse to not accept the Offer described in section 14.1 and this Associate relationship, Pulse has a Relevant Interest and Voting Power in the Vision Shares held by Viburnum.

Pulse's financial advisor to the Takeover Bid, Allier Capital, has sub-contracted Viburnum to assist it in its advisory role to Pulse. Under this sub-contract arrangement, Viburnum is assisting Allier Capital to provide a joint financial advisory service to Pulse and is performing all of the services normally provided by a financial adviser in such a role, including assistance with developing the strategic rationale for the Offer, negotiating refinancing for Vision's debt (if that becomes necessary) and assisting with stakeholder engagement. Viburnum will be paid transaction advisory fees comprising an initial \$100,000 retainer plus a success fee of \$1,250,000 if Pulse acquires interests in 50% of Vision Shares, and an additional 50% share of any other advisory fees paid to Allier Capital under its financial advisory mandate with Pulse, for these services. Please refer to section 14.18 for further details.

Viburnum has established conflict management protocols and implemented an information barrier to separate its division which is providing assistance to Allier Capital from that which is responsible for managing the relevant shareholdings in Pulse and Vision in order to ensure that the team providing assistance to Allier Capital is not conflicted and Viburnum continues to act in the best interests of the investors in the Viburnum Funds with respect to its shareholdings in Vision and Pulse. Accordingly, with respect to the Vision Shares which Viburnum holds in Vision, Viburnum has informed Pulse that if Pulse becomes able to acquire those Vision Shares under the Offer, Viburnum intends to accept the Offer, but has reserved its right to accept a Superior Proposal.

Mr Craig Coleman, an existing director of Pulse, is also a director of Viburnum. The conflict management protocols established by Viburnum also provide for an independent Viburnum committee to be established to consider and approve all matters in relation to the Takeover Bid which could give rise to a conflict of interest in relation to Mr Coleman's duties as a director of Viburnum and his duties as director of Pulse (including considerations and deliberations as to the acceptance of any offer by Pulse or an alternative bidder in relation to Vision Shares held by Viburnum).

14.3 Pulse conflicts management protocol

As noted in section 14.2 above, Mr Craig Coleman is a director of both Pulse and Viburnum.

The Pulse Board has adopted a conflict management protocol under which an independent committee of the Pulse Board has been established to consider and approve all matters in relation to the Takeover Bid which could give rise to a conflict of interest in relation to Mr Coleman's duties as a director of Viburnum and his duties as a Director of Pulse.

14.4 Pulse interest in Vision Shares

As at the date of this Bidder's Statement and the date of the Offer:

- Pulse has a Relevant Interest in the 28,560,215 (15.91%) Vision Shares held by Viburnum (as trustee and manager of the Viburnum Funds) as a result of the commitment Viburnum has given to Pulse to not accept the Offer, as described in section 14.1; and
- Pulse does not hold a Relevant Interest in any Vision Non-Voting Shares.

14.5 Dealings in Vision Shares by Pulse and its Associates

Pulse has not made any dealings in Vision Shares during the 4 months prior to the date of the Offer.

During the 4 months prior to the date of the Offer, Viburnum Funds (as trustee and manager of the Viburnum Shares), an Associate of Pulse, acquired the following Relevant Interests in Vision Shares:

Date of acquisition	Acquirer	Number of Vision Shares acquired	Consideration given	Nature of acquisition
30 June 2015	Viburnum	26,872,678	\$17,601,604	Off-market transfer as part of an internal restructure

14.6 Vision Non-Voting Shares

According to Vision's latest *Appendix 3B – New issue announcement* lodged on the ASX Markets Announcement Platform on 31 March 2015, Vision currently has 4,725,849 Vision Non-Voting Shares on issue.

Pulse understands that the Vision Non-Voting Shares have been issued to Vision Doctors, Vision Associates, Visiting Surgeons and other eligible staff as part consideration for ophthalmology practices acquired by the Vision Group. Pulse understands that each Vision Non-Voting Share is subject to a voluntary escrow arrangement which provides that the Vision Non-Voting Share will convert into a Vision Share, on a 1:1 basis, at the end of the relevant escrow period.

The Offer **does not** relate to Vision Non-Voting Shares. However, in accordance with section 15.1, the Offer will extend to holders of Vision Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of those Vision Non-Voting Shares into Vision Shares (i.e. as a result of the relevant voluntary escrow period lapsing).

Pulse intends to enter into discussions with holders of Vision Non-Voting Shares with a view to negotiating arrangements under which, subject to the Offer being successful, the registered holders of Vision Non-Voting Shares agree to transfer their Vision Non-Voting Shares to Pulse, or otherwise agree to cancel their Vision Non-Voting Shares, in consideration for the issue of equivalent securities in Pulse.

As noted in section 14.10, if satisfactory arrangements cannot be agreed between Pulse and holders of Vision Non-Voting Shares for the transfer to Pulse, or cancellation, of all Vision Non-Voting Shares and Pulse is entitled to compulsorily acquire any outstanding Vision Non-Voting Shares after the Offer Period, Pulse will seek to exercise its rights to compulsorily acquire the Vision Non-Voting Shares pursuant to Part 6A.2 of the Corporations Act.

Pulse also reserves its right to make an offer in accordance with Chapter 6 of the Corporations Act for the Vision Non-Voting Shares.

14.7 Vision Performance Rights

Pulse understands that there are currently no Vision Performance Rights on issue.

It is a Condition to the Offer that Vision makes available to Pulse information to confirm that Vision does not have any Vision Performance Rights on issue. Please refer to section 15.7 (9)(e.) for further information.

14.8 Pre-offer benefits

Allier Capital is the holder of 209,540 (0.12%) Vision Shares. Allier Capital will receive a benefit in connection with the Offer, being the payment of advisory fees in connection with its appointment as Pulse's financial advisor in connection with the Offer. Allier Capital will be paid transaction advisory fees comprising an initial \$200,000 retainer plus a success fee of \$2,500,000 if Pulse unconditionally acquires 50% of the Vision Shares (excluding Allier Capital's holding of 209,540 (0.12%) Vision Shares), and an additional debt capital advisory fee and equity capital advisory in the circumstances set out in 14.18. Allier Capital has sub-contracted Viburnum to assist it in its advisory role to Pulse and has agreed to pay Viburnum 50% of all fees paid to it under its financial advisory mandate with Pulse (except the success fee will not be triggered where the 50% threshold of the Vision Shares acquired by Pulse is only satisfied by the inclusion of Viburnum's Vision Shares).

Viburnum, the holder of 28,560,215 (15.91%) Vision Shares as trustee and manager of the Viburnum Funds, will receive a benefit in connection with the Offer, being the payment of advisory fees in connection with its appointment by Allier Capital to assist Allier Capital in its financial advisory role to Pulse. Viburnum will be paid transaction advisory fees comprising an initial \$100,000 retainer plus a success fee of \$1,250,000 if Pulse unconditionally acquires 50% of the Vision Shares (excluding Viburnum's holding of 28,560,215 (15.91%) Vision Shares), and an additional 50% share of any other advisory fees paid to Allier Capital under its financial advisory mandate with Pulse. Please refer to section 14.18 for further details.

14.9 No escalation agreements

Neither Pulse nor any Associate of Pulse has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

14.10 Compulsory Acquisition

If Pulse and its Associates have a Relevant Interest in at least 90% of the Vision Shares at the end of the Offer Period, Pulse will seek to compulsorily acquire the remaining Vision Shares, and if so will give a notice of compulsory acquisition to the holders of the remaining Vision Shares, even if the Vision Shares to which those notices relate are issued:

- after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on conversion or exercise of rights attaching to securities convertible into Vision Shares, up to six weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

If Pulse and its Associates obtain a Relevant Interest in at least 90% of Vision Shares and a full beneficial interest in at least 90% by value of all securities issued by Vision that are either Vision Shares or convertible into Vision Shares, Pulse will be entitled to compulsorily acquire any outstanding securities which are convertible into Vision Shares (including all Non-Voting Vision Shares) pursuant to Part 6A.2 of the Corporations Act.

If not all of the Vision Non-Voting Shares are acquired by Pulse or cancelled pursuant to the agreements or other arrangements contemplated in section 14.6, and Pulse is entitled to compulsorily acquire any outstanding Vision Non-Voting Shares, Pulse intends to seek to compulsorily acquire or cancel any outstanding Non-Voting Shares pursuant to Part 6A.2 of the Corporations Act.

14.11 Conditions

1. General

As at the date of this Bidder's Statement, Pulse is not aware that any of the Conditions have been breached or will not be fulfilled.

2. Regulatory approvals and no adverse regulatory actions

The Condition in section 15.7(1) requires that, before the end of the Offer Period, all approvals or consents that are required by law, by any Regulatory Authority or by any other third party that are necessary to permit the making of the Offer and the transactions contemplated in this Bidder's Statement are received or granted (and the relevant approvals and consents remain in full force).

In addition, the Condition in section 15.7(2) requires that, before the end of the Offer Period, there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority (or no application has been made to any Regulatory Authority or no action or investigation is announced, commenced or threatened by any Regulatory Authority) which would restrain, prohibit or impede (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impact upon, the Takeover Bid.

While Pulse is not aware at the date of this Bidder's Statement of any necessary regulatory approvals or consents which will be required to satisfy the Condition in section 15.7(1) or any actual or potential order or decree of a Regulatory Authority which would result in the Condition in section 15.7(2) not being satisfied, Pulse cannot be certain that no such regulatory approval or consent, or actual or potential order or decree of a Regulatory Authority, will not arise before the Closing Date.

14.12 ASIC modifications to and exemptions from the Corporations Act

Pulse has not obtained from ASIC any modifications to the Corporations Act to facilitate the Offer. Pulse may, however, rely on various "Class Order" instruments published by ASIC which provide for certain modifications and exemptions that apply generally for all bidders, including Pulse.

14.13 ASX Listing Rules

Pulse has informed ASX in accordance with ASX Listing Rule 11.1 that the Offer could result in a significant change in the scale of Pulse's activities and confirmed that in accordance with ASX's policy ASX will not:

- a. exercise its discretion under ASX Listing Rule 11.1.2 to require Pulse to obtain shareholder approval for the potential change in scale of its activities as a result of the Offer; or
- b. exercise its discretion under ASX Listing Rule 11.1.3 to require Pulse to comply with the requirements of Chapters 1 and 2 of the Listing Rules if the Offer results in a significant change in the scale of its activities.

14.14 Date for determining holders of Vision Shares

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 6 July 2015 on the date of this Bidder's Statement.

14.15 Consents

The persons listed in the table below have given and have not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to:

- be named in this Bidder's Statement in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in the Bidder's Statement; and
- the inclusion of other statements in this Bidder's Statement which are based on or referable to statements made in those reports or statements in the form and context in which they are included in the Bidder's Statement.

Name of Person	Named as	Reports or Statements
Allier Capital	Financial advisor	Nil
Viburnum	Vision Shareholder and providing assistance to Allier Capital	Statements as to intentions in relation to the Offer
Norton Rose Fulbright Australia	Legal advisor	Nil
EY	Accounting Advisor	Nil
Computershare Investor Services Pty Limited	Pulse's Share Registry	Nil

None of these persons have caused or authorised the issue of this Bidder's Statement or have in any way been involved in the making of the Offer. The Offer is made by Pulse.

Each of the above persons:

- other than a statement or report included in this Bidder's Statement with consent as specified above, does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this document, any statements or omissions from the Bidder's Statement, other than a reference to its name or a statement or report included in the Bidder's Statement with the consent of that person as specified above.

In addition, this Bidder's Statement contains statements made or based on statements made in documents lodged with ASIC or ASX namely, the announcements made by Vision to ASX on the following dates:

Announcement	Date of Announcement
Vision announces sale of Gold Coast clinic assets	25 May 2015
Chief Executive Officer and Managing Director	13 May 2015
Investor Presentation Slides - Half Year ended 31/12/14	24 February 2015
Appendix 4D & Financial Report for half year ended 31/12/14	24 February 2015
2014 Annual Report	20 October 2014
Disclosure Document	7 December 2004

Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent, and have not consented, to the inclusion of those statements or of statements based on those statements, in this Bidder's Statement.

Vision Shareholders may obtain copies of these documents (free of charge) during the Offer Period by calling the Pulse Offer Information Line on 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia). Vision Shareholders should note that Pulse has assumed, for the purpose of preparing this Bidder's Statement, that the information contained in the documents lodged with ASIC or ASX is accurate. However, neither Pulse nor its Directors take responsibility for the content of these documents and are not to be taken as endorsing, in any way, any or all statements contained in such documents, except to the extent required by law.

14.16 Foreign Shareholders

The distribution of this Bidder's Statement in jurisdictions outside Australia and its external territories may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken under the Offer to permit a public offering of Pulse Shares outside Australia.

If you are a resident of a jurisdiction other than Australian and its external territories or your address shown in Pulse's register of members is a place outside Australia and its external territories or you are acting on behalf of such a person then you are a "**Foreign Shareholder**".

However, such a person will not be a Foreign Shareholder if Pulse is satisfied that it is not legally or practically constrained from making the Offer to a Vision Shareholder in the relevant jurisdiction and to issue Pulse Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Pulse is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

Vision Shareholders who are Foreign Shareholders will not be entitled to receive Pulse Shares as consideration for their Vision Shares by reason of your acceptance of the Offer, unless Pulse otherwise determines.

If you are a Foreign Shareholder and you accept the Offer, all the Pulse Shares which would otherwise have been issued to you will be issued to a nominee approved by ASIC, who will sell these shares. The net proceeds of the sale of such shares will then be remitted to each relevant Foreign Shareholder pro rata according to their respective holdings of Vision Shares. See sections 15.1(3) and 15.6 for further details.

14.17 Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no:

- Director or proposed director of Pulse;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Pulse; or
- underwriter to the issue of Pulse Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Pulse Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Pulse;
- property acquired or proposed to be acquired by Pulse in connection with its formation or promotion, or the offer of Pulse Shares under the Offer; or
- the offer of Pulse Shares under the Offer.

14.18 Disclosure of fees and benefits received by certain persons

The total annual remuneration for existing and proposed Non-Executive Directors of Pulse is \$267,400²³. The remuneration of all existing executive directors of Pulse has been previously disclosed to the market.

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a Director or proposed Director of Pulse to induce them to become, or to qualify as, a director of Pulse;
- for services provided by an Interested Person in connection with the formation or promotion of Pulse or the offer of Pulse Shares under the Offer.

Allier Capital has acted as financial advisor to Pulse in connection with the Offer. Pulse has paid or agreed to pay Allier Capital up to \$2,700,000 in transaction advisory fees in connection with the Offer, comprising an initial \$200,000 retainer plus a success fee of \$2,500,000 if Pulse unconditionally acquires 50% of the Vision Shares (excluding Allier Capital's holding of 209,540 (0.12%) Vision Shares). Pulse has also agreed to pay Allier Capital additional advisory fees of:

- 1% of any debt capital raised to fund the Offer or raised in connection with any re-financing of debt of Pulse or the Merged Group (as applicable) within 12 months after the Closing Date (**Debt Capital Advisory Fee**); and
- 1% of any equity capital raised within 12 months after the Closing Date (which, for the avoidance of doubt, excludes the issue of Pulse Shares as Offer Consideration but includes capital raised from securities issued to David Manning or an entity controlled by him) (**Equity Capital Advisory Fee**).

It should be noted that Allier Capital's mandate contemplates a broad range of transaction structures for which they would be entitled to a fee, which may or may not be relevant to the Offer. Pulse has not determined, at the date of this Bidder's Statement, to undertake an equity capital raising or to finance the Offer with debt.

Allier Capital has sub-contracted Viburnum to assist it in its advisory role to Pulse. Allier Capital has agreed to pay Viburnum 50% of all fees paid to it under its financial advisory mandate with Pulse. Accordingly, Viburnum will be paid transaction advisory fees comprising an initial \$100,000 retainer plus a success fee of \$1,250,000 if Pulse acquires interests in 50% of Vision Shares (excluding Viburnum's holding of 28,560,215 (15.91%) Vision Shares), and a 50% share of any Debt Capital Advisory Fee and/or Equity Capital Advisory Fee paid to Allier Capital.

Norton Rose Fulbright Australia has acted as legal advisor to Pulse in connection with the Offer. Pulse has paid or agreed to pay up to \$750,000 (excluding GST) for these services. Pulse may pay or agree to pay additional fees for legal services provided in connection with the Offer after the date of this Bidder's Statement.

EY has acted as accounting advisor to Pulse in connection with the Offer. Pulse has paid or agreed to pay EY \$57,500 (excluding GST) for these services to the date of this Bidder's Statement and Pulse may pay or agree to pay additional fees for accounting services provided in connection with the Offer after the date of this Bidder's Statement.

²³ Annual remuneration for Non-Executive Directors consists of \$100,000 salary drawn by Stewart James, \$80,000 salary and \$7,400 superannuation to Craig Coleman, and a proposed \$80,000 salary to David Manning.

14.19 Disclosure of interests of Pulse Directors

1. Interests in Pulse Shares

As at the date of this Bidder's Statement, the Directors of Pulse had the following Relevant Interests in Pulse Shares:

Name	Relevant Interest	Voting Power	Performance rights ¹	Fully diluted interest
Stuart James	2,756,589	1.7%	-	-%
Phillipa Blakey	-	-%	700,000	0.4%
Craig Coleman ²	1,501,250	0.9%	-	-%
Total	4,257,839	2.6%	700,000	0.4%

¹ Refer to section 6.5 for further information about Pulse Performance Rights.

² Craig Coleman is also Executive Chairman of Viburnum which holds 48,998,923 Pulse Shares, representing 29.84% of the Voting Power in Pulse, as trustee and manager for the Viburnum Funds. Please refer to section 14.2 for further information.

2. Interests in relation to Vision Shares

As at the date of this Bidder's Statement, the Directors of Pulse had the following relevant interests in Vision Shares:

Name	Relevant Interest	Voting Power
Stuart James	-	-%
Phillipa Blakey	-	-%
Craig Coleman ¹	1,687,537	0.9%
Total	1,687,537	0.9%

¹ Craig has a relevant interest in 1,687,537 Vision Shares as a result of holding more than 20% of the units on issue in the Viburnum Staff Trust 1, a holder of a beneficial interest in Vision Shares. Craig Coleman is also Executive Chairman of Viburnum which holds 28,560,215 Vision Shares, representing 15.91% of the Voting Power in Vision, as trustee and manager for the Viburnum Funds. Please refer to section 14.2 for further information.

14.20 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

14.21 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a Vision Shareholder whether or not to accept the Offer; and
- known to Pulse,

which has not previously been disclosed to Vision Shareholders.

15. Terms and Conditions of the Offer

15.1 Offer

1. Pulse offers to buy all of your Vision Shares together with all Rights attached to them, for the Offer Consideration and on the terms set out in this Offer.
2. The consideration offered under the Offer is 1.60 Pulse Shares for each of your Vision Shares. You may only accept the Offer in respect of all (and not some only) of the Vision Shares held by you.
3. If, at the time the Offer is made to you, you are a Foreign Shareholder, you will not receive Pulse Shares. Instead, you are offered and will be paid a cash amount determined in accordance with section 15.6.
4. The Pulse Shares to be issued as Offer Consideration are ordinary shares in Pulse and will be credited as fully paid and have the rights summarised in section 6.4.
5. By accepting this Offer, you undertake to transfer to Pulse not only all your Vision Shares, but also all Rights attached to those Vision Shares.
6. The Offer is being made to each person registered as the holder of Vision Shares in the register of Vision Shareholders at 6 July 2015 (**Register Date**). It also extends to:
 - a. holders of securities that come to be Vision Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, securities which are on issue as at the Register Date; and
 - b. any person who becomes registered as the holder of your Vision Shares during the Offer Period.

15.2 Fractional entitlements

1. For the avoidance of doubt, if you accept the Offer and become entitled to receive a fraction of a Pulse Share, the number of Pulse Shares you are entitled to pursuant to this Offer will be rounded up to the next whole number of Pulse Shares.
2. If Pulse reasonably believes that you have manipulated your holding of Vision Shares to take advantage of rounding up, then any fractional entitlement will be aggregated or rounded down to the next whole number of Pulse Shares.

15.3 Offer Period

1. The Offer opens on 20 July 2015.
2. The Offer will remain open for acceptance until 7:00 pm (Sydney time) on 21 August 2015, unless withdrawn or extended in accordance with the Corporations Act.
3. Pulse may extend the Offer Period in accordance with the Corporations Act. If such extension is made, it will be announced to ASX and the date specified in section 15.11 for publication of the notice described in that section will be varied accordingly.
4. If, within the last 7 days of the Offer Period, either of the following events occur:
 - a. the Offer Consideration is increased; or
 - b. Pulse's Voting Power in Vision increases to more than 50%,then the Offer Period will automatically extend so that it ends 14 days after the relevant event, subject to any further extensions in accordance with the Corporations Act.

15.4 How to accept the Offer

1. **General**
 - a. You may only accept the Offer in respect of all of your Vision Shares. You may not accept the Offer in respect of only some of your Vision Shares.
 - b. You may accept the Offer at any time during the Offer Period.

2. Issuer Sponsored Holdings

If you hold your Vision Shares in an Issuer Sponsored Holding (your SRN starts with "I"), to accept the Offer you must:

- a. complete and sign the enclosed Acceptance Form in accordance with the instructions on it. If you accept the Offer in respect of some (but not all) of your Vision Shares, you will be deemed to have accepted the Offer in respect of all of your Vision Shares; and
- b. return the completed Acceptance Form, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address shown on the Acceptance Form.

3. CHESS Holdings

- a. If your Vision Shares are in a CHESS Holding (your HIN starts with "X") and you are not a Broker or ASX Settlement Participant, to accept the Offer in respect of your Vision Shares you must either:
 - i. instruct your Controlling Participant (usually your broker) to initiate the acceptance on your behalf under rule 14.14 of the ASX Settlement Operating Rules in respect of your Vision Shares, before the end of the Offer Period; or
 - ii. authorise Pulse to instruct your Controlling Participant (usually your broker) on your behalf to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules in respect of your Vision Shares, by completing, signing and returning to Pulse the enclosed Acceptance Form in accordance with the instructions on it (together with all documents required by the instructions on the Acceptance Form) at the address shown on the Acceptance Form so that it is received in time to be processed before the end of the Offer Period.
- b. If your Vision Shares are in a CHESS Holding and you are a Broker or an ASX Settlement Participant, you may initiate acceptance under the ASX Settlement Operating Rules before the end of the Offer Period.
- c. If your Vision Shares are in a CHESS Holding, you must comply with any other applicable ASX Settlement Operating Rules.

4. Acceptance Form and other documents

- a. The Acceptance Form forms part of the Offer.
- b. If your Acceptance Form (together with all documents required by the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted and delivered in sufficient time for them to be received by Pulse at the address shown on the Acceptance Form before the end of the Offer Period.
- c. When using the Acceptance Form to accept this Offer in respect of Vision Shares in a CHESS Holding, you must ensure that the Acceptance Form (together with all documents required by the instructions on the Acceptance Form) is received by Pulse in time for Pulse to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- d. The postage and transmission of the Acceptance Form and other documents is at your own risk.

5. Effect of acceptance

- a. Once you have accepted the Offer, you will not be able to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw your Vision Shares from the Offer, or otherwise dispose of your Vision Shares, except as follows:
 - i. if, by the time specified in section 15.9(2), the Conditions in section 15.7 have not all been fulfilled or freed, the Offer will automatically terminate and your Vision Shares will be returned to you; or

- ii. if the Offer is varied in a way that postpones for more than one month the time when Pulse must meet its obligations under the Offer and, at the time, the Offer is subject to one or more of the Conditions in section 15.7, you may be able to withdraw your acceptance and your Vision Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- b. By signing and returning the Acceptance Form or otherwise accepting the Offer pursuant to section 15.4, you will be deemed to have:
 - i. accepted the Offer (and any variation of it) in respect of all of your Vision Shares and agreed to the terms and conditions of the Offer;
 - ii. agreed to transfer to Pulse all of your Vision Shares, subject to the Offer being declared free from the Conditions set out in section 15.7 (or such Conditions being fulfilled);
 - iii. represented and warranted to Pulse that at the time of acceptance as a fundamental condition going to the root of the contract resulting from your acceptance, and the time the transfer of your Vision Shares (including any Rights) to Pulse is registered;
 - A. your Vision Shares are and will be fully paid, and Pulse will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise);
 - B. that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your Vision Shares (including any Rights) to Pulse; and
 - C. unless you have notified Pulse, your Vision Shares do not consist of separate parcels;
 - iv. irrevocably appointed Pulse (and each Director, secretary and nominee of Pulse) jointly and severally with effect from the time on which all the Conditions (set out in section 15.7) have been fulfilled or waived, as your attorney with power to exercise all the powers and rights which you could lawfully exercise as the registered holder of all of your Vision Shares, including:
 - A. attending any meeting of Vision and voting in respect of your Vision Shares, proposing or seconding any motion and demanding a poll for any vote at, any such meeting;
 - B. requisitioning the convening of any general meeting of Vision and convening a general meeting pursuant to any such requisition;
 - C. signing any form, notice, instrument or other document (including any proxy appointment) relating to your Vision Shares; and
 - D. executing all such instruments as Pulse may require for the purpose of vesting good title in all of your Vision Shares and all Rights attaching to your Vision Shares in Pulse;
 - v. whether or not the Offer or the contract resulting from your acceptance of the Offer has become unconditional, you irrevocably appoint Pulse (and each Director, secretary and nominee of Pulse) jointly and severally as your attorney with Pulse to attend and vote in person or by proxy at all general meetings of Vision on your behalf in respect of your Vision Shares, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if all the Conditions (set out in section 15.7) have been satisfied or waived, the registration of Pulse as the holder of your Vision Shares;

Notwithstanding the inclusion of this term in the Offer, Pulse undertakes not to exercise any votes under the power of attorney granted by this subsection 15.4(b)(v).
 - vi. agree that in exercising the powers conferred by the power of attorney in sections 15.4(b)(iv) and 15.4(b)(v), each attorney may act in the interests of Pulse, as the intended registered holder and beneficial owner of your Vision Shares;
 - vii. agree not to vote in person at any general meeting of Vision in respect of your Vision Shares, or to exercise or purport to exercise any of the powers conferred on Pulse (and its Directors, secretaries and nominees) in section 15.4(b)(iv) during the relevant period referred to in that section;

- viii. indemnify Pulse against any claim or action against it for any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Vision Shares being registered by Vision without production of your HIN or SRN for your Vision Shares;
 - ix. if you signed the Acceptance Form in respect of your Vision Shares which are held in a CHESS Holding, irrevocably authorise Pulse (or any Director, secretary or nominee of Pulse) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of all of your Vision Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules;
 - x. if you signed the Acceptance Form in respect of your Vision Shares which are held in a CHESS Holding, irrevocably authorise Pulse (or any Director, secretary or nominee of Pulse) to give any other instructions in relation to all of your Vision Shares to your Controlling Participant which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary and appropriate to facilitate your acceptance of the Offer, as determined by Pulse acting in its own interests as a beneficial owner and intended registered holder of your Vision Shares;
 - xi. irrevocably authorise Pulse (or any Director, secretary or nominee of Pulse) to transmit a message in accordance with rule 14.17 of the ASX Settlement Operating Rules to transfer all of your Vision Shares to Pulse's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Offer;
 - xii. irrevocably authorise Pulse (or any Director, secretary or nominee of Pulse) to alter the Acceptance Form by inserting correct details of your Vision Shares, filling in any blanks remaining on the Acceptance Form and by rectifying any errors in or omissions from it as may be necessary to make it an effective acceptance of the Offer or to enable registration of the transfer of all of your Vision Shares to Pulse;
 - xiii. irrevocably authorise and direct Vision to pay to Pulse, or to the account of Pulse for, all Rights in respect of all of your Vision Shares. If the Offer is withdrawn, rescinded or rendered void, Pulse will account to you for any such Rights received by Pulse;
 - xiv. irrevocably authorise Pulse to notify Vision on your behalf that your place of address for the purpose of serving notices upon you in respect of your Vision Shares is the address specified by Pulse in the Pulse notification;
 - xv. agree, subject to the Conditions (set out in section 15.7) being satisfied or waived, to execute all such documents, transfers and assurances and do all such acts, matters and things that Pulse considers necessary or desirable to convey all of your Vision Shares and attaching Rights to Pulse;
 - xvi. agree to do all such acts, matters and things that Pulse may require to give effect to the matters the subject of this section 15.4(b) (including the execution of a written form of proxy to the same effect as this section 15.4(b) which complies in all respects with the constitution of Vision) if requested by Pulse; and
 - xvii. agree to accept the Pulse Shares to which you have become entitled by acceptance of the Offer subject to the constitution of Pulse and authorise Pulse to place your name on its register of shares in respect of this Pulse Shares.
- c. The undertakings and authorities referred to in section 15.4(5)(b) will remain in force after you receive the consideration for your Vision Shares and after Pulse becomes registered as the holder of your Vision Shares.
 - d. Pulse may, at any time, in its sole discretion and without further communication to you, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements for acceptance has not been complied with, but if Pulse does so, Pulse is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

- e. Pulse may, at any time, in its sole discretion and without further communication to you, determine all questions as to the form of documents, eligibility to accept the Offer and the time of receipt of an acceptance of the Offer. Pulse is not required to communicate with you prior to making this determination. The determination of Pulse will be final and binding on the parties.
- f. The provisions of section 15.4(b) will remain in force after you receive the consideration for your Vision Shares and after Pulse becomes registered as the holder of your Vision Shares.

15.5 Receipt of consideration

1. Subject to this section 15.5, section 15.4(c) and the Corporations Act, if you have accepted the Offer and the contract resulting from your acceptance becomes unconditional, Pulse will provide you the consideration for your Vision Shares on or before the earlier of:
 - a. the date that is one month after the date of your acceptance or, if the Offer is subject to a Condition (set out in section 15.7) when you accept the Offer, the date that is one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - b. 21 days after the end of the Offer Period.
2. Where the Acceptance Form requires an additional document to be given with your acceptance to enable Pulse to become the holder of your Vision Shares (such as a power of attorney):
 - a. if the document is given with your acceptance, Pulse will provide the consideration in accordance with section 15.5(1);
 - b. if that document is given after acceptance and before the end of the Offer Period, while the Offer is subject to a Condition (set out in section 15.7), Pulse will provide the consideration to you by the earlier of:
 - i. one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - ii. 21 days after the end of the Offer Period;
 - c. if that document is given after acceptance and before the end of the Offer Period, while the Offer is not subject to a Condition (set out in section 15.7), Pulse will provide the consideration due to you by the earlier of:
 - i. one month after that document is delivered; and
 - ii. 21 days after the end of the Offer Period;
 - d. if that document is given after the end of the Offer Period, Pulse will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the contract is still subject to a Condition that relates to a circumstance or event referred to in section 652C(1) or (2) of the Corporations Act, Pulse will provide your consideration to you for your Vision Shares within 21 days after the Offer becomes unconditional; and
 - e. if you do not give the document to Pulse within one month after the end of the Offer Period, Pulse may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.
3. If you accept the Offer, Pulse is entitled to all Rights in respect of all of your Vision Shares arising on or after the Announcement Date. Pulse may require you to provide all documents necessary to vest title to those Rights in Pulse, or otherwise to give it the benefit or value of those Rights. If you do not do so, or if you have received the benefit of those Rights:
 - a. Pulse will be entitled to deduct from the consideration otherwise due to you the amount (or value, reasonably assessed by Pulse) of those Rights; and
 - b. if it is able reasonably to assess the value to it of the franking credits, if any, attached to the Rights, Pulse will be entitled to also deduct an amount equal to that value from the consideration otherwise due to you.

Any such deduction will be made from any Pulse Shares otherwise due to you on the basis that one Pulse Share is worth \$0.55.

If Pulse does not, or cannot, make such a deduction, you must pay that amount to Pulse

4. The obligation of Pulse to issue and allot any Pulse Shares to which you are entitled will be satisfied by Pulse:
 - a. entering your name on the register of members of Pulse; and
 - b. dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Vision's register of members on the register copy supplied by Vision from time to time a written confirmation of your holding in your name. If your Vision Shares are held in a joint name, a written confirmation of your holding will be issued and forwarded to the address on the register copy supplied by Vision from time to time
5. If you have accepted the Offer and you are a Foreign Shareholder, you will be paid your share of the net proceeds from the sale of the Pulse Shares in accordance with section 15.6.
6. If at any time after you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for your Vision Shares, including (but not limited to) any authority, clearance or approval of:
 - a. the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations* 1959 (Cth) or otherwise);
 - b. the Minister for Foreign Affairs (whether under the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth) or any other regulations made thereunder), or otherwise;
 - c. the Australian Taxation Office; or
 - d. any other person as required by any other law of Australia that would make it unlawful for Pulse to provide any consideration for your Vision Shares,then you would not be entitled to receive any consideration for your Vision Shares until all requisite authorities, clearances or approvals have been received by Pulse.

15.6 Foreign Shareholders

1. If you are a Foreign Shareholder, you will not be entitled to receive Pulse Shares as consideration for your Vision Shares as a result of accepting the Offer and, accordingly, Pulse will:
 - a. arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of Pulse Shares to which you and all other Foreign Shareholders would have been entitled but for section 15.1(3) and the equivalent provision in each other offer under the Offer;
 - b. cause the Pulse Shares so issued to be offered for sale by the Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - c. cause the Nominee to pay to you the amount ascertained in accordance with the formula:

$$\frac{AR \times YS}{TS}$$

where:

'AR' is the amount which is received by the Nominee upon the sale of all Pulse Shares under this section 15.6 less brokerage and sale expenses;

'YS' is the number of Pulse Shares which would, but for section 15.1(3), have been allotted to you; and

'TS' is the total number of Pulse Shares allotted to the Nominee under this section 15.6.

2. You will be paid your share of the net proceeds of the sale of Pulse Shares by the Nominee in Australian currency.
3. Payment will be made by cheque in Australian currency, which will be sent at your own risk to you at your address on the copy of the Vision share register held by Pulse immediately prior to the preparation of the cheque by ordinary mail, or in the case of addresses outside of Australia, by airmail.
4. Under no circumstances will interest be paid on your share of the proceeds of the sale of Pulse Shares by the Nominee, regardless of any delay in remitting these proceeds to you.

15.7 Conditions

Subject to section 15.8, the completion of the Offer and any contract arising from an acceptance of the Offer, are subject to the fulfilment or waiver of the Conditions set out below.

1. Regulatory Approvals

Before the end of the Offer Period, all approvals or consents that are required by law, by any Regulatory Authority, or by any other third party as are necessary to permit:

- a. the Offer to be lawfully made to and accepted by Vision Shareholders; and
- b. the transactions contemplated by the Bidder's Statement to be completed,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

2. No regulatory action

Before the end of the Offer Period:

- a. there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority; and
- b. no application is made to any Regulatory Authority (other than by Pulse), or action or investigation is announced, commenced or threatened by any Regulatory Authority,

in consequence of, or in connection with, the Takeover Bid (other than a determination by ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

- c. restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
 - i. the making of the Takeover Bid or any transactions contemplated by the Takeover Bid; or
 - ii. the rights of Pulse in respect of Vision or the Vision Shares to be acquired under the Takeover Bid; or
- d. requires the divestiture by Pulse of any Vision Shares, or the divestiture of any assets of Vision or any Subsidiary of Vision.

3. Minimum Acceptance Condition

At the end of the Offer Period, Pulse and its Associates have a Relevant Interest in at least 90% of the Vision Shares on issue.

4. No Prescribed Occurrences

During the period from the date the Bidder's Statement is given to Vision and ending at the end of the Offer Period, none of the occurrences listed in section 652C(1) or (2) of the Corporations Act happen (other than the issue of Vision Shares pursuant to the conversion of Vision Non-Voting Shares issued before the Announcement Date). That is:

- a. Vision converting all or any of the Vision Shares into larger or smaller numbers of shares under section 254H of the Corporations Act;

- b. Vision or any of its Subsidiaries resolving to reduce its share capital in any way;
- c. Vision or any of its Subsidiaries entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- d. Vision or any of its Subsidiaries:
 - i. issues shares;
 - ii. grants an option over its shares; or
 - iii. agrees to make such an issue or grant such an option;
- e. Vision or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- f. Vision or any of its Subsidiaries disposing or agreeing to dispose of the whole, or a substantial part, of its business or property;
- g. Vision or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- h. Vision or any of its Subsidiaries resolving to be wound up;
- i. the appointment of a liquidator or provisional liquidator of Vision or any of its Subsidiaries;
- j. the making of an order by a court for the winding up of Vision or any of its Subsidiaries;
- k. an administrator of Vision or any of its Subsidiaries being appointed under sections 436A, 436B or 436C of the Corporations Act;
- l. Vision or any of its Subsidiaries executing a deed of company arrangement; or
- m. the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of Vision or any of its Subsidiaries.

5. No Material Adverse Change

Between the Announcement Date and the end of the Offer Period there not having occurred, been announced or become apparent (whether or not becoming public) any Material Adverse Change.

6. No misleading announcements

Between the Announcement Date and the end of the Offer Period, it not becoming known to Pulse or Vision that information announced by Vision to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect when assessed in the context of the Takeover Bid and the Offer.

7. Conduct of business

Between the Announcement Date and the end of the Offer Period, neither Vision, nor any Subsidiary of Vision:

- a. declares, or distributes any dividend, bonus or other share of its profits or assets;
- b. makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options or other convertible securities;
- c. gives or agrees to give any Third Party Rights over any of its assets otherwise than in the ordinary course of business and which is consistent with the plans or budgets of the Vision Group which have been announced to ASX before the Announcement Date;
- d. borrows or agrees to borrow any money;
- e. releases, discharges or modifies any substantial obligation to it of any person or agrees to do so;
- f. conducts its business otherwise than in the ordinary course;
- g. makes any material acquisitions or disposals of businesses or property otherwise than sales of goods in the ordinary course;

- h. incurs or commits to incur an amount of capital expenditure, other than capital expenditure which is consistent with the plans and budgets of the Vision Group which have been announced to ASX before the Announcement Date;
- i. amends in any material respect any arrangement in place as at the Announcement Date with an existing advisor, or enters into any arrangements with one or more new advisors which may involve the payment of fees in excess of \$2,000,000 (individually or in aggregate), in respect of the Takeover Bid;
- j. increases the number of Directors or appoints any additional Director whether to fill a casual vacancy or otherwise (other than at the request of Pulse);
- k. except as required by law or in circumstances where the total compensation payable by Vision or any of its Subsidiaries to an employee does not increase by more than 3% of the total compensation paid to that employee as at the date of this Agreement as a result of an annual performance review in the ordinary course, does any of the following:
 - i. enter or agree to enter into any contract of service or vary or agree to vary any existing contract of service with any Director, employee or consultant;
 - ii. make or agree to make any substantial change in the basis or amount of remuneration of any Director, employee or consultant; or
 - iii. except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pay or agree to pay any retirement benefit or allowance to any Director, employee or consultant; or
- l. becomes subject to investigation under the *ASIC Act 2001* (Cth) or any corresponding legislation.

8. **Material contracts**

Between the Announcement Date and the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise any right (whether subject to conditions or not) which has or is likely to result in:

- a. any monies borrowed by Vision or a Subsidiary of Vision being or becoming repayable or being capable of being declared repayable immediately or earlier than the previous repayment date;
- b. termination or variation of any material agreement with Vision or a Subsidiary of Vision or any action being taken or claim arising under such an agreement;
- c. the interest of Vision or any Subsidiary of Vision in any firm, joint venture, trust, corporation or other entity or asset being terminated, modified or required to be transferred, disposed of or redeemed; or
- d. the business of Vision or any Subsidiary of Vision with any other person being materially adversely affected,

as a result (directly or indirectly) of Pulse acquiring or proposing to acquire Vision Shares.

9. **Due Diligence**

Vision makes available to Pulse all information reasonably requested by Pulse in order for Pulse to conduct due diligence enquiries in relation to the Vision Group to confirm that:

a. **Doctor contracts**

there is a reasonable basis to expect that each contract to which the Vision Group is a party with Vision Doctors under which the total revenue generated for FY15 is within the top 10 highest of revenue generated by all such contracts of the Vision Group for FY15 (excluding any such contract with a Vision Doctor whose departure has been announced to ASX):

- i. **(expiry)** has terms with at least 12 months remaining as at 30 June 2015;

- ii. **(termination rights)** does not contain:
 - A. termination rights or change in control provisions which will enable those contracts to be terminated by the Vision Doctors if Pulse acquires, or proposes to acquire, Vision Shares under the Offer; or
 - B. otherwise contain termination rights that are within the discretion of Vision Doctors; and
- iii. **(post-termination restraint)** contains post-termination restraints for a period of at least 12 months which prohibit the relevant Vision Doctor from engaging in employment, providing services or participating in any business interests which are competitive with Vision Group.

b. Breach of Health Practitioner Regulation National Law

each of the arrangements which the Vision Group is a party to with Doctors comply with the Health Practitioner Regulation National Law;

c. Facility leases

the leases of clinical facilities to which the Vision Group is a party:

- i. had, as at 30 June 2015, a weighted lease expiry of at least 5 years;
- ii. do not have a term that will expire within 12 months of the date of this Bidder's Statement;
- iii. do not contain termination rights or change in control provisions which will enable the relevant counterparties to those leases to terminate them if Pulse acquires, or proposes to acquire, Vision Shares under the Offer; and
- iv. do not contain other termination rights that are within the discretion of the other party.

For the purpose of the Condition in section 15.7(9)(c)(i), the "weighted lease expiry" is to be calculated as follows:

Weighted lease expiry = the sum of the following for all facilities: last twelve months revenue as at 30 June 2015 per facility as a proportion of last twelve months revenue as at 30 June 2015 of all facilities x lease term outstanding for that facility

d. Facility leases – bank guarantees

the aggregate amount of all bank guarantees issued by the Vision Group to secure its obligations under all lease agreements which the Vision Group is a party to in respect of its clinics does not exceed \$1.5 million;

e. Vision Performance Rights

Vision does not have any Vision Performance Rights on issue; and

f. FY2016 EBITDA Performance

There is a reasonable basis for determining that the Vision Group's EBITDA for the financial year ending 30 June 2016 will be at least 95% of the Vision Group's mid-point EBITDA guidance for the financial year ending 30 June 2015 of \$25.5 million.

10. No break fees

Between the Announcement Date and the end of the Offer Period, Vision not agreeing to any break fees in relation to any Competing Proposal.

11. Equal access

Between the Announcement Date and the end of the Offer Period, Vision promptly, and in any event within 2 Business Days, provides to Pulse a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Vision or any of its Subsidiaries, or their respective assets, liabilities or operations, that has been provided by Vision or any Vision Director, officers, agents or representatives to any person other than Pulse for the purposes of soliciting, encouraging or facilitating any Competing Proposal.

12. Related Party transactions

Between the Announcement Date and the end of the Offer Period, Vision does not enter into, amend, or agree to enter into or amend, or make any compromise in relation to any contract, commitment or other arrangement with a Related Party of Vision.

13. Dr Kitchen dispute

Between the Announcement Date and end of the Offer Period, the Court of Appeal of the Supreme Court of Queensland does not deliver a judgment or make an order:

- a. allowing an appeal of an order or declaration made in a Proceeding; and / or
- b. setting aside any order or declaration made in a Proceeding; and / or
- c. altering any order or declaration made in a Proceeding (including making an order or declaration in substitution, or in lieu, of an order or declaration made in a Proceeding).

15.8 Nature and benefit of Conditions

1. Each of the Conditions are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, or in the case of the condition in section 15.7(4) (Prescribed Occurrences), until the end of the third Business Day after the end of the Offer Period, prevent a contract to sell your Vision Shares from arising, but entitles Pulse by written notice to you, to rescind the contract that results from your acceptance of the Offer.
2. Subject to the Corporations Act, Pulse alone is entitled to the benefit of the Conditions in section 15.7 or to rely on any breach or non-fulfilment of any of them.
3. Each Condition set out in section 15.7 is a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.
4. Subject to the Corporations Act, Pulse may at any time and from time to time waive (generally, or in respect of a particular event) the breach or non-fulfilment of any Condition in section 15.7 or any part of the Condition.

15.9 Freeing Offer of Conditions

1. Pulse may free the Offer and any contract resulting from any of the Conditions (set out in section 15.7) generally or in relation to any specific occurrence by giving notice in writing to Vision and ASX declaring the Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - a. in the case of the condition in section 15.7(4) (Prescribed Occurrences) – not later than 3 Business Days after the end of the Offer Period; and
 - b. in the case of the other Conditions in section 15.7 - not less than 7 days before the end of the Offer Period.
2. If, at the end of the Offer Period (or in the case of the Condition in section 15.7(4) (Prescribed Occurrences) at the end of the third Business Day after the end of the Offer Period), the Conditions in section 15.7 have not been fulfilled and Pulse has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

15.10 Official quotation of Pulse Shares

1. Pulse has been admitted to the official list of ASX. Pulse Shares of the same class as those to be issued as consideration under the Offer have been granted official quotation by ASX.
2. An application will be made within 7 days after the date of this Bidder's Statement to ASX for the granting of official quotation of the Pulse Shares to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.

3. Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Pulse Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

15.11 Notice of status of Conditions

The date for giving the notice on the status of the Conditions (set out in section 15.7) required by section 630(1) of the Corporations Act is 14 August 2015 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer is extended).

15.12 The Offerees

1. The Offer is being made to each person registered as the holder of Vision Shares in the register of Vision Shareholders as at 9:00am (Sydney time) on the Register Date. This Offer also extends to:
 - a. all Vision Shares that are issued during the period from the Register Date to the end of the Offer Period; and
 - b. any person who becomes registered, or entitled to be registered, as the holder of some or all of your Vision Shares during the Offer Period.
2. If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of your Vision Shares on issue as at the Register Date, a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to:
 - a. that other person in respect of those Vision Shares; and
 - b. you in respect of any other Vision Shares you hold to which the Offer relates.
3. If your Vision Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

15.13 Trustees and nominees

1. If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Vision Shares as trustee or nominee for, or otherwise on account of, another person, section 653B of the Corporations Act will apply so that Pulse is taken to have made a separate and distinct offer to you for each distinct parcel of Vision Shares including any distinct parcel held in your own right. Acceptance by you of the Offer for any distinct parcel of Vision Shares is ineffective unless:
 - a. you give Pulse notice in accordance with section 15.13(2) stating that your Vision Shares consist of distinct parcels; and
 - b. your acceptance specifies the number of Vision Shares in each distinct parcel to which the acceptance relates.
2. The notice required under section 15.13(1):
 - c. if it relates to Vision Shares not in a CHESS Holding, must be in writing; or
 - d. if it relates to Vision Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purpose of Part 6.8 of the Corporations Act.

15.14 Withdrawal of Offer

This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If the Offer is withdrawn, all contracts arising from its acceptance become void.

15.15 Variation of Offer

Pulse reserves the right to vary the Offer in accordance with the Corporations Act.

15.16 No stamp duty or brokerage

1. There will be no stamp duty payable by you on the transfer of your Vision Shares to Pulse.
2. As long as your Vision Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Pulse, you will not incur brokerage in connection with your acceptance of the Offer.
3. If your Vision Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Vision Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or services charges in connection with the acceptance of the Offer.

15.17 Power of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney and authorities under section 15.4(b).

15.18 Governing law

This Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales, Australia.

16. Definitions and Interpretation

16.1 Definitions

In this Bidder's Statement:

Acceptance Form means the personalised acceptance form that accompanies this Bidder's Statement ;

Allier Capital means Allier Capital Pty Ltd ACN 135 428 616;

AmSurg means AmSurg Corp. a company listed on the NASDAQ;

Announcement Date means 6 July 2015;

ASIC means the Australian Securities & Investments Commission;

Associate has the meaning given in section 12 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by it, as the context requires;

ASX Listing Rules means the listing rules of ASX;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement as amended or varied from time to time;

ASX Settlement Participant means a participant under the ASX Settlement Operating Rules;

Bidder's Statement means this document and each schedule and annexure to it;

Business Day means a day that is not a Saturday, Sunday or public holiday or bank holiday in the place concerned;

Broker means a person who is a stock broker and a participant in CHESS;

CAGR means compound annual growth rate;

CGT means Australian Capital Gains Tax;

CHESS means the Clearing House Electronic Subregister System, which provides for electronic transfer, settlement and registration of securities in Australia;

CHESS Holding means a holding of Vision Shares on the CHESS Subregister of Vision;

CHESS Subregister has the meaning given in the ASX Settlement Operating Rules;

Closing Date means 21 August 2015, unless the Offer is extended;

Competing Proposal means a proposal, agreement, arrangement or transaction which, if entered into or successfully completed, would result in a person other than Pulse or its Associates:

1. directly or indirectly acquiring a Relevant Interest or an economic interest in 20% or more of Vision Shares or of any of the shares of any Subsidiary of Vision;
2. directly or indirectly acquiring control of Vision;
3. directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of Vision or any of its Related Bodies Corporate; or
4. otherwise acquiring or merging with Vision,

whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase or issue of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement;

Conditions means the conditions to the Offer as set out in section 15.7;

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules);

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

Directors means the directors of Pulse or Vision, as the context requires;

EBIT means earnings before interest and tax;

EBITDA means net earnings before interest, taxes, depreciation and amortisation;

Encumbrance means in relation to any asset:

1. a PPSA Security Interest;
2. a mortgage, charge, lien, pledge, hypothecation or other encumbrance over the asset;
3. a profit a prendre, easement or restrictive covenant affecting the asset;
4. a caveat, garnishee order, writ of execution, right of setoff, assignment by way of security, deposit of money by way of security or monetary claim affecting the asset;
5. a preferential interest, trust, title retention arrangement (other than in the ordinary course of business), or other estate, interest, claim or arrangement affecting the asset;
6. a right, including a contractual right, an option, a right of first refusal, a right of preemption or other right, to acquire the property or to restrain any person from acquiring the asset;
7. a right, including a lease, licence or other right, to occupy or use the asset; or
8. an agreement to grant, create or register any of them or to allow any of them to exist,

and whether the encumbrance is registered or unregistered, perfected or not perfected, statutory, legal or equitable;

EPS means earnings per share;

Foreign Shareholder means a Vision Shareholder whose address as shown in the register of members of Vision is in a jurisdiction other than Australia or its external territories, unless Pulse otherwise determines (in its absolute discretion) after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer in the relevant jurisdiction and to issue Pulse Shares to such a Vision Shareholder on acceptance of the Offer, and that it is not unlawful for such a Vision Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

FY13 means the financial year ended 30 June 2013;

FY14 means the financial year ended 30 June 2014;

FY15 means the financial year ended 30 June 2015;

HIN means a Holder Identification Number for the purposes of a CHESS Holding;

Issuer Sponsored Holding means a holding of Vision Shares on Vision's issuer sponsored subregister;

Material Adverse Change means one or more events, matters, changes or circumstances which (individually or when aggregated) have or could reasonably be expected to have, a material adverse effect on the business, financial or trading position, assets or liabilities, profitability or prospects of Vision or any of its Subsidiaries (taken as a whole), including any one or more events, matters, changes or circumstances which have had, or could reasonably be expected to have, the effect of:

1. diminishing the net assets of the Vision Group by 5.5% or more, compared to the value of the net assets of Vision set out in its consolidated balance sheet as at 31 December 2014;
2. diminishing the total revenue of the Vision Group by 5% or more, compared to the total revenue of the Vision Group set out in its consolidated statement of profit or loss and other comprehensive income for the 12 months ended 30 June 2014;
3. diminishing the profit after tax of the Vision Group by 5% or more, compared to the profit after tax of the Vision Group set out in its consolidated statement of profit or loss and other comprehensive income for the 12 months ended 30 June 2014; or

4. incurring any obligations, liabilities, costs or expenses (contingent or otherwise), not in the ordinary course of Vision's business and where the quantum (whether individually or when aggregated) exceeds \$500,000 in any 6 month period;

other than any event, matter, change or circumstance in or relating to:

5. economic, business, regulatory or political conditions in general; or
6. credit, financial or currency markets in general or the state of the securities markets in general (including any reduction in market indices);

Medicare Rebate means the amount that may be claimed from the Commonwealth Government for certain health services as itemised in the Medicare Benefits Schedule published by the Department of Health and paid pursuant to the *Health Insurance Act 1973* (Cth);

Merged Group means Pulse and its Subsidiaries following Pulse acquiring control of Vision.

Minimum Acceptance Condition means the condition set out in section 15.7(3);

Nominee means the nominee appointed by Pulse in accordance with section 15.6 of this Bidder's Statement;

Offer means Pulse's offer to acquire Vision Shares, the terms and conditions of which are set out in section 15 of this Bidder's Statement;

Offer Consideration means 1.60 Pulse Shares for each Vision Share;

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 15.3;

PPSA means the *Personal Property Securities Act 2009* (Cth);

PPSA Security Interest has the meaning given "Security Interest" in the PPSA;

Prescribed Occurrences means the occurrence of any matters described in section 15.7(4);

Proceeding means:

1. Supreme Court of Queensland proceeding number 10366 of 2009 between Vision, Icon Laser (Australia) Pty Ltd and Dr David Kitchen and Michel Kitchen (in their personal capacity and in their capacity as Trustees of the MDK Trust); or
2. any other proceeding between:
 - a. Vision and / or Icon Laser (Australia) Pty Ltd; and
 - b. Dr David Kitchen and Michelle Kitchen (in their personal capacity and in their capacity as Trustees of the MDK Trust);

Pulse means Pulse Health Limited ABN 69 104 113 760;

Pulse Board means the board of directors of Pulse;

Pulse Group means Pulse and its Subsidiaries;

Pulse Option means an option to acquire a Pulse Share;

Pulse Performance Rights means rights to acquire Vision Shares issued to executives of Pulse;

Pulse Share means a fully paid ordinary share in the capital of Pulse;

Register Date means 9:00am (Sydney time) on 6 July 2015;

Regulatory Authority includes:

1. ASIC;
2. ASX;
3. a government or governmental, semi-governmental, administrative, fiscal or judicial body;
4. a minister, department, office, commission, delegate, instrumentality, agency board, authority or organisation of or controlled by any government; and
5. any regulatory organisation established under statute;

Related Bodies Corporate has the meaning given in section 50 of the Corporations Act;

Related Party has the meaning given in section 228 of the Corporations Act;

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act;

Rights means all accreditations, rights or benefits of whatever kind attaching or arising from Vision Shares directly or indirectly on or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Vision or any of its Subsidiaries);

Security Interest has the meaning given in section 51A of the Corporations Act;

SRN means a Security Holder Reference Number for the purposes of an Issuer Sponsored Holding;

Subsidiary has the meaning given in section 9 of the Corporations Act;

Superior Proposal means a proposal which Viburnum considers to be superior to the Offer;

Takeover Bid means the off-market takeover bid under Chapter 6 of the Corporations Act and pursuant to which Pulse makes the Offer;

Takeovers Panel means the Australian Takeovers Panel;

Target's Statement means the target's statement to be issued by Vision in response to this Bidder's Statement in accordance with section 633(1) of the Corporations Act;

Third Party Rights means all Encumbrances or adverse interests of any nature and restrictions on transfer of any nature (legal or otherwise);

Viburnum means Viburnum Funds Pty Ltd ACN 126 348 990;

Viburnum Funds means the VF Strategic Equities Fund and the Viburnum Staff Trust 1;

Vision means Vision Eye Institute Limited ABN 21 098 890 816;

Vision Associates means doctors who work at Vision facilities on a revenue-share basis;

Vision Board means the board of Directors of Vision;

Vision Director means a Director of Vision;

Vision Doctors means doctors who have entered into contracts with Vision or any of its Subsidiaries under which they provide personal exertion services;

Vision Group means Vision and its Subsidiaries;

Vision Non-Voting Shares means fully paid ordinary non-voting shares in Vision;

Vision Performance Rights means performance rights issued by Vision under the *Vision Eye Institute Limited Performance Rights Plan* approved by Vision Shareholders at the 2014 Annual General Meeting of Vision held on 21 November 2014 or any substitute or replacement plan;

Vision Shares means fully paid ordinary voting shares in Vision;

Vision Shareholder means a holder of Vision Shares;

Visiting Surgeons means doctors who are independent surgeons using Vision day surgeries for some or all of their surgical procedures;

Voting Power has the meaning given in section 610 of the Corporations Act; and

VWAP means the volume weighted average price.

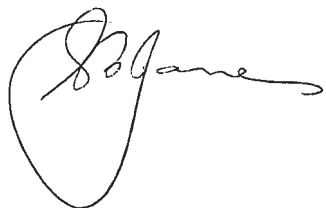
16.2 Interpretation

1. In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:
 - a. words and phrases given a particular meaning in Chapter 6 of the Corporations Act have the same meaning in this Bidder's Statement, unless the context otherwise requires;
 - b. one gender includes the others;
 - c. the singular includes the plural and the plural includes the singular;
 - d. a person includes a company partnership, joint venture, association, corporation or other body corporate;
 - e. a reference to a clause, section, attachment, annexure and schedule is a reference to a clause or section of, attachment or annexure to, and schedule of this Bidder's Statement as relevant;
 - f. a party includes the party's executors, administrators, successors and permitted assigns;
 - g. a statute, regulation or provision of a statute or regulation (**Statutory Provision**) includes:
 - i. that Statutory Provision as amended or re-enacted;
 - ii. a statute, regulation or provision enacted in replacement of that Statutory Provision; and
 - iii. another regulation or other statutory instrument made or issued under that Statutory Provision;
 - h. money is to Australian dollars, unless otherwise stated;
 - i. a reference to time is to a reference to time in Sydney, New South Wales; and
 - j. "including" and similar expressions are not words of limitation.
2. Where a word or expression is given a particular meaning in this Bidder's Statement, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
3. Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Bidder's Statement.

17. Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by all the Directors of Pulse.

Dated: 17 July 2015

A handwritten signature in black ink, appearing to read 'Stuart James', with a large, stylized initial 'S' and a long, horizontal flourish extending to the right.

Stuart James
Chairman, Pulse Health Limited

Annexure A – Announcement in relation to the Offer

Part 1



6 July 2015

ASX Announcement

Takeover bid for Vision Eye Institute

- ▶ **Pulse Health Limited ("Pulse"; ASX: PHG)** is pleased to announce a takeover bid for **Vision Eye Institute Limited ("Vision"; ASX: VEI)** comprising an offer to acquire all of the ordinary voting shares in Vision ("**Vision Shares**") for consideration of 1.60 fully paid ordinary shares in Pulse ("**Pulse Shares**") for each Vision Share ("**Offer**").
- ▶ The Offer implies a value of \$0.88 per Vision Share¹, representing a 31% premium to Vision's last closing price² and a 47% premium to the price at which Vision raised equity in October 2014.
- ▶ The merger will create one of Australia's leading providers of specialist healthcare services through its combined network of niche hospitals, surgery centres and ophthalmic practices ("**Merged Group**").
- ▶ The Merged Group is estimated to have underlying pro forma FY15 EBITDA of \$32.3 million, pro forma FY15 net debt of \$35.6 million and an implied pro forma FY15 enterprise value ("**EV**")/EBITDA multiple of 9.0x³.
- ▶ The Merged Group is expected to deliver double digit earnings per share ("**EPS**") accretion relative to a Pulse stand-alone pro forma FY15 EPS of 3.5 cents⁴.
- ▶ The Merged Group will have significant brownfield, greenfield and acquisitive growth opportunities supported by balance sheet capacity and an attractive capital markets profile.
- ▶ Pulse's surgery centre expertise will be enhanced by a proposed services agreement with an entity controlled by Mr David Manning. Mr Manning was a co-founder of AmSurg Corp. ("**AmSurg**"), operator of the largest eye surgery network and one of the largest surgery centre networks in the United States. The proposed services agreement will provide the Merged Group with access to AmSurg's unique intellectual property and systems.
- ▶ Viburnum Funds, the manager of a 15.9% shareholding in Vision (and a 29.8% shareholding in Pulse), has stated its support for the Offer in the absence of a superior proposal (as determined by Viburnum Funds), but Pulse will need to obtain shareholder approval for Viburnum Funds to accept the Offer.

¹ Based on a valuation of each Pulse Share of \$0.55, the 5-day volume weighted average price ("**VWAP**") of Pulse Shares to 3 July 2015, being the last trading day prior to the date of this announcement.

² On 3 July 2015.

³ The Merged Group unaudited underlying pro forma FY15 EBITDA is based on the combination of Pulse's earnings guidance release to ASX on 30 June 2015 (with pro forma underlying unaudited FY15F EBITDA of \$10.7 million) and Vision's earnings guidance released to ASX on 13 May 2015 (with underlying unaudited FY15F EBITDA of \$25 - \$26 million), excluding synergies and adjusted for announced asset transactions. The Merged Group pro forma FY15 net debt is based on the combination of pro forma FY15 net debt for Pulse and Vision, including \$9.0 million of anticipated transaction costs relating to the Offer. The pro forma EV of the Merged Group is estimated to be \$291 million and is based on the market capitalisation of Pulse immediately prior to the announcement of the Offer and the implied market capitalisation of Vision at the implied value of the Offer of \$0.88 per Vision Share plus the pro forma FY15 net debt of the Merged Group. Refer Bidder's Statement for more details.

⁴ EPS accretion calculated on a pro forma unaudited basis. The pro forma FY15 EPS of the Merged Group includes full year contributions from Pulse and Vision, and pre-tax cost-synergies realised in the first twelve months of \$1.5 million (of the total \$2 million of identified synergies), as though the transaction was effected and fully integrated on 1 July 2014. The Merged Group pro forma FY15 EPS includes anticipated interest expense associated with the Offer, and interest and earnings effects from asset transactions announced to ASX. It does not include direct transaction or integration costs. Pulse stand-alone unaudited pro forma FY15 EPS estimate has been calculated as 3.5 cents. Acquisition accounting adjustments have not yet been undertaken and pro forma EPS accretion is before any amortisation on intangibles identified as part of this process. Australian Accounting Standards allow for twelve months from completion to finalise accounting and purchase price allocation.



Pulse has announced an off-market takeover bid for Vision with the aim of creating one of Australia's leading providers of specialist healthcare services through its combined network of niche hospitals, surgery centres and ophthalmic practices.

The takeover bid comprises an offer by Pulse for all Vision Shares. Under the Offer, Vision Shareholders will receive 1.60 Pulse Shares for each Vision Share, implying a value of \$0.88 per Vision Share, based on a valuation of each Pulse Share of \$0.55, reflecting the 5-day VWAP⁵ of Pulse Shares.

The implied value of the Offer consideration provides a significant premium for Vision Shareholders representing a:

- ▶ 31% premium to the last closing price⁵ of Vision Shares of \$0.68;
- ▶ 33% premium to the 5-day VWAP⁵ of Vision Shares of \$0.66;
- ▶ 31% premium to the 30-day VWAP⁵ of Vision Shares of \$0.67; and
- ▶ 47% premium to the price at which Vision raised equity in October 2014 of \$0.60 per Vision Share.

The Offer is subject to a number of conditions which are contained in the Bidder's Statement accompanying this announcement.

Strategic rationale

Pulse is a private hospital and surgery centre operator growing via development and acquisition. In collaboration with specialist doctors and in locations in which they wish to live and work, Pulse is developing and acquiring specialist surgical, rehabilitation and mental health hospitals as well as surgery centres. Pulse believes that the merger presents an attractive opportunity for both Vision and Pulse Shareholders for the following reasons:

- ▶ **Strategic alignment of Pulse and Vision:** The combination of the two companies will create one of Australia's leading providers of specialist healthcare services, through its network of niche hospitals, surgery centres and ophthalmic practices. The two businesses operate complementary networks of niche specialist hospitals, surgery centres and ophthalmic practices, and partner with high quality healthcare professionals to deliver best-in-class outcomes for doctors and patients. Both companies have a stated and overlapping growth strategy of expanding their facilities footprint and diversifying their network into complementary specialties. The Merged Group will be a leader in the surgery centre market and will be well positioned to consolidate this attractive and fragmented market.
- ▶ **Proven management capability:** Pulse's proven management team have successfully executed an organic and acquisition-based growth strategy. With the recent departure of Vision's previous Managing Director, Mr Brett Coverdale, the Offer provides Vision Shareholders with a proven management capability at a time when it is searching for new senior leadership.
- ▶ **Pulse's surgery centre expertise enhanced by proposed appointment of Mr David Manning to the Board should the Offer be successful:** Mr Manning has over 35 years of surgery centre experience including having co-founded NASDAQ listed AmSurg. AmSurg operates the largest eye surgery network and one of the largest surgery centre networks in the United States, with a market capitalisation of approximately US\$3.4 billion. Mr Manning's strategic relationship with AmSurg will provide the Merged Group with access to global best practice in surgery centre development and operation via AmSurg's unique IP and systems.
- ▶ **Synergies:** Pulse estimates conservative annual pre-tax cost synergies of \$2 million. Synergies are expected to be realised from various operational efficiencies, including a reduction in public company costs as well as head office and administrative functions. There are potential revenue synergies available from improved optimisation of the Merged Group's facilities network.

⁵ As at 3 July 2015 the last trading day prior to the announcement of the Offer on ASX.



- **Greater scale and financial strength to capitalise on growth opportunities in the healthcare market:** The Merged Group is estimated to have underlying pro forma FY15 EBITDA of \$32.3 million³, pro forma market capitalisation of approximately \$255 million⁶ and pro forma FY15 EV of approximately \$291 million³. The Merged Group will have greater balance sheet capacity with a FY15 pro forma net debt of \$35.6 million³. Shareholders of the Merged Group should benefit from owning shares in a company with greater liquidity and improved access to capital markets to fund growth opportunities.
- **EPS accretion:** The Merged Group is expected to deliver double digit EPS accretion relative to a Pulse stand-alone pro forma FY15 EPS of 3.5 cents⁴.

Pulse Chairman Stuart James said: "We believe the merger creates a compelling opportunity for both Vision and Pulse Shareholders through the creation of one of Australia's leading providers of specialist healthcare services, with a broad network of niche hospitals, surgery centres and ophthalmic practices."

Pulse Managing Director and CEO, Phillipa Blakey added: "We look forward to combining Pulse's and Vision's strengths into one of Australia's leading healthcare services providers. Vision's strong ophthalmic service and surgery centre network, combined with Pulse's hospital network and expertise in providing doctors with the service, environment and support they need to fully focus on treating their patients will create a first-class healthcare organisation. We look forward to engaging with Vision's highly regarded doctor partners, associates and visiting surgeons."

Support of major Vision Shareholder

Viburnum Funds, the manager of a 15.9% shareholding in Vision (and a 29.8% shareholding in Pulse), has stated its support for the Offer in the absence of a superior proposal, but Pulse will need to obtain shareholder approval for Viburnum to accept the Offer.

Indicative timetable

Pulse expects the Offer timetable will be as follows:

Date of lodgement of Bidder's Statement	6 July 2015
Currently expected dispatch of Bidder's Statement and opening date of the Offer	20 July 2015
Currently expected Closing date, unless extended or withdrawn	21 August 2015

Further information

The Offer consideration is 100% Pulse Shares.

Pulse will fund transaction related costs with cash and available debt facilities.

The Offer consideration is subject to a number of conditions, full details of which are set out in section 15.7 of the Bidder's Statement that accompanies this announcement.

Pulse's Bidder's Statement was sent to Vision and lodged with The Australian Securities and Investments Commission today, 6 July 2015.

Pulse attaches, pursuant to subsection 633(4) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a notice confirming the people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the *Corporations Act* in relation to Pulse's off-market takeover bid for Vision Shares.

⁶ Market capitalisation based on Pulse's market capitalisation immediately prior to making this announcement and the implied market capitalisation of Vision at the value of the Offer of \$0.88 per Vision Share.



Allier Capital is acting as financial adviser and Norton Rose Fulbright as legal adviser to Pulse in relation to the Offer consideration.

More detailed information about the Offer is contained in the Bidder's Statement accompanying this announcement. An investor presentation about the Offer will also be lodged with the ASX and available on Pulse's website at www.pulsehealth.net.au.

For further enquiries, please contact:

Phillipa Blakey
Managing Director & CEO
Pulse Health
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Mark Hays
Chief Financial Officer
Pulse Health
Tel: +61 2 8262 6300

About Pulse

Pulse is an ASX-listed private hospital operator with a niche focus on specialist hospitals, including rehabilitation, surgery, and mental health. This enables Pulse to provide individualised service to patients and doctors, adapting in accordance with their needs to ensure high-quality patient care with efficient, effective models of care enhanced by technology.

Pulse currently operates a network of eight hospitals and surgery centres across New South Wales and Queensland, and aims to grow the portfolio in the communities where leading doctors and surgeons want to live and work.

For more information, please visit www.pulsehealth.net.au.

About Vision

Vision is Australia's largest provider of ophthalmic care, diagnosing and treating people with eye disorders and diseases.

Vision provides services to doctor partners, associates, and visiting surgeons, offering a broad range of services including specialist eye care in the areas of corneal surgery, refractive surgery, cataract surgery, ocular plastics, glaucoma treatment and surgery, vitreo-retinal surgery, and treatment for macular degeneration.

For more information, please visit www.visioneyeinstitute.com.au.

Important notice

This announcement includes forward-looking statements regarding Pulse Health's expectations of its financial performance and the financial performance of Merged Group. Although Pulse Health believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected. No assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development and execution, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in interest rates and business and operational risk management. Accordingly you should not place undue reliance on any forward looking statement.

The information set out in this announcement in relation to Vision has been prepared by Pulse using publicly available information, which has not been independently verified. Accordingly, Pulse does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Part 2



10 July 2015

Page 1 of 2

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ABN 21 098 890 816

MESSAGE TO SHAREHOLDERS

TAKE NO ACTION ON PULSE'S INADEQUATE AND OPPORTUNISTIC OFFER

As Vision Eye Institute Limited's (**Vision**) shareholders you will have seen the news that Pulse Health Limited (**Pulse**) made an unsolicited and highly conditional, hostile takeover offer on July 6 to acquire all of your shares in Vision in exchange for shares in Pulse.

A more detailed analysis of the Offer by the Directors of Vision and a formal recommendation will be set out in the Target's Statement which will be sent to all shareholders shortly after Pulse's Bidder Statement is received.

As Pulse is offering its shares in exchange for your Vision shares you should be concerned about Pulse's financial position and prospects.

The Offer does not comprise any cash component, which indicates Pulse's inability to fund a cash bid and its high gearing ratio following recent acquisitions.

In contrast, Vision has an advanced growth strategy and has low gearing with net debt of less than \$10 million.

Vision's Directors advise shareholders to **TAKE NO ACTION** and make the following further observations in relation to Pulse and its Offer:

- **The Offer values Vision shares at a low multiple**

The Offer materially undervalues Vision and its future prospects. Vision refers to its previous earnings guidance of \$25 to \$26 million EBITDA for the year ended 30 June 2015 (FY15). As such, the Offer values Vision shares at a multiple of approximately 7 times FY15 EV/EBITDA.

Vision notes that, as per slide 18 of Pulse's own investor presentation, this is lower than any other similar ASX-listed healthcare company, excluding any premium for control.

- **The Offer does not give sufficient detail regarding Pulse's financial performance and position**

Pulse has utilised a pro-forma underlying EBITDA figure of \$10.2 million for FY15 throughout its Bidder's Statement, equating to a forecast multiple of earnings of approximately 11 times.

Pulse's ASX announcement on 30 June 2015 reveals a number of adjustments have been made to their forecast EBITDA for FY15 of \$5.65 million increasing this figure to a pro-forma underlying EBITDA figure of \$10.7 million. This has been further adjusted in the Bidder's Statement to \$10.2 million. This adjusted figure of \$10.2 million is essentially what Pulse is forecasting for FY16 EBITDA.

In reality Pulse's forecast EV/EBITDA for FY15 (based on \$5.7 million) is approximately 20 times EV/EBITDA.

Vision Directors' strong view is that further transparency is required on the part of Pulse to give Vision shareholders the opportunity to properly assess the merits of the Offer.

- **Vision is implementing its growth strategy**

The Directors anticipate that 2016 will be a growth year for Vision and its shareholders. Vision's primary strategic intention is to continue to increase its exposure to day surgeries.

- **The Offer is opportunistic**

The implied price of the Offer has been opportunistically timed to coincide with rises in Pulse's share price of around 40 per cent since December 2014, and utilises a five day volume weighted average price (VWAP) which is 7 per cent and 15 per cent greater than Pulse's 30 day and 6 month VWAP respectively. Shareholders should note that due to the low volume of shares traded, the Pulse share price is sensitive to small volumes of trade.

This lack of liquidity in Pulse shares undermines confidence in the sustainability of its share price valuation. As such, shareholders choosing to accept Pulse's Offer may be unable to realise their investment at these premiums and at the time of their choosing.

- **The Offer is highly conditional**

The Offer is subject to a raft of conditions, many of which are outside standard market practice. There is a risk that the Offer conditions will not be satisfied, further detracting from the value of the Offer.

In contrast Vision is in a strong financial position, has low gearing and significant growth prospects compared to the Offer from Pulse which is uncertain, speculative and highly conditional.

The Vision Board will keep its shareholders, employees and partner doctors informed of all material developments in relation to the Pulse Offer.

For further information contact:

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Annexure B – Pulse Announcements since 29 August 2014

The following announcement have been made to the ASX concerning Pulse between the release of its 2014 Annual Report on 29 August 2014 and 17 July 2015.

Date	Event
09/07/2015	Appendix 3B
07/07/2015	Becoming a substantial holder for VEI
06/07/2015	Investor Presentation
06/07/2015	Takeover for Vision Eye Institute and Bidder's Statement
06/07/2015	Trading Halt Request
06/07/2015	Trading Halt
02/07/2015	Change of interest in substantial holder
30/06/2015	Appendix 4G – Corporate Government Statement
30/06/2015	Pulse announces 2015 Corporate Governance Statement
30/06/2015	Pulse's Investor update
26/06/2015	IOOF Holdings Ltd's notice of becoming initial substantial holder
26/06/2015	LHC Capital's notice of ceasing to be a substantial holder
26/06/2015	CBA's notice of becoming initial substantial holder
15/05/2015	Pulse announces closure of South Burnett Private Hospital in regional Queensland
06/05/2015	Pulse announces completion of acquisition of The Hills Clinic
05/05/2015	Change of interest in substantial holder
30/04/2015	Acquisition of The Hills Clinic Presentation
30/04/2015	Pulse announces agreement to acquire the Hills Clinic Pty Limited
07/04/2015	Notice of change of Director's interest
01/04/2015	Pulse issues new shares as part of a Dividend Reinvestment Plan
23/03/2015	Pulse sells non-core NSW Community Care Business to Nextt Health Pty Ltd
25/02/2015	Investor Presentation
25/02/2015	Pulse releases highlights for the first half of 2015
25/02/2015	Half Yearly Report and Accounts
24/02/2015	Pulse announces implementation of Dividend Reinvestment Plan
20/01/2015	Notice of change of Director's interest
20/01/2015	Pulse issues securities as part of Executive Remuneration Package
20/01/2015	Update of the assessment of Tranche 1 Performance Rights as part of Executive Remuneration Package
08/12/2014	Notice of Invesco Australia Limited ceasing to be a substantial holder
05/12/2014	Notice of change of Director's interest
05/12/2014	Pulse issues securities as part of Executive Remuneration Package
05/12/2014	Notice of LHC Capital Partners Pty Ltd as initial substantial holder
25/11/2014	Results of Annual General Meeting
24/11/2014	AGM Presentation – Managing Director address
24/11/2014	AGM Presentation – Chair address
17/11/2014	Pulse announces lease of new specialist surgical facility in Queensland
17/10/2014	Notice of AGM
11/11/2014	Investor Presentation
29/08/2014	FY 14 Highlights including declaration of Maiden Dividend
29/08/2014	2014 Audited Financial Statements and Annual Report

Annexure C – Vision Announcements since 20 October 2014

The following announcement have been made to the ASX concerning Vision between the release of its 2014 Annual Report on 20 October 2014 and 17 July 2015.

Date	Event
16/07/2015	Gold Coast Day Surgery Acquisition
10/07/2015	Appendix 3B – Escrow Release
10/07/2015	Takeover Update – Message to Shareholders
07/07/2015	Becoming a substantial holder from PHG
06/07/2015	Initial response to takeover offer by Pulse Health Limited
06/07/2015	Trading Halt Request
06/07/2015	Trading Halt
02/07/2015	Change in substantial holding
01/07/2015	Initial Director's Interest Notice – Garry Sladden
30/06/2015	Appointment of Director – Garry Sladden
22/06/2015	Escrow Release
25/05/2015	Vision announces sale of Goal Coast clinic assets
21/05/2015	Appeal against judgement and orders – Dr Kitchen
14/05/2015	Final Director's Interest Notice – Brett Coverdale
13/05/2015	Resignation of CEO and Managing Director
22/04/2015	Judgement and orders received from the Supreme Court of Queensland in connection with Dr Kitchen's wrongful termination of service agreement
20/04/2015	Notice of agreement with entity associated with Dr Tim Roberts and Dr Michael Lawless
07/04/2015	Response to ASX regarding price query
31/03/2015	Conversion of non-voting ordinary shares to voting ordinary shares
27/02/2015	Wyllie Funds' change in substantial holding
24/02/2015	Investor Presentation – half year ended 31/12/14
24/02/2015	Financial Report for half year ended 31/12/14
16/02/2015	Release of fully paid ordinary shares from escrow
02/02/2015	Final Director's Interest Notice – Dr Michael Wooldridge
30/01/2015	Resignation of Director – Dr Michael Wooldridge
09/12/2014	Conversion of non-voting ordinary shares to voting ordinary shares
04/12/2014	Statement regarding Dr Michael Wooldridge
26/11/2014	Wyllie Funds' change in substantial holding
25/11/2014	Release of shares in escrow
24/11/2014	National Nominees Ltd ACF Australian Ethical Investment's notice of ceasing to be a substantial holder
21/11/2014	Vision issues performance rights under Performance Rights Plan
21/11/2014	Resignation of Director – Dr Chris Rogers
21/11/2014	Results of 2014 AGM
21/11/2014	Chairman & CEO's address to shareholders
04/11/2014	AMP's notice of ceasing to be a substantial holder
29/10/2014	Wyllie Funds' notice of substantial holder
28/10/2014	AMP's notice of initial substantial holder
27/10/2014	Forager Funds Management Pty Ltd's notice of ceasing to be a substantial holder
27/10/2014	AMP's notice of ceasing to be a substantial holder
24/10/2014	Cleansing notice for placement of shares
24/10/2014	Vision issued new ordinary shares to fund appropriate acquisition opportunities

Notes

Notes

Corporate directory

PULSE HEALTH LIMITED



Suite 1.04, Level 1
175 Castlereagh Street
Sydney, New South Wales
Australia 2000

DIRECTORS

Mr Stuart James

(Independent Chairman and Non-Executive Director)

Ms Phillipa Blakey

(Managing Director)

Mr Craig Coleman

(Non-Executive Director)

COMPANY SECRETARY

Mr David Frank

AUDITORS



FINANCIAL ADVISORS



LEGAL ADVISORS



ACCOUNTING ADVISORS



SHARE REGISTRY



PULSE OFFER INFORMATION LINE

If you have any queries in relation to the Offer, please call the Pulse Offer Information Line on: 1300 387 045 (callers in Australia) or + 61 3 9415 4617 (callers outside Australia) between 9:00am and 5:00pm (Sydney time) on Business Days.

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 3001

For all enquiries:



Phone:

(within Australia) 1300 387 045
(outside Australia) + 61 3 9415 4617

000001 000 PHG_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an Offer (**Offer**) by Pulse Health Limited ABN 69 104 113 760 (**Pulse**) to acquire all of your fully paid ordinary voting shares in Vision Eye Institute Limited ABN 21 098 890 816 (**Vision**) the terms and conditions of which are set out in the Bidder's Statement from Pulse dated 6 July 2015 as replaced or supplemented (**Bidder's Statement**). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your Offer Consideration will be issued to the name(s) as they appear on the latest copy of the Vision Share register, as provided to Pulse. The current address recorded by Pulse is printed above and overleaf. If you have recently bought or sold Vision Shares your holding may differ from that shown. If you have already sold all your Vision Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Vision Shares.

Step 3: Signing Instructions

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 must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

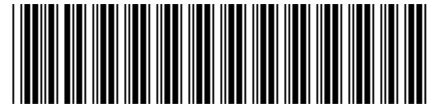
- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔




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Acceptance Form

STEP 1**Registration Name & Offer Details**

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Vision securityholding supplied to Pulse:

2000

Offer Consideration to be issued to you on the terms of 1.60 Pulse Shares
for each Vision Share

<Pulse Shares>

By accepting the Offer, you are accepting the Offer for ALL the Vision Shares as recorded by Pulse as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2**Accept the Offer**

Only sign and return this form if you wish to accept the Offer for ALL of your Vision Shares. The Offer Consideration applicable is set out in the terms of the Offer.

STEP 3**Signature of Securityholder(s)** *This section must be completed.*

I/We accept the Offer made by Pulse for Vision Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Vision Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2**Director****Securityholder 3**

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name** _____

**Contact
Daytime
Telephone** _____

Date ____ / ____ / ____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Pulse Health Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Pulse Health Limited or to third parties upon direction by Pulse Health Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

— 000002 000 PHG_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 3001

For all enquiries:

Phone:



(within Australia) 1300 387 045
(outside Australia) + 61 3 9415 4617

Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an Offer (**Offer**) by Pulse Health Limited ABN 69 104 113 760 (**Pulse**) to acquire all of your fully paid ordinary voting shares in Vision Eye Institute Limited ABN 21 098 890 816 (**Vision**) the terms and conditions of which are set out in the Bidder's Statement from Pulse dated 6 July 2015 as replaced or supplemented (**Bidder's Statement**). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your Offer Consideration will be issued to the name(s) as they appear on the latest copy of the Vision register, as provided to Pulse.

The current address recorded by Pulse is printed above and overleaf. If you have recently bought or sold Vision Shares your holding may differ from that shown. If you have already sold all your Vision Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Vision Shares.

As your Vision Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Pulse to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Pulse and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Pulse (and authorise Pulse to warrant on your behalf) that you have full legal and beneficial ownership of the Vision Shares to which this form relates and that Pulse will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or Pulse to initiate the acceptance of Pulse's Offer on your behalf. Neither Pulse or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

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 must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →




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Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Vision securityholding supplied to Pulse:

2000

Offer Consideration to be issued to you on the terms of 1.60 Pulse Shares
for each Vision Share

<Pulse Shares>

By accepting the Offer, you are accepting the Offer for ALL the Vision Shares as recorded by Pulse as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Vision Shares. The Offer Consideration applicable is set out in the terms of the Offer.

STEP 3

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

I/We accept the Offer made by Pulse for Vision Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Vision Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Pulse Health Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Pulse Health Limited or to third parties upon direction by Pulse Health Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



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