



REPRODUCTIVE HEALTH SCIENCE LTD

RIGHTS ISSUE OFFER **MEMORANDUM**

For a non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every five (5) Shares held on the Record Date at an issue price of A\$0.075 (7.5 cents) per New Share to raise approximately A\$990,000.

**CLOSING DATE: 5.00pm (AEST)
Thursday, 29 September 2016**

THIS OFFER BOOKLET IS AN IMPORTANT DOCUMENT AND REQUIRES IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU DO NOT UNDERSTAND IT, OR ARE IN DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

For personal use only

IMPORTANT NOTICES

Reliance on Offer Memorandum

This Offer Memorandum has been prepared in accordance with section 708AA of the Corporations Act. In general terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Memorandum is considerably less than the level of disclosure required in a prospectus and does not contain all of the information which an investor may require to make an informed investment decision.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of Reproductive Health Science Ltd (“RHS” or the “Company”), refer to disclosures made by RHS to the ASX (which are available for inspection on the ASX website at www.asx.com.au and on the Company’s website at www.rhsc.com.au) and seek the advice of your professional adviser.

Forward looking statements

This Offer Memorandum includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to RHS or not currently considered material by RHS. Any representation in this Offer Memorandum should not be relied upon as to its accuracy or completeness or as a recommendation or forecast by RHS. The Company advises that independent advice be sought before making any binding decision in connection with the Offer.

No overseas offering

No offer is made by this Offer Memorandum in any jurisdiction outside of Australia and New Zealand. The distribution of this Offer Memorandum (including an electronic copy) within jurisdictions outside Australia and New Zealand may be restricted by law and persons into whose possession this Offer Memorandum comes should inform themselves about and observe any such restrictions.

This Offer Memorandum is not an investment statement or prospectus under New Zealand law, and does not contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The New Shares being offered under this Offer Memorandum are being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

United States

The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the Securities Act), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to which this Offer Memorandum relates may only be offered or sold, directly or indirectly, outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

Representations and warranties

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any information or representation not so contained may not be relied on as having been authorised by RHS in connection with the Offer. Except as required by law, and only to the extent so required, the Company, or any other entity or person, does not warrant or guarantee the future performance of RHS or any return on any investment made pursuant to the Offer.

No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, except as permitted by law, withdraw your application for New Shares once it has been received.

Not financial product advice

This Offer Memorandum is not financial product advice, does not propose to contain all the information that you may require in evaluating a possible acquisition of New Shares, and has been prepared without taking into account your investment objectives, financial situation or needs. Before deciding whether to apply for New Shares under the Offer, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information, you have any questions about the Offer, you should contact your financial adviser, accountant or other professional adviser.

Defined terms and time

Defined terms used in this Offer Memorandum are contained in Section 7. All references to time are references to AEST.

CORPORATE DIRECTORY

Directors

Dr David Brookes (Non-Executive Chairman)

Dr Michelle Fraser (Managing Director)

Mr Johnathon Matthews

Dr Colin Matthews (Alternate for Mr Johnathon Matthews)

Ms Sue MacLeman

Company Secretary

Mr Ray Ridge

Registered Office

BioSA Incubator

40 - 46 West Thebarton Road

THEBARTON SA 5031

Telephone: +61 8 8152 9348

Facsimile: +61 8 8152 9474

Share Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Phone: 1300 554 474

Auditor

Ernst & Young

Australia

Lawyers

DMAW Lawyers

Level 3, 80 King William St,

Adelaide SA 5000

Web site: www.rhsc.com.au

CHAIRMAN'S LETTER

Dear RHS Shareholder,

On behalf of the directors of RHS, I am pleased to offer you the opportunity to participate in an underwritten non-renounceable rights issue of up to approximately 13.2 million New Shares in total (based on the Company's undiluted share capital as at 2 September 2016, together with the Shares to be issued under the placement announced earlier today 5 September 2016, without taking into account the impact of rounding) to raise up to approximately A\$990,000 (before expenses).

The Rights Issue is the second stage of an overall A\$1.5 million capital raising. The first stage of the capital raising is a A\$525,000 placement to sophisticated investors, as announced today 5 September 2016 (Placement). Investors participating in the Placement will be eligible to participate in the Rights Issue.

The Rights Issue is fully underwritten by Taylor Collison Limited.

The approximate A\$990,000 proceeds from the Rights Issue, together with the A\$525,000 from the Placement, will be primarily directed to progressing general business and commercial opportunities including the Company's Whole Genome Amplification product DOPlify™; resourcing the core scientific and production team to meet anticipated PGS ("Pre-implantation Genetic Screening") services including EmbryoCollect™ and NGS ("Next Generation Sequencing"); and as a further provision in working capital and operating cost requirements in support of expanding these business development opportunities.

The Rights Issue offers Eligible Shareholders the right to take up one (1) New Share for every five (5) Shares they hold as at 5.00pm AEST on 12 September 2016, at an issue price of A\$0.075 (7.5 cents) per New Share. The issue price of the New Shares represents a discount of:

- 21.1% to the closing market price of the Company's Shares on 31 August 2016 (being the last trading day prior to announcement of the Offer) of A\$0.095 per Share; and
- 20.7% to the volume weighted average market price of the Company's Shares for the 5 trading days up to and including the close of the trade on 31 August 2016 of A\$0.0946 per Share.

Your Directors consider that RHS has a very positive future, underpinned by leading technology in the field of genetic analysis, and that the Rights Issue presents an opportunity for Eligible Shareholders to support and participate in Company's growth potential. All Board members have committed to take up their respective entitlements under the Rights Issue in full. Further, two Directors are partially sub-underwriting the Rights Issue through an agreement with Taylor Collison Limited as underwriter.

You are encouraged to read this Offer Memorandum and the accompanying Entitlement and Acceptance Form fully. If you have any queries in relation to the Offer, you should consult your stockbroker or other professional adviser. I would also encourage you to read the Company's recent investor presentation (ASX:RHS 25th August 2016) that reflects the position of RHS Ltd as a genetic analysis company with a special interest in the application of our technologies to the IVF (In-Vitro Fertilisation) industry. The Board shares the view that RHS is on an exciting commercial threshold for our technologies.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support of RHS.

Yours sincerely,



Dr David Brookes
Chairman

KEY OFFER DETAILS

Offer Price	A\$0.075 (or 7.5 cents) per New Share
Entitlement Ratio	1 New Share for every 5 Shares held
Number of New Shares to be issued	Approximately 13.2 million
Gross Proceeds from Offer	Approximately A\$990,000

KEY DATES

The indicative timetable for the Offer is as follows:

EVENT	DATE
Announcement of the Non-Renounceable Rights Issue – Lodge with ASX prior to market opening 1) Announcement of Rights Issue, and then after market opening 2) Appendix 3B, 3) Offer Memorandum, 4) a notice under section 708AA(2)(f) of the Corporations Act	Monday, 5 September 2016
Notice to Shareholders – Notice of Rights Issue sent to shareholders	Wednesday, 7 September 2016
Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue	Friday, 9 September 2016
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue (5.00pm AEST)	Monday, 12 September 2016
Offer memorandum sent to Shareholders – dispatch of Offer Memorandum and Entitlement and Acceptance Forms – Rights Issue opens for acceptances	Thursday, 15 September 2016
Closing date – the last day for receipt of acceptance forms (5.00pm AEST)	Thursday, 29 September 2016
Deferred Settlement Trading commences – New Shares commence quotation on the ASX on deferred settlement basis	Friday, 30 September 2016
Shortfall notification date	No later than Wednesday, 5 October 2016
Issue date – Allotment of New Shares. Deferred settlement trading ends	No later than noon Friday, 7 October 2016
Expected commencement of normal trading in New Shares on ASX	Monday, 10 October 2016
Dispatch of holding statements to Shareholders who participated in the Rights Issue	Wednesday, 12 October 2016

RHS reserves the right to amend this timetable subject to the ASX Listing Rules and the terms of the Underwriting Agreement. Should this occur, then the extension will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

SECTION 1: DETAILS OF THE OFFER

1. Offer

The Offer is a pro-rata non-renounceable entitlement offer of approximately 13.2 million New Shares to Eligible Shareholders at an issue price of A\$0.075 (or 7.5 cents) per New Share.

Each Eligible Shareholder is entitled to subscribe for one (1) New Share for every five (5) Shares held by that Eligible Shareholder as at the Record Date, at an issue price of A\$0.075 (7.5 cents) per New Share.

The issue price of the New Shares represents a discount of:

- 21.1% to the closing market price of the Company's Shares on 31 August 2016 (being the last trading day prior to announcement of the Offer) of A\$0.095 per Share; and
- 20.7% to the volume weighted average market price of the Company's Shares for the 5 trading days up to and including the close of the trade on 31 August of \$A0.0946 per Share.

If an Eligible Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded up to the nearest whole number.

The New Shares will be fully paid and will rank equally in all respects with existing Shares on issue.

2. What is my entitlement?

The number of New Shares to which you are entitled under the Offer is shown in the accompanying Entitlement and Acceptance Form (**Entitlement**). You can subscribe for all, or part, of your Entitlement. Detailed instructions on how to accept all or part of your Entitlement are set out in Section 3.

Please note that if you choose not to accept your Entitlement, your shareholding in RHS will be diluted to the extent that the Offer is taken up by other Shareholders and Shortfall Shares are taken up by the Underwriter (see paragraphs 3 and 10 of this Section 1 for further details).

3. Opening and closing dates

The Offer opens for receipt of acceptances on Thursday, 15 September 2016. The closing date and time for acceptances and payments is 5.00pm AEST time on Thursday, 29 September 2016, subject to the Directors varying the closing date in accordance with the Listing Rules.

4. Who is entitled to participate in the Offer?

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares as at 5.00pm AEST time on Monday, 12 September 2016 is entitled to participate in the Offer to the extent of the number of Shares registered in their name.

Existing Option holders may only participate in the Offer in respect of Shares to be issued on exercise of the Options held by them if they exercise their Options and are registered as the holder of the underlying Shares by the Record Date.

5. Offer not made to Excluded Shareholders

RHS has decided that it is unreasonable to make the Offer to Shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of Shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

This Offer Memorandum does not constitute an offer to Excluded Shareholders and the Offer Memorandum will not be sent to Excluded Shareholders.

This Offer Memorandum and accompanying Entitlement and Acceptance Form do not constitute an offer for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Where the Offer Memorandum has been dispatched to Shareholders domiciled in a country outside Australia or New Zealand, and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Memorandum and accompanying Entitlement and Acceptance Form are provided for information purposes only.

6. Nominees

The Offer is being made to all Eligible Shareholders, who must be (among other things) registered as a holder of Shares in Australia or New Zealand and not be in the United States. RHS is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is permitted under applicable foreign laws.

7. Rights issue exception not available

No nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of the Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

8. Effect on share capital

The effect of the Offer on the capital structure of RHS will be as follows:

	Number of Shares
Shares on issue at 2 September 2016 (the last trading day prior to announcement of the Offer)	59,005,165
Add: Shares to be issued under the Placement	7,000,000
Total expected Shares on issue at the Record date	66,005,165
Maximum number to be issued under the Offer	13,201,033
Maximum number on issue following the Offer	79,206,198

The maximum number of Shares on issue following the Offer set out in the table above is:

- based on the undiluted share capital of RHS as at 2 September 2016, together with the Shares to be issued under the Placement;
- assumes all Shareholders take up their Entitlements in full or all of the Shortfall is issued to the Underwriter; and
- approximate, as individual Entitlements will be rounded up to the nearest whole figure.

In addition, RHS currently has on issue 13,079,105 unlisted Options which have not been taken into account in the figures in the table above. If any of these 13,079,105 Options are exercised prior to the Record Date, this will impact the maximum number of New Shares to be issued under the Offer and the maximum number of Shares on issue following the Offer specified in the table above. It is unlikely that any of the Options will be exercised prior to the Record Date as the exercise price of all classes of Options on issue is out of the money as at the date of this Offer Memorandum.

9. Non-Renounceable Offer

The Offer is non-renounceable. This means that your right to subscribe for New Shares under the Offer is not transferable. Any Entitlements not taken up by Shareholders will be placed by the Underwriter.

10. Underwriting

The Offer is fully underwritten by Taylor Collison Limited (**Underwriter**). The Underwriter has agreed to subscribe for up to a maximum of 13,201,033 Shortfall Shares, being New Shares not taken up by Eligible Shareholders under the Offer.

As at the date of this Offer Memorandum the Underwriter holds 1,282,909 Shares through Taycol Nominees Pty Ltd. The Underwriter is not a related party of the Company for the purpose of the Corporations Act.

The effect of the underwriting on voting power in the Company is explained in paragraph 12 of this Section 1.

Further details of the Underwriting Agreement are set out in Section 4.

11. Sub-underwriting

In addition to taking up their full Entitlement, two of the Company's Directors have entered into a sub-underwriting agreement with Taylor Collison Limited, as follows:

- Johnathon Matthews, together with his alternate Director Colin Matthews, as trustees for the Acorn Trust, have sub-underwritten to a maximum of \$150,000 (15.15% of the Rights Issue).
- David Brookes (or nominee) has sub-underwritten to a maximum of \$75,000 (7.58% of the Rights Issue).

The effect, of the Rights Issue together with the above sub-underwriting, on the shareholding of the Directors is explained in paragraph 13 of this Section 1. The effect of the sub-underwriting on control and substantial shareholders is explained in paragraphs 12 and 14 of this Section 1.

Further details of the Directors Sub-Underwriting Agreements are set out in Section 4.

12. Effect of the Offer on control of the Company

As explained in paragraph 10 of this Section 1, the Underwriter is an existing Shareholder of the Company. The extent to which Shares are issued pursuant to the underwriting will increase the voting power in the Company of the Underwriter.

As a consequence of the underwriting, there is the potential that the Underwriter may acquire an interest in 5% or more (but not exceeding 20%) of the Shares on issue. This is because the Underwriter (subject to sub-underwriting) will subscribe for any Shares that are not taken up by Eligible Shareholders pursuant to their Entitlement or under the Shortfall. The actual effect of the Offer on the voting power in the Company of the Underwriter will depend on the level of subscription by Eligible Shareholders pursuant to the Offer and the extent to which sub-underwriters are issued with any Shortfall Shares pursuant to sub-underwriting agreements.

Table 1 below sets out the Underwriters' voting power, after the Placement and immediately before the Offer.

Shareholder	Number of Shares	Voting power
Underwriter	1,282,909	1.94%
Other shareholders	63,722,256	98.06%
Total	66,005,165	100.00%

Table 2 below illustrates the potential effect of the Offer on the Underwriters' voting power in scenarios where the Offer is 25%, 50%, 75% and 100% subscribed and in the unlikely event that no Shareholders take up their Entitlement under the Offer. These scenarios are based on the assumption that the Underwriter takes up its full Entitlement under each scenario. Therefore, the reference to the Offer being 75%, 50%, or 25% subscribed refers to 75%, 50% or 25% of the Rights being subscribed after the Underwriter has taken up its Rights in full. Table 2 has been prepared for illustrative purposes, on the unlikely assumption that no sub-underwriters are issued with any Shortfall Shares pursuant to any Sub-Underwriting Agreements.

Event	Shares held by Underwriter	Total Shares	Voting power of Underwriter
Offer fully subscribed with no Shortfall	1,539,491	79,206,198	1.94%
Offer 75% subscribed	4,839,749	79,206,198	6.11%
Offer 50% subscribed	8,140,007	79,206,198	10.28%
Offer 25% subscribed	11,440,266	79,206,198	14.44%
No Shareholders take up their Entitlement	14,483,942	79,206,198	18.29%

As explained in paragraph 11 of this Section 1, one of the Company's Directors, Johnathon Matthews, together with his alternate Director Colin Matthews, as trustees for the Acorn Trust, have an agreement with Taylor Collison Limited to sub-underwrite to a maximum of \$150,000 (15.15% of the Rights Issue). Johnathon and Colin Matthews, as trustees for the Acorn Trust, are the Company's largest shareholder, with 8,964,556 Shares as at the date of this Offer Memorandum. The extent to which Shares are issued pursuant to that sub-underwriting agreement will increase the voting power in the Company of Johnathon and Colin Matthews, as trustees for the Acorn Trust.

As a consequence of that sub-underwriting, there is the potential that Johnathon and Colin Matthews, as Trustees for the Acorn Trust, may increase their voting power from 13.58% following the Placement and prior to the Rights Issue, to 16.11% of the Shares on issue, as illustrated in table 3 below. The actual effect of the Offer on the voting power in the Company of Johnathon and Colin Matthews will depend on the level of subscription by Eligible Shareholders pursuant to the Offer.

Event	Shares controlled by Sub-Underwriter	Total Shares	Voting power
Shares on issue at the Record date	8,964,556	66,005,165	13.58%
1:5 entitlement	1,792,912	13,201,033	
Sub-underwriting of the Offer	2,000,000		
Post-Offer	12,757,468	79,206,198	16.11%

Notwithstanding the potential changes to voting power noted above, and noting the Underwriter's potential change in voting power was prepared for illustrative purposes, on the unlikely assumption that no sub-underwriters are issued with any Shortfall Shares pursuant to any Sub-Underwriting Agreements, the Company is not aware of any intention of the above-mentioned parties to influence any material changes to the business or financial and operating policies of RHS. For the avoidance of doubt, the Company has no present intention to materially alter the business, financial or operating policies, or to senior management or the Board, other than that already disclosed in this Offer Memorandum.

13. Directors' Interests and Entitlement

The securities of the Company in which Directors and their associates have relevant interests, following the Placement, as well as their respective Entitlements and sub-underwriting commitments (detailed in paragraph 11 of this Section 1) are as follows:

Director	Existing Shares	Voting power pre Offer (%)	Entitlement Shares	Maximum Sub Underwriting Shares	Maximum Total Shares post Offer	Voting power post Offer (%)
Dr David Brookes	1,044,298	1.58%	208,860	1,000,000	2,253,158	2.84%
Dr Michelle Fraser	351,719	0.53%	70,344	-	422,063	0.53%
Mr Johnathon Matthews and Dr Colin Matthews <Acorn Trust A/C>	8,964,556	13.58%	1,792,912	2,000,000	12,757,468	16.11%
Ms Sue MacLeman	10,000	0.02%	2,000	-	12,000	0.02%

All Directors have committed to take up their respective Entitlements under the Offer in full. The amount of Shortfall Shares issued to Directors pursuant to their sub-underwriting agreements will depend on the level of subscription by Eligible Shareholders pursuant to the Offer and the extent to which the Underwriter requires the sub-underwriters to underwrite pursuant to the sub-underwriting agreements.

All Directors hold options which, if exercised before the Record Date, would give rise to an additional Entitlement. This is unlikely as the exercise price is out of the money as at the date of this Offer Memorandum.

14. Details of substantial holders

Based on publicly available information, the substantial Shareholders in the Company following the Placement and prior to the Rights issue as well as their respective Entitlements are set out below:

Substantial Shareholder	Shares	Voting power % (post Placement, pre Rights Issue)	Entitlement
Dr Colin and Mr Johnathon Matthews <Acorn Trust A/C>	8,964,556	13.58%	1,792,912
South Australian Government Financing Authority	8,808,367	13.34%	1,761,674

In addition to their Entitlement, Dr Colin and Mr Johnathon Matthews, as trustees for the Acorn Trust, have an agreement with Taylor Collison Limited to sub-underwrite to a maximum of \$150,000 (15.15% of the Offer), as detailed in paragraph 11 of this Section 1. The potential effect that the issue of Shares to Dr Colin and Mr Johnathon Matthews under the Offer and the sub-underwriting agreement will have on the control of the Company is set out in paragraph 12 of this Section 1.

In respect of South Australian Government Financing Authority (SAFA); given that the Offer is fully underwritten, if SAFA takes up its Entitlement in full, this will have no effect on its voting power in the Company. If SAFA elects not to participate in the Offer or subscribes for only part of its Entitlement, then its Shareholding will be diluted (as compared to its voting power as at the date of this Offer Memorandum).

15. Call option over SAFA holding

SAFA and the Underwriter have entered into a call option agreement to place all of SAFA's shares in RHS, the key terms of which are as follows:

[option] In consideration of the payment by the Underwriter of an option fee of \$1.00, SAFA has granted to the Underwriter commencing from the date on which RHS receives firm commitments to subscribe for at least A\$1.0 million from the Rights Issue and Placement at a price per share of no less than \$0.075 and ending 6 months from the date on which the Rights Issue closes for acceptances, a call option to place all SAFA's shares for a commission of 0.6% of the value of the shares placed by the Underwriter at a placement price equal to the greater of 7.5 cents per share and a 15% discount to the trailing 10-day VWAP as of the close of business on the date of delivery to SAFA by the Underwriter of a notice of option exercise;

[condition precedent] The rights and obligations of the parties do not become binding until RHS has received, on or prior to 31 October 2016, firm commitments to subscribe for at least A\$1.0 million from the Rights Issue or Placement at a price per share of no less than 7.5 cents;

[no disposal] SAFA must not without the prior written consent of the Underwriter until the expiry of the option period, dispose of or create or allow the creation of any security interest over any of the SAFA shares; and

[termination] the agreement terminates upon the first to occur of (i) SAFA ceasing to hold any shares in RHS, (ii) agreement between the parties in writing, and (iii) SAFA notifying the Underwriter that the agreement is terminated to allow SAFA to sell its shares into a takeover bid at a price per share greater than 7.5 cents per share or the SAFA shares being transferred or cancelled as part of SAFA's participation in a merger by scheme of arrangement.

The effect of the call option (if exercised) on voting power in the Company is dependent on the investors who take up the SAFA shares placed by the Underwriter. There is no guarantee that the Underwriter will exercise the call option. In the event that the call option is exercised, the Underwriter does not intend to take up any of the SAFA shares to be placed pursuant to the call option. Accordingly, the call option (if exercised) will not result in any increase in voting power in the Company of the Underwriter relative to its voting power immediately following settlement of the Rights Issue.

16. Issue of New Shares

RHS expects that the New Shares will be issued by no later than 7 October 2016. The issue of New Shares will only be made after permission for their quotation on ASX has been granted.

SECTION 2: PURPOSE OF THE OFFER

The proceeds from the Rights Issue will be primarily directed towards progressing general business development opportunities including:

- the Company's new Whole Genome Amplification product DOPlify™
- expansion of the core scientific team to meet anticipated PGS services including NGS capability
- readying for production and supply DOPlify™ and EmbryoCollect™
- funding for working capital and operating costs in support of the above activities.

The above development opportunities were highlighted during the recent investor presentations by Dr. Michelle Fraser, CEO (refer ASX announcements on 1 August 2016 and 25 August 2016).

SECTION 3: HOW TO ACCEPT THE OFFER

1. How to take up all or part of your entitlement

To subscribe for New Shares offered to you, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part of your Entitlement you wish to subscribe for.

You must make payment for the appropriate application monies (at A\$0.075 (7.5 cents) per New Share subscribed) as provided in paragraph 3 below.

Acceptances will not be valid if they are received after the Closing Date.

Please note that all applications, once received, are irrevocable, except as permitted by law.

2. Lapse of Rights

If you decide not to accept all or part of your Entitlement, or fail to do so by the Closing Date, your Entitlement or unaccepted part of it will lapse and will form part of the Shortfall.

3. Payment

Payments must be made by 5.00pm AEST on Thursday, 29 September 2016 and must be made in Australian currency and by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) bank draft drawn on and payable at any Australian bank; or
- (c) BPAY®.

If you wish to pay by cheque or bank draft, the Entitlement and Acceptance Form, together with the cheque or bank draft for the appropriate application monies (at A\$0.075 (7.5 cents) per New Share subscribed) must be sent to the Company's share registry, Link Market Services Limited, so that they reach the registry by no later than 5.00pm AEST time on Thursday, 29 September 2016.

Cheques or bank drafts must be made payable to 'Reproductive Health Science Ltd' and crossed 'Not Negotiable'.

If you wish to pay by BPAY[®], you do not need to return the Entitlement and Acceptance Form; you simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY[®] are received by the Closing Date.

Cash payments will not be accepted and receipts for payment will not be provided.

RHS will treat you as applying for as many New Shares as your payment, but not exceeding your Entitlement.

By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY[®] in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Memorandum, you have acted in accordance with the terms of the Offer detailed in this Offer Memorandum and you agree to all of the terms and conditions as detailed in this Offer Memorandum.

4. Declarations

By completing and returning your personalised Entitlement and Acceptance Form along with your cheque, bank draft or making a payment by BPAY[®], you will be deemed to have:

- (a) represented and warranted that you are an Eligible Shareholder;
- (b) represented and warranted that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you are holding Shares for the account or benefit of such person in the United States);
- (c) represented or warranted that you understand and acknowledge that neither the Entitlements nor the New Shares have been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. The Entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt form, or subject to the registration requirements of the Securities Act and any other applicable U.S. state securities laws;
- (d) (where relevant) represented and warranted that you are purchasing New Shares in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;

- For personal use only
- (e) represented and warranted that you have not and will not send this Offer Memorandum, the Entitlement and Acceptance Form or any other materials relating to the Offer to any person in the United States;
 - (f) acknowledged that you have fully read and understood both this Offer Memorandum and the Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Memorandum and the Entitlement and Acceptance Form;
 - (g) agreed to be bound by the terms of the Offer, the provisions of the Offer Memorandum and the Company's constitution;
 - (h) authorised RHS to register you as the holder of the New Shares allotted to you;
 - (i) declared that all of the details and statements in the Entitlement and Acceptance Form are complete and accurate;
 - (j) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
 - (k) acknowledged that once RHS receives your Entitlement and Acceptance Form or any payment of application monies via BPAY[®] you may not withdraw your application for funds provided except as allowed by law;
 - (l) agreed to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY[®], at the issue price of A\$0.075 per New Share;
 - (m) authorised RHS, its Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
 - (n) declared that you were a registered holder(s) at the Record Date of the Shares indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
 - (o) represented and warranted that you are a resident of Australia or New Zealand;
 - (p) acknowledged that the information contained in this Offer Memorandum and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
 - (q) acknowledged that this Offer Memorandum is not a prospectus, does not contain all of the information that you may require in order to assess an investment in RHS and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
 - (r) acknowledged that investments in RHS are subject to risk;
 - (s) acknowledged that none of RHS or its related bodies corporate, affiliates or directors, officers, employees, representatives, agents, consultants or advisers, guarantees the performance of RHS, nor do they guarantee the repayment of capital;

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- (t) agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date;
 - (u) authorised RHS to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
 - (v) represented and warranted that the law of any place does not prohibit you from being given this Offer Memorandum and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares;
 - (w) represented and warranted that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular way transactions on ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States; and
 - (x) represented and warranted that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and does not reside in the United States, and you have not sent this Offer Memorandum, the Entitlement and Acceptance Form or any information relating to the Offer to any person in the United States.

SECTION 4: UNDERWRITING

RHS has entered into an underwriting agreement with Taylor Collison Limited, pursuant to which Taylor Collison Limited has agreed to fully underwrite the Offer by subscribing for up to 13,201,033 Shortfall Shares, for an aggregate subscription price of up to A\$990,077.

Taylor Collison Limited will receive an underwriting fee of A\$39,603 (4.0% of the underwritten amount of A\$990,077) and a management fee of A\$19,802 (2.0% of the underwritten amount). In addition to the underwriting fee, RHS has agreed to pay Taylor Collison in respect of the Placement the following fees:

- a management fee of 2.0% of the total amount raised under the Placement; and
- a selling fee of 4.0% on the total amount raised under the Placement

Two of the Company's Directors have entered into a sub-underwriting agreement with Taylor Collison Limited, as outlined in paragraph 11 of Section 1. The sub-underwriters have no right to terminate the sub-underwriting agreements. Each of those Directors will receive a sub-underwriting fee of 2.5% of their underwritten amount, as follows:

- \$3,750 payable to Johnathon Matthews, together with his alternate Director Colin Matthews, as trustee for the Acorn Trust, for sub-underwriting up to 15.15% of the Rights Issue, to a maximum of \$150,000.
- \$1,875 payable to David Brookes (or nominee) for sub-underwriting up to 7.58% of the Rights Issue, to a maximum of \$75,000.

The obligations of the Underwriter are subject to certain events of termination. The Underwriter may terminate their obligations to underwrite if:

- (Offer Withdrawn): the Offer is withdrawn by the Company; or
- (Corrective Disclosure):
 - the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement, forms the view on reasonable grounds that a corrective document should be lodged with ASX to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or
 - the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold); or
- (Misleading Documents): it transpires that there is a statement in the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Offer Document or if any statement in the Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Document is or becomes misleading or deceptive or likely to mislead or deceive;
- (Restriction on allotment): the Company is prevented from allotting the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer, provided that the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the Shortfall Notice Deadline Date, either of which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (Indictable offence): a director or senior manager of the Company is charged with an indictable offence; or
- (Termination Events): any of the following events occurs:
 - (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 5 Business Days after the Underwriter notifies the Company of the default or breach or by the Shortfall Notice Deadline Date, whichever is earlier;
 - (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (Contravention of constitution or Act): a material contravention by the Company of any provision of its constitution, Corporations Act, Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (Adverse change): an event occurs which gives rise to a Material Adverse Effect;

- (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (Suspension of debt payments): the Company suspends payment of its debts generally;
- (Event of Insolvency): an Event of Insolvency occurs in respect of the Company;
- (Judgment against the Company): a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;

- (Litigation): litigation, arbitration, administrative or industrial proceedings which could reasonably be expected to give rise to a Material Adverse Effect are after the date of the Underwriting Agreement commenced against the Company;
- (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (Change in shareholdings): a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (Substantial shareholder): A substantial shareholder of the Company lodges, or is required to lodge, a substantial shareholder notice that is required due to that shareholder selling shares that total more than 1.0% of the Company.
- (Timetable): there is a delay in any specified date in the Timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of seven days occurs;
- (Certain resolutions passed): the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (Capital Structure): the Company alters its capital structure in any manner not contemplated by the Offer Document or permitted by the Underwriting Agreement;
- (Market Movement): the S&P ASX All Ordinaries index falls by more than 7.5% after the date of execution of the Underwriting Agreement;
- (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;

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- (Hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries; or
 - (Adverse Change in Financial Markets) there occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets which could reasonably be expected to give rise to a Material Adverse Effect.

SECTION 5: FURTHER INFORMATION

1. Withdrawal of the Offer

RHS reserves the right to withdraw all or part of the Offer and this Offer Memorandum at any time, subject to applicable laws, in which case RHS will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Offer has occurred, RHS may only be able to withdraw the Offer with respect to New Shares to be issued under the Offer.

To the fullest extent permitted by law, you agree that any application monies paid by you to RHS will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to RHS.

2. Fees and expenses

No broker handling fees will be paid in respect of the Offer.

3. Further information

If you have any questions about your entitlement to New Shares, please contact your stockbroker or other professional adviser.

If you would like to clarify any of the matters outlined in this document you may contact the Company on +61 8 8152 9348.

4. Governing law

This Offer Memorandum, the Offer and the contracts formed on acceptance of valid applications to subscribe for New Shares pursuant to the Offer are governed by the law of South Australia, Australia. Each Eligible Shareholder who has applied to subscribe for New Shares in accordance with this Offer Memorandum submits to the exclusive jurisdiction of the courts of South Australia, Australia.

SECTION 6: DEFINED TERMS

In this Offer Memorandum, the following words have the following meanings unless the context requires otherwise:

A\$	Australian Dollars.
AEST	Australian Eastern Standard Time.
ASX	Australian Securities Exchange or ASX Limited (ACN 008 624 691), as the context requires.
Closing Date	the last date for accepting the Offer, being 5.00pm AEST on Thursday, 29 September 2016 (or such other date determined by the Directors in accordance with the Listing Rules).
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of Reproductive Health Science Ltd.
Eligible Shareholder	a registered holder of Shares with a registered address in either Australia or New Zealand as at the Record Date. For the avoidance of doubt, an Eligible Shareholder will include all investors participating in the Placement provided they have registered address in either Australia or New Zealand.
Entitlement	as defined in paragraph 2 of Section 1.
Entitlement and Acceptance Form	the personalised form accompanying this Offer Memorandum.
Excluded Shareholder	a registered holder of Shares with a registered address in a country outside of either Australia or New Zealand on the Record Date.
Listing Rules	the official listing rules of ASX Limited.
Material Adverse Effect	means: (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Shares); or (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

New Share	a Share to be issued pursuant to this Offer Memorandum at A\$0.075 (7.5 cents) per Share.
Offer	the pro rata non renounceable offer made under this Offer Memorandum of one (1) New Share for every five (5) Shares held by an Eligible Shareholder on the Record Date.
Offer Memorandum	this memorandum under which the Offer is being made.
Option	an option to subscribe for a Share.
Placement	as defined in the Chairman's Letter of this Offer Memorandum.
Record Date	5.00pm AEST time on Monday, 12 September 2016.
Rights Issue	the pro rata non-renounceable offer made under this Offer Memorandum of one (1) New Share for every five (5) Shares held by an Eligible Shareholder on the Record Date
RHS or Company	Reproductive Health Science Ltd ACN 010 126 708
Securities Act	United States Securities Act of 1933.
Share	a fully paid ordinary share in the capital of RHS.
Share Registry	Link Market Services Limited.
Shareholder	a registered holder of a Share.
Shortfall or Shortfall Shares	those New Shares forming Entitlements or part of Entitlements not accepted under the Offer.
Shortfall Notice Deadline Date	means within 3 Business Days after the Closing Date, or any other date agreed in writing between the parties to the Underwriting Agreement, as the date by which the Company must give the Underwriter written notice of the number of Shortfall Shares and the Certificate.
Underwriter	Taylor Collison Limited.
Underwriting Agreement	Underwriting Agreement between RHS and the Underwriter dated 5 September 2016.
United States	United States of America.

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