



ACN 010 126 708

ASX Release
18 April 2018

RHS Scheme Booklet registered with Australian Securities & Investments Commission

Adelaide, 18 April 2018: On 26 February 2018, RHS Limited (ASX: RHS) (“RHS” or “the Company”) announced that it had entered into a Scheme Implementation Agreement with PerkinElmer, Inc. (“PerkinElmer”), under which PerkinElmer, or a wholly owned subsidiary of PerkinElmer, proposes to acquire all RHS Shares by way of a scheme of arrangement (“Scheme”).

The Scheme Booklet for the proposed Scheme has now been registered with the Australian Securities & Investments Commission and accompanies this announcement.

RHS Shareholders should read the Scheme Booklet, which sets out detailed information about the Scheme, including the benefits and the potential disadvantages, before deciding how to vote on the Scheme.

The RHS Directors have unanimously recommended that RHS Shareholders vote in favour of the Scheme, in the absence of a superior proposal. The RHS Directors also intend to vote in favour of the Scheme in respect of RHS Shares over which they have voting control, in the absence of a superior proposal.

Independent Expert

The Scheme Booklet includes an Independent Expert’s Report prepared by Grant Thornton Corporate Finance Pty Ltd. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of RHS Shareholders, in the absence of a superior proposal.

Next Steps

The Federal Court of Australia has approved dispatch of the Scheme Booklet to RHS Shareholders and the convening of a meeting of RHS Shareholders to consider the Scheme.

The Scheme Booklet is expected to be dispatched to all RHS Shareholders by Friday, 20 April 2018. It will also be available on the RHS website (www.rhsc.com.au).

Scheme Meeting

The Scheme Meeting has been convened for 11.00am (Adelaide time) on Tuesday, 22 May 2018 at TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA.

If you are unable to attend the Scheme Meeting, you can vote by completing and returning the proxy form that accompanies the Scheme Booklet, or submit your proxy vote online at www.linkmarketservices.com.au, by 11.00am (Adelaide time) on Sunday, 20 May 2018.

Indicative timetable for Scheme

The Second Court Hearing for the Scheme has been scheduled by the Federal Court of Australia for 29 May 2018. This is a different date to the indicative date announced to ASX on 26 February 2018.

Accordingly, RHS provides the following updated indicative timetable for implementation of the Scheme.

Dispatch Scheme Booklet to RHS shareholders for the Scheme Meeting	20 th of April
Scheme Meeting	22 nd of May
Final Court Hearing to approve the Scheme	29 th of May
Effective date of Scheme	30 th of May
Suspension of trading in RHS shares	Close of trading on 30 th of May
Record date for determining entitlements to Scheme consideration	6 th of June
Implementation of Scheme	14 th of June

*All dates are subject to change.

The full timetable for the implementation of the Scheme is contained in the Scheme Booklet.

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About RHS

RHS is a developer of advanced single cell genomic technologies focussed on improving health and research outcomes, based on deep technical experience in the field. DOPlify[®] is a platform product for whole genome amplification (WGA) of single or small numbers of cells. DOPlify[®] is applicable to the global Next Generation Sequencing (NGS) market. PG-Seq[™], RHS' NGS workflow and EmbryoCollect[®], RHS' microarray workflow, both incorporate DOPlify[®] and have been specifically designed for the genetic screening of IVF embryos.

RHS Ltd.
ACN 010 126 708
ASX: RHS

Issued Capital
89.9 million shares
7.4 million options

Registered Office
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Directors
Dr David Brookes (Chairman)
Sue MacLeman
Johnathon Matthews
Dr Michelle Fraser (CEO)

**Finance Officer
& Company Secretary**
Raymond Ridge

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RHS Limited ACN 010 126 708

This Scheme Booklet is important and requires your immediate attention. You should read it in its entirety. If you are in any doubt as to how to deal with this document, please consult your financial, legal or other professional adviser.

Scheme Booklet

for the recommended scheme of arrangement in relation to the proposed acquisition of RHS Limited by PerkinElmer Holdings Pty Ltd

The RHS Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a superior proposal.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of RHS Shareholders, in the absence of a superior proposal.

The RHS Directors intend to VOTE IN FAVOUR of the Scheme in respect of RHS Shares over which they have voting control, in the absence of a superior proposal.

You should read this Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme.

Financial Advisers



TAYLOR COLLISON

Legal Advisers

JOHNSON WINTER & SLATTERY
LAWYERS

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Important notices and disclaimers

Important document

This Scheme Booklet is an important document and should be read in its entirety. If you are in any doubt as to the course you should follow, you should seek independent professional advice.

Date

This Scheme Booklet is dated 17 April 2018.

Explanatory statement

This Scheme Booklet is an explanatory statement which has been prepared pursuant to section 412(1) of the Corporations Act to explain the effect of the Scheme and provide information which is material to the making of a decision by RHS Shareholders about whether or not to vote in favour of the Scheme.

Role of ASIC, the ASX and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been or will be requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with the ASX. Neither the ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the Scheme Booklet required to accompany the notice of the Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the Scheme or as to how RHS Shareholders should vote on the Scheme (on this matter RHS

Shareholders must reach their own decision); or

- (b) has prepared, or is responsible for the contents of, this Scheme Booklet.

Responsibility for information in this Scheme Booklet

RHS, its related bodies corporate and each of their respective officers, employees, professional advisers and agents are not responsible for, and do not assume responsibility for, any information contained in this Scheme Booklet other than the RHS Scheme Booklet Information.

PKI, PKI Australia, their Related Bodies Corporate and each of their respective officers, employees, professional advisers and agents are not responsible for, and do not assume responsibility for, any information contained in this Scheme Booklet other than the PKI Scheme Booklet Information, which was provided by PKI and PKI Australia and which PKI and PKI Australia are responsible for.

Grant Thornton has prepared the Independent Expert's Report and is responsible for that report. None of RHS, PKI, PKI Australia, their respective Related Bodies Corporate and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Expert's Report except, in the case of RHS, PKI and PKI Australia, in relation to information given by them for the purposes of the preparation of the Independent Expert's Report, respectively, to the Independent Expert.

Investment decisions

This Scheme Booklet does not take into account your individual investment objectives, financial situation, taxation position or particular needs. The information in this Scheme Booklet should not be relied on as the sole basis for any decision in relation to your RHS Shares. You should seek independent professional advice before making any investment decision in relation to your RHS Shares or how to vote on the Scheme.

Forward looking statements

This Scheme Booklet contains forward looking statements which are not based solely on historical facts but are based on current

expectations of RHS and (in relation to the PKI Scheme Booklet Information) PKI about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the industries in which RHS and PKI operate as well as general economic conditions, prevailing exchange rates and interest rates, conditions in the financial markets, government policies and regulations, competitive pressures and changes in technology. Actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

None of RHS, PKI, PKI Australia, their respective Related Bodies Corporate or their respective directors, officers, employees and advisers 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. Accordingly, you are cautioned about placing undue reliance on forward looking statements contained in this Scheme Booklet.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under law or the ASX Listing Rules, RHS, PKI and PKI Australia do not give any undertaking to update or revise any forward looking statements after the date of the Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any statement has been based.

Note to foreign shareholders

This Scheme Booklet complies with Australian disclosure requirements and accounting standards. These requirements and standards may be different to those in jurisdictions outside Australia.

This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

RHS Shareholders who are not Australian resident taxpayers or who are liable for tax outside of Australia should seek specific tax

advice in relation to the Australian and overseas tax consequences of the transactions contemplated by this Scheme Booklet.

Privacy

RHS may collect personal information about you in connection with the Scheme. The personal information may include the names, contact details and details of shareholdings of RHS Shareholders, together with the names and contact details of individuals appointed by RHS Shareholders to act as proxies, attorneys or corporate representatives to vote at the Scheme Meeting.

Such information will be collected for the purpose of the Scheme Meeting and implementing the Scheme. The information may be disclosed to RHS, RHS's advisers and service providers, and to PKI and PKI's advisers and service providers, to the extent necessary in connection with the Scheme Meeting and implementing the Scheme.

You may have certain rights to access personal information which is collected about you. You should contact RHS's share registry, Link Market Services, in the first instance should you wish to exercise these rights. You can contact Link Market Services by telephone on 1300 554 474.

RHS Shareholders who appoint a named person as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Definitions

Capitalised terms used in this Scheme Booklet are defined in Section 9 of this Scheme Booklet.

References to time

All references to time in this Scheme Booklet are to the time in Adelaide, Australia unless expressly indicated otherwise.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, their actual calculation may differ

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from the calculations set out in this Scheme Booklet.

Currency

All references in this Scheme Booklet to “\$”, “A\$” and “cents” are references to Australian currency, unless otherwise specified.

No internet site is part of this Scheme Booklet

RHS maintains an internet site at www.rhsc.com.au. PKI maintains an internet

site at www.perkinelmer.com. Any references in this Scheme Booklet to an internet site is a textual reference for information only and no information in any internet site forms part of this Scheme Booklet.

A copy of this Scheme Booklet can be found on RHS's website at www.rhsc.com.au.

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Key dates and events

Deadline for receipt of Proxy Forms for Scheme Meeting	Sunday, 20 May 2018 at (11.00am)
Record date for determining entitlement to vote at the Scheme Meeting	Sunday, 20 May 2018 (6.30pm)
Scheme Meeting to be held at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031	Tuesday, 22 May 2018 at (11.00am)
Second Court Hearing to approve the Scheme	Tuesday, 29 May 2018
Effective Date of Scheme	Wednesday, 30 May 2018
Suspension of trading in RHS Shares	Wednesday, 30 May 2018 close of trading
Scheme Record Date for determining entitlements to Scheme Consideration	Wednesday, 6 June 2018
Implementation Date	Thursday, 14 June 2018
Day for payment of Scheme Consideration	Thursday, 14 June 2018

Unless stated otherwise, all times in this Scheme Booklet are references to Adelaide time.

These dates and times are indicative only and are subject to change. The actual times and dates will depend on many factors outside the control of RHS, including the Court approval process and the satisfaction or, where applicable, waiver of the conditions precedent in the Scheme Implementation Agreement. Any changes to the above timetable will be notified on RHS's website at www.rhsc.com.au and announced to the ASX.

Letter from the Chairman of RHS



17 April 2018

Dear RHS Shareholder,

On behalf of all RHS Directors, I am pleased to provide you with this Scheme Booklet, which contains important information about the proposed acquisition of RHS by PerkinElmer Holdings Pty Ltd (**PKI Australia**), an indirect wholly owned subsidiary of PerkinElmer, Inc., a NYSE-listed life sciences company headquartered in Massachusetts, USA (**PKI**).

The Scheme

On 26 February 2018, RHS announced that it had entered into a Scheme Implementation Agreement with PKI under which it is proposed that PKI Australia will acquire all of the shares in RHS for cash consideration of \$0.28 per share (**Scheme**).

If the Scheme is implemented, RHS Shareholders will receive cash consideration of \$0.28 per RHS Share.

The Scheme Consideration reflects an attractive value for RHS Shares, representing:

- a 100% premium to the closing price of RHS Shares of \$0.14 on Friday, 23 February 2018 (being the last trading day prior to Monday, 26 February 2018, being the date the Scheme was announced);
- a 111% premium to the VWAP of RHS Shares for the one month before Monday, 26 February 2018 (being the date the Scheme was announced); and
- a 108% premium to the VWAP of RHS Shares for the three months before Monday, 26 February 2018 (being the date the Scheme was announced).

Pages 6 to 9 provide a summary of the advantages of the Scheme proceeding and why RHS Shareholders may consider voting in favour of the Scheme. Pages 10 and 11 provide a summary of the potential disadvantages of the Scheme proceeding and why RHS Shareholders may consider voting against the Scheme, and pages 12 and 13 of summarise other relevant considerations.

RHS Directors' Recommendation

The RHS Directors unanimously believe that the Scheme is in the best interests of RHS Shareholders and **unanimously recommend that RHS Shareholders vote in favour of the Scheme, in the absence of a superior proposal.**

The RHS Directors believe the Scheme provides you with a compelling opportunity to realise a significant premium and certain cash proceeds for your RHS Shares.

Each RHS Director who holds or controls the voting rights attached to RHS Shares intends to vote those shares, or procure that those shares are voted, in favour of the Scheme, in the absence of a superior proposal.

Independent Expert

The Independent Expert, Grant Thornton, has concluded that the Scheme is fair and reasonable and in the best interests of RHS Shareholders, in the absence of a superior proposal. The Independent Expert has valued RHS on a controlling basis in the range of \$0.13 to \$0.31 per RHS Share.

Voting and next steps

The Scheme is to be implemented by way of a Court approved scheme of arrangement requiring a Scheme Meeting of RHS Shareholders. The Scheme Meeting will take place on Tuesday, 22 May 2018 at 11.00am at TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031.

Please read this Scheme Booklet carefully, as it contains important information in relation to the Scheme and will assist you in making an informed decision on how to vote at the Scheme Meeting. If you are in any doubt as to what decision to make, you should consult with your professional adviser.

Your vote is important in determining whether or not the Scheme proceeds. You should cast your vote either by attending the Scheme Meeting or by completing the Proxy Form accompanying this Scheme Booklet.

Yours faithfully



Dr David Brookes
Non-Executive Chairman
RHS Limited

What you should do

Step 1: Read the Scheme Booklet

You should read this Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme.

Step 2: Vote on the Scheme

Vote on the Scheme by doing one of the following:

- **send in the Proxy Form** – complete and return the Proxy Form in accordance with the instructions set out on the Proxy Form so that it is received by Link Market Services by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018 and have your proxy attend the Scheme Meeting in person and vote on your behalf;
- **vote in person** – attend the Scheme Meeting in person at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 on Tuesday, 22 May 2018, commencing at 11.00am (Adelaide time);
- **attorney** – have your duly authorised attorney attend the Scheme Meeting in person and vote on your behalf. The power of attorney, or a certified copy of the power of attorney, should be lodged with Link Market Services before the meeting or be brought to the meeting; or
- **corporate representative** – RHS Shareholders which are bodies corporate can also vote at the Scheme Meeting by having your corporate representative attend the Scheme Meeting in person and voting on your behalf. A copy of the certificate of appointment of the representative should be lodged with Link Market Services before the meeting or be brought to the meeting.

Your RHS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the Scheme Meeting. The Scheme will not proceed unless the Scheme is approved by RHS Shareholders.

Please refer to Section 3 of this Scheme Booklet for further information regarding how to vote at the Scheme Meeting.

Why you should vote in favour of the Scheme

This Section should be read in conjunction with pages 10 and 11 of this Scheme Booklet, which sets out a summary of the potential disadvantages associated with the Scheme, and pages 12 and 13 of this Scheme Booklet, which set out other relevant considerations.

Reasons to vote in favour of the Scheme

- **The RHS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal**
- **The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of RHS Shareholders, in the absence of a superior proposal**
- **The Scheme Consideration represents a significant premium to historical RHS Share prices**
- **RHS Shareholders will receive certain and immediate value for their investment**
- **No superior proposal has emerged since announcement of the Scheme**
- **The RHS Share price may fall to trading prices around or below those prior to the announcement of the Scheme if the Scheme is not implemented**
- **The Scheme removes the risks and uncertainties of remaining a RHS Shareholder**
- **There will be no transaction costs on the disposal of your RHS Shares**

1. **The RHS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal**

The RHS Directors unanimously believe the Scheme to be in the best interests of RHS Shareholders and unanimously recommend that RHS Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Each RHS Director who holds or controls the voting rights attached to RHS Shares intends to vote those shares, or procure that those shares are voted, in favour of the Scheme, in the absence of a superior proposal. This represents in total 14,262,037 RHS Shares, comprising all of the RHS Shares that RHS Directors have interests in, as set out in Section 8.2 of this Scheme Booklet.

Though the RHS Directors acknowledge that there may be reasons to vote against the Scheme, they believe that the advantages of the Scheme significantly outweigh the potential disadvantages (set out on pages 10 and 11 of this Scheme Booklet).

2. **The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of RHS Shareholders, in the absence of a superior proposal**

The RHS Directors appointed Grant Thornton as Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of RHS Shareholders.

The Independent Expert has valued RHS Shares on a control basis in the range of \$0.13 to \$0.31 per RHS Share. As the Scheme Consideration of \$0.28 per share is within this range the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal.

The Independent Expert's Report is set out in full in Appendix 1 of this Scheme Booklet. You should read the Independent Expert's Report in its entirety as part of your assessment of the Scheme before casting your vote in relation to the Scheme.

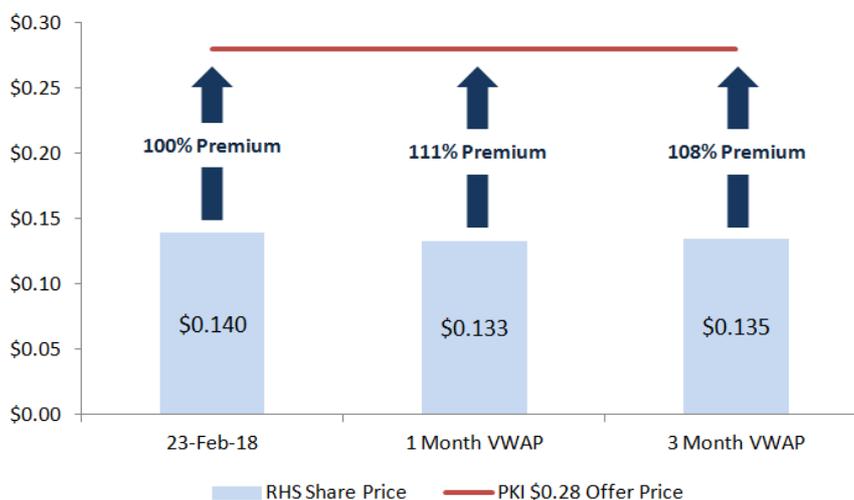
3. The Scheme Consideration represents a significant premium to historical RHS Share prices

The Scheme Consideration of \$0.28 in cash per RHS Share represents a premium of:

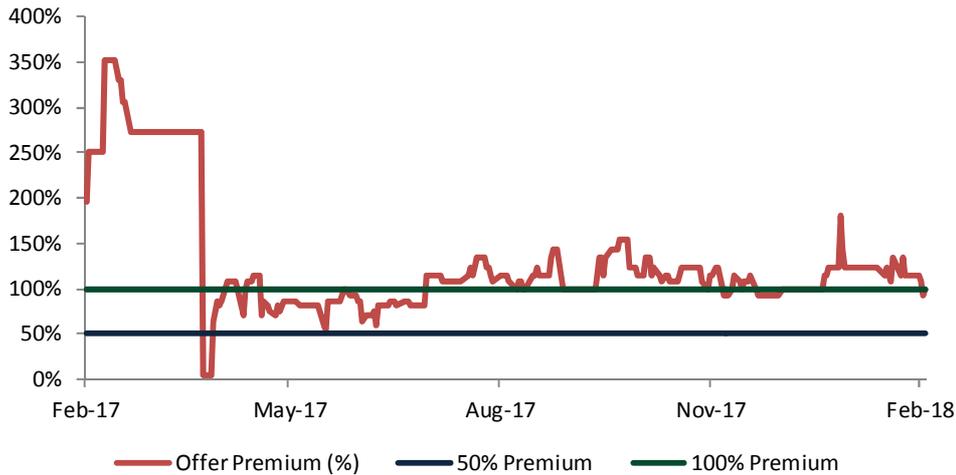
- 100% to the closing price of RHS Shares of \$0.14 on 23 February 2018, being the last trading day prior to 26 February 2018, being the date the Scheme was announced;
- 101% to the VWAP of RHS Shares in the 5 trading days before Monday, 26 February 2018, being the date the Scheme was announced;
- 111% to the VWAP of RHS Shares for the month before Monday, 26 February 2018 (being the date the Scheme was announced); and
- 108% to the VWAP of RHS Shares for the three months before Monday, 26 February 2018 (being the date the Scheme was announced).

The chart below illustrates the premium represented by the Scheme Consideration relative to historical trading prices of RHS Shares on the ASX prior to 26 February 2018, being the date the Scheme was announced.

Premium over historical share prices



Offer Premium vs Historic Price



Source: Iress

4. RHS Shareholders will receive certain and immediate value for their investment

The Scheme Consideration of \$0.28 in cash per RHS Share provides a high degree of certainty of value and timing, subject to the conditions precedent to the Scheme being satisfied or waived. Further details about the conditions precedent to the Scheme are detailed in Section 4.3 of this Scheme Booklet.

In the absence of the Scheme, the amount which RHS Shareholders would be able to realise for their investment in RHS would remain subject to various unpredictable factors, including (but not limited to):

- The prevailing economic environment and fluctuations in the share market.
- The speed at which RHS can commercialise its products, and any capital requirements to achieve this.
- Liquidity in RHS shares.

5. No superior proposal has emerged since the announcement of the Scheme

Since the announcement of the Scheme to the ASX by RHS on 26 February 2018, and up to the date of this Scheme Booklet, no superior proposal has emerged and the RHS Directors are not aware of any superior proposal that is likely to emerge.

6. The RHS Share price may fall to trading prices around or below those prior to the announcement of the Scheme if the Scheme is not implemented

If the Scheme is not approved and no superior proposal emerges, the RHS Share price is likely to fall to trading prices around or below those observed on or prior to 23 February 2018, being the last trading day prior to the announcement of the Scheme on 26 February 2018.

RHS has generally traded at levels significantly below the Scheme Consideration of \$0.28 in the twelve months up to and including 23 February 2018, being the last trading day prior to the announcement of the Scheme.

Furthermore, given RHS's last reported cash balance of \$852,580 on 31 December 2017, it is likely that RHS will need to raise capital if Scheme is not implemented, which could place further pressure on its share price.



Source: Iress

7. The Scheme removes the risks and uncertainties of remaining a RHS Shareholder

The certain value of \$0.28 in cash per RHS Share should be compared to the external and company-specific risks which RHS may be subject to and that could affect the future trading price of RHS Shares. Further details about the risks relevant to RHS are set out in Section 5.13 of this Scheme Booklet.

8. No transaction costs on the disposal of your RHS Shares

RHS Shareholders will not be required to pay any brokerage or stamp duty on the disposal of their RHS Shares under the Scheme.

Reasons why you may consider voting against the Scheme

This Section summarises the potential disadvantages to RHS Shareholders if the Scheme is successfully implemented.

The RHS Directors consider that these potential disadvantages are outweighed by the advantages of the Scheme proceeding (set out on pages 6 to 9 of this Scheme Booklet) and that the Scheme is in the best interests of RHS Shareholders, in the absence of a superior proposal.

Reasons why you may consider voting against the Scheme

- You may disagree with the RHS Directors' recommendation and the Independent Expert's conclusion that the Scheme is in the best interests of RHS Shareholders, in the absence of a superior proposal
- You may wish to participate in any potential upside that may result from remaining a RHS Shareholder
- You may believe a superior proposal for RHS may emerge
- You may wish to retain your current investment profile
- The potential tax consequences of the Scheme may not be suitable to your financial position

1. You may disagree with the RHS Directors' recommendation and the Independent Expert's conclusion

You may hold a different view to the RHS Directors and the Independent Expert and believe that the Scheme Consideration of \$0.28 in cash per RHS Share is inadequate.

2. You may wish to participate in any potential upside that may result from remaining a RHS Shareholder

Under the Scheme, you will receive total Scheme Consideration of \$0.28 in cash for each RHS Share you hold on the Scheme Record Date. If the Scheme is implemented, you will no longer participate in the future performance of RHS. This will mean that you will not retain any exposure to RHS's assets or have the potential to share in the value that could be generated in the future (including any potential future increases in revenues).

3. You may believe a superior proposal for RHS may emerge

You may believe that a superior proposal for RHS could emerge in the future. However, as at the date of this Scheme Booklet, the RHS Directors have not received or become aware of any alternative proposal.

4. You may wish to retain your current investment profile

You may wish to maintain your investment in RHS in order to have an investment in a publicly listed company with the specific characteristics of RHS in terms of industry, operational profile, size, capital structure and potential dividend stream.

Implementation of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. RHS Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of RHS and they may incur transaction costs in undertaking any new investment.

5. The potential tax consequences of the Scheme may not be suitable to your financial position

Implementation of the Scheme may result in taxation consequences, potentially including taxable capital gains, for RHS Shareholders, which will arise earlier than may otherwise have been the case.

Section 7 of this Scheme Booklet provides a general outline of the Australian taxation implications of the Scheme. You should read Section 7 in detail and seek independent taxation advice regarding the taxation consequences applicable to your own circumstances.

Other relevant considerations

RHS Shareholders should also take into account the following additional considerations in deciding whether to vote in favour of the Scheme.

1. If the Scheme does not proceed

If the Scheme does not proceed (e.g. because the Scheme is not approved by RHS Shareholders or the approval of the Court is not obtained at the Second Court Hearing or the Scheme Implementation Agreement is terminated):

- RHS Shareholders will continue to hold their RHS Shares and the rights of RHS Shareholders will not change;
- RHS Shareholders will not receive the Scheme Consideration;
- RHS will continue to operate as a standalone entity listed on the ASX under the leadership of the current RHS Board and management; and
- in the absence of a superior proposal, the market price for RHS Shares may fall.

See the section of the Independent Expert's Report titled "Reasonableness Assessment" for the Independent Expert's assessment of the implications if the Scheme is not approved and does not proceed.

RHS has incurred significant costs in respect of the Scheme. These costs include those incurred to conduct negotiations with PKI, retention of advisers, engagement of the Independent Expert and preparation of this Scheme Booklet. If the Scheme is not implemented, then RHS expects to incur total costs relating to the Scheme of approximately \$510,000.

If the Scheme is not implemented, the available funds under the Interim Funding Agreement will be restricted. Refer to section 5.6 for further information.

It is also likely that RHS will need to raise capital which would be dilutive to RHS Shareholders and may place further pressure on the RHS share price.

2. The Scheme may be implemented even if you do not vote, or if you vote against the Scheme

You should be aware that even if you do not vote, or you vote against the Scheme, the Scheme may still be implemented if it is approved by the requisite majorities of RHS Shareholders and by the Court.

If this occurs and you are a RHS Shareholder, your RHS Shares will be transferred to PKI Australia and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

3. Conditionality of the Scheme

There are a number of conditions precedent which must be satisfied or waived prior to the Scheme being implemented. Full details of these conditions are provided in Section 4.3 of this Scheme Booklet.

As at the date of this Scheme Booklet, RHS is not aware of any circumstances which would cause the outstanding conditions precedent not to be satisfied.

4. Break fees

RHS has agreed to pay PKI a break fee of \$251,777 (excluding GST) in certain circumstances. Please refer to the summary of the break fee arrangements set out in Section 4.8 of this Scheme Booklet.

A copy of the Scheme Implementation Agreement is set out in Appendix 2 to this Scheme Booklet.

5. Warranties from RHS Shareholders

RHS Shareholders' attention is drawn to the warranties that RHS Shareholders who participate in the Scheme will be deemed to have given, if the Scheme is implemented, including a warranty that their RHS Shares will be transferred fully paid and free from all mortgages, charges, liens, encumbrances, security interests and other interests of third parties of any kind. See clause 6.3 of the Scheme (as set out in Appendix 3 to this Scheme Booklet) for further information regarding the warranties given by RHS Shareholders. If the warranty is breached, RHS Shareholders may be liable to pay to PKI or PKI Australia any amount paid by PKI or PKI Australia to acquire clear title to their RHS Shares.

6. Exclusivity

RHS and PKI have entered into certain arrangements which restrict the ability of RHS to enter into discussions with potential rival bidders (subject to various exceptions) and require RHS to provide PKI with certain rights in respect of matching any alternative offers, if they arise. Refer to Section 4.7 of the Scheme Booklet for further information.

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1 Overview of the Scheme

1.1 Background

On 26 February 2018, RHS announced that it had signed a Scheme Implementation Agreement under which it is proposed that PKI or a Related Body Corporate of PKI will acquire all of the issued RHS Shares under a scheme of arrangement. On 16 March 2018, PKI nominated PKI Australia as the entity to acquire the RHS Shares.

Subject to the Scheme being implemented, all of the RHS Options will be cancelled under the Option Cancellation Deeds. Further information regarding the cancellation of the RHS Options can be found in Section 5.9 of this Scheme Booklet.

The Scheme is subject to a number of conditions precedent, details of which can be found in Section 4.3 of this Scheme Booklet.

1.2 Summary of the Scheme

Overview

The Scheme is proposed to be implemented by way of a scheme of arrangement, involving the transfer of all the RHS Shares to PKI Australia in consideration for the payment of \$0.28 in cash for each RHS Share held on the Scheme Record Date.

Conditions for implementing the Scheme

Implementation of the Scheme is subject to a number of conditions precedent being satisfied or (where applicable) waived, including, but not limited to, the following conditions precedent which remain outstanding as at the date of this Scheme Booklet:

- (a) approval of the Scheme by RHS Shareholders;
- (b) approval of the Scheme by the Court;
- (c) no occurrence of a RHS Material Adverse Change;
- (d) no occurrence of a RHS Prescribed Event or a PKI Prescribed Event;
- (e) the representations and warranties provided by RHS and PKI in the Scheme Implementation Agreement being true and correct in all material respects and the undertakings having been complied with in all material respects; and
- (f) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing any aspect of the Scheme being in effect.

As at the date of this Scheme Booklet, the RHS Directors are not aware of any circumstances which would cause the outstanding conditions precedent not to be satisfied or (where applicable) waived.

Further information regarding the conditions precedent to implementation of the Scheme is set out in Section 4.3 of this Scheme Booklet.

Scheme Consideration

The Scheme Consideration payable if the Scheme is implemented is \$0.28 in cash for each RHS Share held on the Scheme Record Date.

Further information regarding the Scheme Consideration is set out in Section 4.5 of this Scheme Booklet.

Effect of the Scheme

If the Scheme becomes Effective and is implemented:

- (a) PKI Australia will acquire all of the RHS Shares;
- (b) each Scheme Shareholder will receive \$0.28 in cash for each RHS Share held by them on the Scheme Record Date;
- (c) all of the RHS Options will be cancelled;
- (d) each holder of RHS Options will receive a cash amount calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration; and
- (e) RHS will become a subsidiary of PKI Australia and an application will be made to delist RHS from the ASX.

A copy of the Scheme is set out in Appendix 3 to this Scheme Booklet.

Steps for implementing the Scheme

There are a number of steps that need to be taken to implement the Scheme. These steps are described in greater detail in Section 4.2 of this Scheme Booklet.

1.3 Recommendation of RHS Directors

The RHS Directors unanimously believe the Scheme to be in the best interests of RHS Shareholders and unanimously recommend that RHS Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

The RHS Directors are:

- (a) Dr David Brookes, Non-Executive Chairman;
- (b) Dr Michelle Fraser, Managing Director & CEO;
- (c) Mr Johnathon Matthews, Non-Executive Director;
- (d) Ms Sue MacLeman, Non-Executive Director; and
- (e) Dr Colin Matthews (alternate for Mr Johnathon Matthews).

The interests of the RHS Directors in the Scheme are disclosed in Section 8 of this Scheme Booklet.

Each RHS Director who holds or controls the voting rights attached to RHS Shares intends to vote those shares, or procure that those shares are voted, in favour of the Scheme, in the absence of a superior proposal. This represents in total 14,262,037 RHS Shares, comprising all of the RHS Shares that RHS Directors have interests in, as set out in Section 8.2 of this Scheme Booklet.

In making their recommendations, the RHS Directors have in particular considered the following:

- (a) the advantages of, and the reasons for voting in favour of, the Scheme set out on pages 6 to 9 of this Scheme Booklet;
- (b) the potential disadvantages of, and reasons for voting against, the Scheme set out on pages 10 and 11 of this Scheme Booklet; and
- (c) the other relevant considerations noted on pages 12 and 13 of this Scheme Booklet.

1.4 Independent Expert's Report

Grant Thornton was appointed by the RHS Directors as the Independent Expert to prepare a report on whether the Scheme is in the best interests of RHS Shareholders.

The Independent Expert has concluded that the Scheme is, in the absence of a superior proposal, fair and reasonable and in the best interests of RHS Shareholders.

A copy of the Independent Expert's Report in relation to the Scheme is set out in Appendix 1 to this Scheme Booklet. You should read it carefully.

1.5 Approvals required

For the Scheme to be implemented, it must be approved by:

- (a) a majority (i.e. more than 50%) in number of RHS Shareholders present and voting on the Scheme Resolution (in person or by proxy, attorney or, in the case of a corporate RHS Shareholder, by a corporate representative);¹ and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by RHS Shareholders (in person or by proxy, attorney or, in the case of a corporate RHS Shareholder, by a corporate representative).

The Scheme Meeting has been convened for 11.00am (Adelaide time) on Tuesday, 22 May 2018 at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031.

The Scheme is also conditional on approval by the Court.

1.6 Entitlement to vote

All RHS Shareholders on the RHS Register at 6.30pm (Adelaide time) on Sunday, 20 May 2018 are entitled to vote at the Scheme Meeting.

For further details on how to vote, please refer to Section 3 of this Scheme Booklet.

1.7 Exclusivity arrangements

RHS Shareholders' attention is drawn to the exclusivity obligations agreed to by RHS, including "no shop" and "no talk" restrictions, full details of which can be found in clause 12 of the Scheme Implementation Agreement set out in Appendix 2 to this Scheme Booklet.

A summary of the exclusivity arrangements is set out in Section 4.7 of this Scheme Booklet.

1.8 Tax considerations for RHS Shareholders

A summary of the general Australian taxation implications of the Scheme for RHS Shareholders who are Australian residents for tax purposes is set out in Section 7 of this Scheme Booklet.

Your decision regarding how to vote on the Scheme should be made only after consultation with your financial, legal or other professional adviser based on your own investment objectives, financial situation, taxation position and particular needs.

¹ The Court has a discretion to approve the Scheme where it is approved by at least 75% of all votes cast on the Scheme Resolution but not by a majority in number of RHS Shareholders voting on the Scheme Resolution: refer to section 411(4)(a)(ii)(A) of the Corporations Act.

1.9 How to obtain further information

For further information, you can call RHS on +61 8 8152 9348 between 9.00am and 5.00pm (Adelaide time), Monday to Friday.

If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal or other professional adviser.

For personal use only

2 Key questions

This Section answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for RHS Shareholders and should be read together with all other sections of this Scheme Booklet.

Question	Answer	More information
QUESTIONS ABOUT THE SCHEME		
<p>Why have I received this Scheme Booklet?</p>	<p>This Scheme Booklet has been sent to you because you are a RHS Shareholder and RHS Shareholders are being asked to vote on a Scheme, which if approved will result in PKI Australia acquiring all RHS Shares. If you continue to hold RHS Shares on the Scheme Record Date and the Scheme becomes Effective, your RHS Shares will be acquired by PKI Australia for the Scheme Consideration.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.</p>	
<p>What is the Scheme?</p>	<p>On 26 February 2018, RHS announced that it had entered into the Scheme Implementation Agreement in relation to the Scheme. Pursuant to the Scheme Implementation Agreement, PKI (or its nominee) will acquire all the RHS Shares held on the Scheme Record Date by RHS Shareholders in exchange for the Scheme Consideration of \$0.28 cash for each RHS Share via scheme of arrangement.</p> <p>A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire another company.</p> <p>The Scheme is subject to a number of conditions precedent set out in clause 2.1 of the Scheme Implementation Agreement, and summarised in Section 4.3 of this Scheme Booklet.</p>	<p>Section 4 of this Scheme Booklet provides information on the implementation of the Scheme.</p> <p>A copy of the Scheme is contained in Appendix 3 of this Scheme Booklet.</p>
<p>What is the effect of the Scheme?</p>	<p>If the Scheme becomes Effective and is implemented:</p> <ul style="list-style-type: none"> (a) all RHS Shares as at the Scheme Record Date will be transferred to PKI Australia; (b) all RHS Options will be cancelled; (c) RHS will become a wholly owned subsidiary of PKI 	<p>Section 4.5 of this Scheme Booklet contains detailed information about the Scheme Consideration.</p>

Question	Answer	More information
	<p>Australia and an application will be made to delist RHS from the ASX; and</p> <p>(d) all RHS Shareholders at the Scheme Record Date (whether or not they voted for or against the Scheme) will receive the Scheme Consideration, being \$0.28 in cash per RHS Share.</p>	
QUESTIONS ABOUT PKI AND PKI AUSTRALIA		
Who is PKI and the PKI Group?	<p>PKI, an American multinational corporation listed on the New York Stock Exchange, is a global leader committed to innovating for a healthier world. In 2017, PKI reported revenue of approximately US\$2.3 billion and serves customers in more than 150 countries.</p> <p>PKI has a team of approximately 11,000 employees worldwide who are passionate about providing customers with an unmatched experience as they help solve critical issues especially impacting the diagnostics and discovery and analytical solutions markets.</p> <p>PKI's innovative detection, imaging, informatics, and service capabilities, combined with deep market knowledge and expertise, help customers gain earlier and more accurate insights to improve lives and the world around us.</p>	Section 6 of this Scheme Booklet contains detailed information about PKI and the PKI Group.
Who is PKI Australia and what are its intentions towards RHS?	<p>PKI Australia is an indirect wholly-owned subsidiary of PKI.</p> <p>PKI has irrevocably and unconditionally guaranteed to RHS the due and punctual performance by PKI Australia of all of its obligations under or in connection with each of the Scheme Implementation Agreement, the Deed Poll, the Scheme and the Option Cancellation Deeds.</p>	Section 6 of this Scheme Booklet contains detailed information about PKI Australia and its intentions.
ASSESSMENT OF THE SCHEME		
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is, in the absence of a superior proposal, fair and reasonable and in the best interests of RHS Shareholders.	A copy of the Independent Expert's Report is set out in Appendix 1 to this Scheme Booklet.
What do the RHS Directors recommend?	The RHS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal.	Pages 6 to 13 of this Scheme Booklet set out the reasons for the RHS Directors' unanimous

Question	Answer	More information
<p>How are the RHS Directors intending to vote?</p>	<p>Each of the RHS Directors who holds or controls RHS Shares intends to vote in favour of the Scheme in respect of all their RHS Shares, in the absence of a superior proposal. This represents in total 14,262,037 RHS Shares comprising all of the RHS Shares that RHS Directors have interests in, as set out in Section 8.2 of this Scheme Booklet.</p>	<p>recommendations.</p> <p>Section 1.3 of this Scheme Booklet contains more information about the recommendations and voting intentions of the RHS Directors.</p> <p>Details about the interests of the RHS Directors in RHS Shares are detailed in Section 8.2 of this Scheme Booklet.</p>
<p>What are the reasons to vote in favour of the Scheme?</p>	<p>Pages 6 to 9 set out the advantages of the Scheme proceeding and why RHS Shareholders may consider voting in favour of the Scheme.</p> <p>You should also review pages 12 and 13 of this Scheme Booklet which set out other considerations relevant to your assessment of the Scheme.</p>	<p>See the pages referred to in the adjacent column.</p>
<p>Are there any disadvantages associated with the Scheme or reasons not to vote in favour of the Scheme?</p>	<p>Pages 10 and 11 of this Scheme Booklet set out some of the potential disadvantages of the Scheme and reasons why you may consider voting against the Scheme.</p> <p>The RHS Directors unanimously believe that the potential advantages of the Scheme outweigh the potential disadvantages of the Scheme.</p> <p>However, RHS Shareholders should be aware of the potential disadvantages and risks related to the Scheme.</p>	<p>See the pages referred to in the adjacent column. You should also review pages 12 and 13 of this Scheme Booklet which set out other considerations relevant to your assessment of the Scheme.</p>
SCHEME CONSIDERATION		
<p>What is the Scheme Consideration?</p>	<p>If the Scheme becomes Effective and you hold RHS Shares at the Scheme Record Date, you will receive the Scheme Consideration.</p> <p>The Scheme Consideration comprises \$0.28 in cash for each RHS Share you hold at the Scheme Record Date.</p> <p>The Scheme Consideration will only be paid in respect of RHS Shares held at the Scheme Record Date.</p>	<p>Detailed information about the Scheme Consideration is provided in Section 4.5 of this Scheme Booklet.</p>
<p>When will I receive my Scheme Consideration?</p>	<p>If the Scheme becomes Effective and is implemented the Scheme Consideration to which you are entitled will be sent or paid to you on the Implementation Date. The</p>	<p>Refer to Section 4.5 of this Scheme Booklet for further information regarding the Scheme</p>

Question	Answer	More information
	Implementation Date is currently expected to occur on or about Thursday, 14 June 2018.	Consideration.
What are the tax implications of the Scheme?	Your decision on whether or not to vote in favour of the Scheme should be made only after your consultation with a financial, legal or other professional adviser based on your own investment objectives, financial situation, taxation position and particular needs.	A summary of the general Australian taxation implications of the Scheme for RHS Shareholders who are Australian residents for tax purposes is set out in Section 7 of this Scheme Booklet.
Will I have to pay any brokerage or stamp duty in relation to the Scheme?	You will not have to pay brokerage or stamp duty if your RHS Shares are acquired under the Scheme.	
SCHEME MEETING, VOTING AND APPROVAL		
What choices do I have as an RHS Shareholder?	As an RHS Shareholder, you have the following choices: <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your RHS shares on the ASX; or • do nothing. 	
Who is entitled to vote at the Scheme Meeting?	RHS Shareholders who are recorded on the RHS Register as the holder of RHS Shares as at 6.30pm (Adelaide time) on Sunday, 20 May 2018 are entitled to attend and vote at the Scheme Meeting.	See Section 3 of this Scheme Booklet for further information regarding how to vote.
When and where will the Scheme Meeting be held?	The Scheme Meeting is scheduled to be held at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 at 11.00am (Adelaide time) on Tuesday, 22 May 2018.	The Notice of Meeting for the Scheme Meeting is set out in Appendix 5 to this Scheme Booklet.
How do I vote?	You can vote at the Scheme Meeting: <ul style="list-style-type: none"> (a) by sending in the Proxy Form in accordance with the instructions set out on the Proxy Form and have your proxy attend the Scheme Meeting in person and vote on your behalf; (b) in person; or (c) by attorney. 	See Section 3 of this Scheme Booklet for further information regarding how to vote. A Proxy Form for the Scheme Meeting accompanies this Scheme Booklet.

Question	Answer	More information
	<p>RHS Shareholders which are bodies corporate can also vote at the Scheme Meeting through a corporate representative.</p>	
<p>Should I vote?</p>	<p>Voting is not compulsory. However, the RHS Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal, and urge you to exercise your right to vote at the Scheme Meeting.</p> <p>If the Scheme becomes Effective, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of the Scheme.</p> <p>Your vote is important.</p>	<p>Refer to pages 6 to 13 of this Scheme Booklet for further information regarding the RHS Directors' unanimous recommendations.</p> <p>Detailed information on how to vote is set out in Section 3 of this Scheme Booklet.</p>
<p>How do I vote if I am unable to attend the Scheme Meeting?</p>	<p>If you cannot attend the Scheme Meeting, you should complete and return the Proxy Form in accordance with the instructions set out on the Proxy Form and have your proxy attend the Scheme Meeting in person and vote on your behalf.</p>	<p>Detailed information on how to vote is set out in Section 3 of this Scheme Booklet.</p>
<p>Will I be bound by the Scheme if I do not vote or if I vote against the Scheme?</p>	<p>Yes, if the Scheme is approved and becomes Effective, then all RHS Shares held by you at the Scheme Record Date will be transferred to PKI Australia and you will receive the Scheme Consideration, notwithstanding that you did not vote, or that you voted against the Scheme.</p>	
<p>What is the approval threshold for the Scheme?</p>	<p>The Scheme Resolution must be approved by:</p> <ul style="list-style-type: none"> (a) a majority (i.e. more than 50%) in number of RHS Shareholders who vote on the Scheme Resolution (in person or by proxy, attorney or, in the case of a corporate RHS Shareholder, by a corporate representative); and (b) at least 75% of the total number of votes cast by RHS Shareholders on the Scheme Resolution (in person or by proxy, attorney or, in the case of a corporate RHS Shareholder, by a corporate representative). <p>The Court has a discretion to waive the first of these two requirements if it considers it appropriate to do so.</p>	<p>Further details of the approval thresholds required are set out in Section 1.5.</p>

Question	Answer	More information
	<p>Voting at the Scheme Meeting will be by poll.</p> <p>For the Scheme to become Effective, it must also be approved by the Court.</p>	
<p>Are there any conditions to the Scheme?</p>	<p>There are a number of conditions precedent which must be satisfied or waived prior to the Scheme being implemented.</p> <p>As at the date of this Scheme Booklet, RHS is not aware of any circumstances which would cause the outstanding conditions precedent not to be satisfied.</p>	<p>Further details of the conditions precedent are set out in Section 4.3 of this Scheme Booklet.</p>
<p>When will the results of the Scheme Meeting be known?</p>	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting on Tuesday, 22 May 2018 and will be announced to the ASX once available.</p> <p>Even if the Scheme Resolution is passed, the Scheme will be subject to the approval of the Court.</p>	
<p>What happens if the Scheme is not approved?</p>	<p>If the Scheme is not approved by the requisite majorities of RHS Shareholders, or if the Scheme is not approved by the Court, then the Scheme will not become Effective and will not proceed. RHS Shareholders will not receive the Scheme Consideration but will retain their RHS Shares and RHS will continue to operate as a standalone entity.</p>	<p>See Section 1.5 of this Scheme Booklet for further information on the required approvals.</p> <p>Further details of what will or may happen to RHS and RHS Shareholders if the Scheme does not proceed are set out on pages 8, 9 12 and 13 of this Scheme Booklet.</p>
<p>OTHER QUESTIONS</p>		
<p>What happens if a Superior Proposal emerges?</p>	<p>If a Superior Proposal emerges, this will be announced to the ASX and the RHS Directors will carefully consider the proposal and advise you of their recommendation.</p>	
<p>Is there a break fee payable?</p>	<p>Under the Scheme Implementation Agreement, RHS must pay to PKI a break fee of \$251,777 (excluding GST) if certain events occur.</p>	<p>Details of the circumstances in which the break fee will be payable are set out in Section 4.8 of this Scheme Booklet.</p>
<p>What if the Independent Expert changes its opinion?</p>	<p>The Independent Expert has concluded that the Scheme is, in the absence of a superior proposal, fair and reasonable and in the best interests of RHS Shareholders.</p>	<p>A copy of the Independent Expert's Report is set out in Appendix 1 to this Scheme Booklet.</p>

Question	Answer	More information
	<p>If the Independent Expert changes its opinion, this will be announced to the ASX and the RHS Directors will carefully consider the Independent Expert's revised opinion and advise you of their recommendation.</p>	
<p>Can I sell my RHS Shares now?</p>	<p>You can sell your RHS Shares on market at any time before the close of trading on the ASX on the Effective Date at the prevailing market price, in which case you will not receive any Scheme Consideration. The Effective Date is currently expected to be Wednesday, 30 May 2018.</p>	
<p>What is the form enclosed with this Scheme Booklet?</p>	<p>The form accompanying this Scheme Booklet is a Proxy Form.</p> <p>If you are unable or do not wish to attend the Scheme Meeting in person, you should complete the Proxy Form and return it in accordance with the instructions set out therein and have your proxy attend the Scheme Meeting in person and vote on your behalf.</p>	<p>Section 3 of this Scheme Booklet provides more detailed information on how to vote at the Scheme Meeting.</p>
FURTHER INFORMATION		
<p>How can I get further information if I have any questions?</p>	<p>For further information, you can call RHS on +61 8 8152 9348 between 9.00am and 5.00pm (Adelaide time), Monday to Friday.</p> <p>If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal or other professional adviser.</p>	

3 How to Vote

3.1 Scheme Meeting

The Scheme Meeting has been convened for 11.00am (Adelaide time) on Tuesday, 22 May 2018 at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031.

At the Scheme Meeting, RHS Shareholders will be asked to consider and, if thought fit, pass the following resolution:

“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between RHS and the RHS Shareholders, as more particularly set out in the Scheme Booklet accompanying this notice of meeting, is agreed to (with or without modification as approved by the Court).”

In order for the Scheme Resolution to be passed:

- (a) unless the Court orders otherwise, it must be approved by a majority (i.e. greater than 50%) in number of RHS Shareholders voting on the Scheme Resolution (in person or by proxy, attorney or, in the case of corporate RHS Shareholders, by a corporate representative);² and
- (b) those RHS Shareholders who vote in favour must cast at least 75% of the total number of votes cast by RHS Shareholders on the Scheme Resolution (in person or by proxy, attorney or, in the case of corporate RHS Shareholders, by a corporate representative).

Voting at the Scheme Meeting will be by poll.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the Scheme Meeting. The Scheme will not proceed unless the Scheme is approved by RHS Shareholders and the Court.

3.2 Entitlement to vote

All RHS Shareholders who are on the RHS Register as at 6.30pm (Adelaide time) on Sunday, 20 May 2018 will be entitled to vote at the Scheme Meeting.

If RHS Shares are jointly held, only one of the joint holders is entitled to vote. If more than one shareholder votes in respect of jointly held RHS Shares, only the vote of the shareholder whose name appears first on the RHS Register will be counted.

3.3 How to vote

You may vote in person at the Scheme Meeting. If you are unable to attend the Scheme Meeting in person, you may vote by using the Proxy Form or by a duly authorised attorney.

A corporate shareholder or corporate proxy may vote by corporate representative appointed pursuant to section 250D of the Corporations Act.

Further details are set out below:

² The Court has a discretion to approve the Scheme where it is approved by at least 75% of all votes cast on the Scheme Resolution but not by a majority in number of RHS Shareholders voting on the Scheme Resolution: refer to Section 411(4)(a)(ii)(A) of the Corporations Act.

(a) Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting commencing at 11.00am (Adelaide time) on Tuesday, 22 May 2018 at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031.

All persons attending the Scheme Meeting must register their attendance by disclosing their name at the point of entry to the meeting.

(b) Voting by proxy

If you cannot attend the Scheme Meeting, you may vote by proxy by completing and sending in the Proxy Form and have your proxy attend the Scheme Meeting in person and vote on your behalf. A proxy need not be a RHS Shareholder.

The Proxy Form (together with any power of attorney or other authority under which the Proxy Form is signed or a certified copy of that power of attorney or authority) must be:

- (i) posted to Link Market Services in the reply paid envelope provided or, if you are outside of Australia or do not otherwise use the reply paid envelope, to RHS Limited c/- Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138; or
- (ii) successfully transmitted by facsimile to RHS Limited c/- Link Market Services Limited on +61 2 9287 0309,

so that it is received by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018.

Your proxy should retain a copy of the Proxy Form (together with any power of attorney or other authority under which the Proxy Form is signed or a certified copy of that power of attorney or authority) to assist with admission to the Scheme Meeting.

Alternatively, you may submit your proxy vote online at www.linkmarketservices.com.au by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018. To use this facility you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode as shown on the Proxy Form.

(c) Voting by attorney

Alternatively, if you cannot attend the Scheme Meeting, you may have a duly authorised attorney attend and vote on your behalf. An attorney need not be a RHS Shareholder.

The power of attorney, or a certified copy of the power of attorney, should be lodged with Link Market Services before the Scheme Meeting or be brought to the meeting.

(d) Corporate representative

RHS Shareholders which are bodies corporate can also vote at the Scheme Meeting by having your corporate representative attend the Scheme Meeting in person and voting on your behalf. If a representative of a RHS Shareholder or corporate proxy is to attend the Scheme Meeting pursuant to section 250D of the Corporations Act, a certificate of appointment of the representative (or such other document as the Chairman of the Scheme Meeting considers sufficient together with any power of attorney or other authority under which the certificate or other

document is signed or a certified copy of that power of attorney or authority) should be lodged with Link Market Services prior to the Scheme Meeting or be brought to the meeting.

A form of certificate can be obtained from Link Market Services.

4 Implementation of the Scheme

4.1 Introduction

The Scheme is a scheme of arrangement under the Corporations Act. Schemes of arrangement are commonly used to give effect to the acquisition of one company by another company. A scheme of arrangement is an arrangement between a company and either its shareholders (or a class of shareholders) or its creditors (or a class of creditors) given effect in accordance with the Corporations Act.

The key terms of the Scheme, if approved and implemented, will involve:

- (a) the acquisition by PKI Australia of all of the RHS Shares as at the Scheme Record Date; and
- (b) the provision of the Scheme Consideration to RHS Shareholders who hold RHS Shares at the Scheme Record Date (currently expected to be 6.30pm (Adelaide time) Wednesday, 6 June 2018).

A copy of the Scheme is set out in full in Appendix 3 to this Scheme Booklet. This Section 4 explains the steps involved in implementing the Scheme.

The Scheme is subject to the satisfaction or waiver of a number of conditions precedent. These are described in Section 4.3 of this Scheme Booklet.

4.2 Steps in implementing the Scheme

(a) Execution of Scheme Implementation Agreement

On 24 February 2018, RHS and PKI entered into the Scheme Implementation Agreement under which RHS agreed to propose the Scheme to RHS Shareholders and RHS and PKI agreed to take all steps reasonably necessary to implement the Scheme.

On 16 March 2018, in accordance with clause 3.4 of the Scheme Implementation Agreement, PKI nominated PKI Australia (being an indirect wholly-owned subsidiary of PKI) to acquire all of the RHS Shares instead of PKI. In accordance with clause 3.4(b) of the Scheme Implementation Agreement, PKI irrevocably and unconditionally guarantees to RHS the due and punctual performance by PKI Australia of all of its obligations under or in connection with each of the Scheme Implementation Agreement, the Deed Poll, the Scheme and the Option Cancellation Deeds.

A copy of the Scheme Implementation Agreement is set out in Appendix 2 to this Scheme Booklet. Certain key aspects of the Scheme Implementation Agreement are summarised in Sections 4.7, 4.8 and 4.9 of this Scheme Booklet.

(b) Execution of Deed Poll by PKI and PKI Australia

On 10 April 2018, PKI and PKI Australia executed the Deed Poll pursuant to which PKI Australia agreed, subject to the Scheme becoming Effective, to provide to each RHS Shareholder as at the Scheme Record Date the Scheme Consideration to which that shareholder is entitled under the Scheme. A copy of the Deed Poll is included in Appendix 4 to this Scheme Booklet.

Details regarding the Scheme Consideration are set out in Section 4.5 of this Scheme Booklet.

(c) Scheme Meeting

On 17 April 2018, the Court ordered that RHS convene the Scheme Meeting at 11.00am (Adelaide time) on Tuesday, 22 May 2018 at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 for the purpose of RHS Shareholders considering and, if thought fit, approving the Scheme.

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting. The required approval thresholds are set out in Section 1.5 of this Scheme Booklet.

The Notice of Meeting for the Scheme Meeting is set out in Appendix 5 to this Scheme Booklet.

The vote at the Scheme Meeting will be conducted by poll.

All RHS Shareholders who are on the RHS Register as at 6.30pm (Adelaide time) on Sunday, 20 May 2018 will be entitled to vote at the Scheme Meeting.

(d) Court order approving the Scheme

In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing.

RHS will apply to the Court for an order approving the Scheme, if the Scheme is approved by the requisite majorities of RHS Shareholders voting at the Scheme Meeting³ and all other conditions to the Scheme (other than approval of the Court) have been satisfied or waived.

Each RHS Shareholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Scheme.

The Court may refuse to approve the Scheme or may approve the Scheme subject to conditions or variations, even if the Scheme is approved by the requisite majorities of RHS Shareholders.

(e) Implementation of the Scheme

The Implementation Date of the Scheme is the date which is five Business Days after the Scheme Record Date, or such other date agreed by RHS and PKI in writing, ordered by the Court or as may be required by the ASX.

On the Implementation Date of the Scheme, subject to the provision of the Scheme Consideration as described in Section 4.5 of this Scheme Booklet, all of the RHS Shares, together with all rights and entitlements attaching to the RHS Shares, will be transferred to PKI Australia, without the need for any further act by any RHS Shareholder (other than acts performed by RHS or its officers as agent and attorney of the RHS Shareholders) by:

- (i) RHS delivering to PKI Australia a duly completed and executed share transfer form to transfer all of the RHS Shares to PKI Australia; and
- (ii) PKI Australia duly executing that share transfer form and delivering it to RHS for registration.

³ The Court has a discretion to approve the Scheme where it is approved by at least 75% of all votes cast on the Scheme Resolution but not by a majority in number of RHS Shareholders voting on the Scheme Resolution: refer to section 411(4)(a)(ii)(A) of the Corporations Act.

Immediately following receipt of the duly executed share transfer form, RHS will register PKI Australia as the holder of all of the RHS Shares.

(f) Removal from official quotation

Following the Implementation Date of the Scheme, RHS will request the ASX to end official quotation of RHS Shares and remove RHS from the official list of the ASX.

4.3 Conditions precedent

The Scheme will not proceed unless all of the conditions precedent set out in clause 2.1 of the Scheme Implementation Agreement are satisfied or, where applicable, have been waived in accordance with the Scheme Implementation Agreement. In summary, the conditions precedent are as follows:

(a) Conditions for the benefit of both RHS and PKI

The following conditions precedent were included in the Scheme Implementation Agreement for the benefit of both RHS and PKI. Waiver of any breach or non-fulfilment of any of these conditions requires the written consent of both RHS and PKI:

- (i) **Independent Expert:** the Independent Expert concludes that the Scheme is in the best interests of RHS Shareholders and does not withdraw or adversely modify that conclusion before 8.00am (Adelaide time) on the Second Court Date;
- (ii) **ASIC and ASX:** by no later than 8.00am (Adelaide time) on the Second Court Date, ASIC and ASX have issued or provided such consents, confirmations or approvals or have done such other acts which RHS and PKI agree are reasonably necessary or desirable to implement the Scheme, and such consents, confirmations, approvals or other acts have not been revoked; and
- (iii) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing, or could reasonably be expected to prevent, any aspect of the Scheme is in effect as at 8.00am (Adelaide time) on the Second Court Date.

(b) Conditions for the benefit of RHS only

The following conditions were included in the Scheme Implementation Agreement for the sole benefit of RHS. Only RHS can waive any breach or non-fulfilment of these conditions:

- (i) **No PKI Prescribed Event:** no PKI Prescribed Event occurs between the date of the Scheme Implementation Agreement and 8.00am (Adelaide time) on the Second Court Date; and
- (ii) **PKI Representations, Warranties and Undertakings:** the representations and warranties of PKI set out in clause 9.2 of the Scheme Implementation Agreement are true and correct in all material respects on the date of the Scheme Implementation Agreement and as at 8.00am (Adelaide time) on the Second Court Date and the undertakings in that clause have been complied with in all material respects as at 8.00am (Adelaide time) on the Second Court Date.

(c) **Conditions for the benefit of PKI only**

The following conditions were included in the Scheme Implementation Agreement for the sole benefit of PKI. Only PKI can waive any breach or non-fulfilment of these conditions:

- (i) **No RHS Prescribed Event:** no RHS Prescribed Event occurs between the date of the Scheme Implementation Agreement and 8.00am (Adelaide time) on the Second Court Date;
- (ii) **No RHS Material Adverse Change:** no RHS Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to PKI between the date of the Scheme Implementation Agreement and 8.00am (Adelaide time) on the Second Court Date;
- (iii) **RHS Representations, Warranties and Undertakings:** the representations and warranties of RHS set out in clause 9.1 of the Scheme Implementation Agreement are true and correct in all material respects on the date of the Scheme Implementation Agreement and as at 8.00am (Adelaide time) on the Second Court Date and the undertakings in that clause have been complied with in all material respects as at 8.00am on the Second Court Date;
- (iv) **RHS Options:** All RHS Options are:
 - (A) the subject of binding Option Cancellation Deeds or alternate binding arrangements under which the RHS Options will be cancelled, vested or acquired by PKI or a Related Body Corporate of PKI on terms satisfactory to PKI; and
 - (B) such arrangements are unconditional, other than in respect of the Scheme becoming Effective.

(d) **Conditions that cannot be waived**

The following conditions relate to mandatory legal requirements which cannot be waived by RHS and PKI:

- (i) **RHS Shareholder approval of Scheme:** before 8.00am (Adelaide time) on the Second Court Date, the Scheme Resolution is approved by RHS Shareholders at the Scheme Meeting by the requisite majorities required under section 411(4)(a)(ii) of the Corporations Act; and
- (ii) **Court approval:** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme on the Second Court Date either unconditionally or on such conditions acceptable to RHS and PKI (such acceptance not to be unreasonably withheld).

4.4 Status of conditions precedent

Based on the information available to RHS as at the date of this Scheme Booklet, the following conditions precedent are expected to be satisfied:

- (a) **Independent Expert:** the Independent Expert has given a report to RHS that in its opinion the Scheme is, in the absence of a superior proposal, in the best interests of RHS Shareholders. A copy of the Independent Expert's Report is set out in Appendix 1 to this Scheme Booklet; and
- (b) **RHS Options:** as at the date of this Scheme Booklet, RHS and PKI have entered into the Option Cancellation Deeds on terms and conditions reasonably satisfactory to PKI with each of the holders of the RHS Options under which all of

the RHS Options will be acquired by PKI Australia on the Implementation Date and then cancelled with effect from that date for cash consideration of an amount per RHS Option calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration.

If any of the conditions precedent are not satisfied or (where appropriate) waived by the time or date specified for their satisfaction or if there is an omission or occurrence which will prevent a condition precedent being satisfied by the time or date so specified or, if no time or date is specified, by the End Date, then either PKI or RHS may serve notice on the other and then RHS and PKI will consult in good faith to determine whether:

- (a) the Scheme may proceed by way of alternative means or methods;
- (b) to extend the relevant time or date for satisfaction of the condition precedent;
- (c) to change the date of the application to be made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties and, if required, approved by the Court (being a date no later than five Business Days before the End Date); and/or
- (d) to extend the End Date.

If RHS and PKI are unable to reach agreement regarding an appropriate course of action within the shorter of:

- (a) five Business Days following the date of a notice that a condition precedent has not been satisfied or waived, or is prevented from being satisfied, by the time for satisfaction; or
- (b) the period commencing on the date of a notice that a condition precedent has not been satisfied or waived, or is prevented from being satisfied, by the time for satisfaction and ending at 8.00am (Adelaide time) on the Second Court Date,

either of them may, provided that it has complied with its obligations (if any) in respect of that condition precedent and the relevant condition precedent is for its benefit (whether solely or jointly with the other party) or cannot be waived, terminate the Scheme Implementation Agreement by notice in writing to the other party.

Each of the conditions precedent, other than Court approval, must be satisfied or (where appropriate) waived by the Second Court Hearing. As at the date of lodgement of this Scheme Booklet with ASIC for registration, RHS is not aware of any circumstances which would cause the outstanding conditions precedent not to be satisfied or (where appropriate) waived in accordance with the terms of the Scheme Implementation Agreement.

4.5 Scheme Consideration

If the Scheme is implemented, RHS Shareholders will receive the Scheme Consideration equal to \$0.28 in cash for each RHS Share held by them as at the Scheme Record Date.

Pursuant to clause 4.3 of the Scheme, the obligation of PKI to pay the Scheme Consideration will be deemed to be satisfied if PKI Australia by no later than the Business Day before the Implementation Date, deposits in cleared funds into an account established by, or on behalf of, RHS and in the name of RHS (**Trust Account**), an amount equal to the aggregate Scheme Consideration payable to all RHS Shareholders such amount to be held on trust by RHS for the RHS Shareholders (except that any interest on the amount will be for the benefit of PKI Australia), for the purpose of RHS paying the Scheme Consideration to the RHS Shareholders.

Subject to PKI Australia depositing the aggregate Scheme Considerations into the Trust Account, RHS must on the Implementation Date, pay from the Trust Account to each RHS Shareholder an amount equal to the Scheme Consideration due to that RHS Shareholder.

RHS will pay the Scheme Consideration to RHS Shareholders by:

- (a) depositing the relevant amount into the RHS Shareholder's bank account notified by the RHS Shareholder to RHS and recorded in the RHS Register as at the Scheme Record Date; or
- (b) if RHS has not been notified of the RHS Shareholder's bank account, by sending the RHS Shareholder a cheque for the relevant amount.

In the case of RHS Shares held in joint names, any cheque required to be paid will be payable to the joint holders and forwarded to the registered address as it appears on the RHS Register as at the Scheme Record Date.

Based on an expected Implementation Date of Thursday, 14 June 2018, the Scheme Consideration is expected to be sent or paid to RHS Shareholders on that date.

4.6 Determination of persons entitled to Scheme Consideration

RHS Shareholders whose names appear on the RHS Register as at the Scheme Record Date, expected to be 6.30pm (Adelaide time) on Wednesday, 6 June 2018, will be entitled to receive the Scheme Consideration under the Scheme.

Dealings on or prior to the Scheme Record Date

For the purpose of establishing the persons who are entitled to participate in the Scheme, dealings in RHS Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the RHS Register as a holder of the relevant RHS Shares as at 6.30pm (Adelaide time) on the Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the RHS Register is maintained by 5.00pm (Adelaide time) on the Scheme Record Date.

RHS will not accept registration or recognise for any purpose any transmission application or transfer in respect of RHS Shares received after such times or received prior to those times but not in registrable form.

Dealings after the Scheme Record Date

For the purposes of determining entitlements to Scheme Consideration, RHS will, until the Scheme Consideration has been paid to RHS Shareholders, maintain the RHS Register in accordance with the terms of the Scheme, and the RHS Register in this form will solely determine entitlements to the Scheme Consideration.

As from 6.30pm (Adelaide time) on the Scheme Record Date (other than for PKI Australia after the Implementation Date), each entry current on the RHS Register will cease to be of any effect other than as evidence of entitlement of RHS Shareholders to the Scheme Consideration in respect of the RHS Shares relating to that entry.

Any share statements of holding in respect of RHS Shares shall, from the Scheme Record Date, cease to have any effect as documents of evidence of title in respect of such RHS Shares.

4.7 **Exclusivity Arrangements**

Under the Scheme Implementation Agreement, RHS has agreed to certain exclusivity obligations including “no shop” and “no talk” restrictions, full details of which can be found in clause 12 of the Scheme Implementation Agreement set out in Appendix 2 to this Scheme Booklet. These restrictions apply to RHS from the date of the Scheme Implementation Agreement until the first to occur of:

- (a) the date the Scheme Implementation Agreement is terminated in accordance with its terms;
- (b) the Implementation Date (which is currently expected to be Thursday, 14 June 2018); and
- (c) the End Date (which is 31 July 2018, or such later date as RHS and PKI agree in writing),

(Exclusivity Period).

(a) No shop restriction

Under the no shop restriction (referred to in the Scheme Implementation Agreement as “solicited proposals”), during the Exclusivity Period, RHS must not, and must ensure that its representatives do not, directly or indirectly solicit, invite or encourage, or initiate any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining any offer, expression of interest or proposal from any person in relation to, or that may reasonably be expected to encourage or lead to the making of, a Competing Proposal.

(b) No talk restriction and no due diligence

Under the no talk and no due diligence restriction, during the Exclusivity Period, RHS must not, and must ensure that its representatives do not, enter into, continue or participate in negotiations or discussions with, any person regarding or in connection with a Competing Proposal (or potential Competing Proposal) and RHS must not, and must ensure that its representatives do not:

- (i) solicit, initiate, facilitate or encourage any party (other than PKI or its representatives) to undertake due diligence on RHS or its Related Bodies Corporate; or
- (ii) make available to any other person (other than PKI or its representatives) or permit such person to receive any non-public information relating to RHS or its Related Bodies Corporate or any of their businesses and operations.

The no talk and no due diligence restriction does not apply in relation to any Unsolicited Competing Proposal if the RHS Board, acting in good faith, after consultation with RHS’s financial advisers and after receiving written legal advice from its external legal advisers, determines that the Unsolicited Competing Proposal is, or if it was proposed is, reasonably capable of becoming a Superior Proposal and that failure to take such action (where such action would otherwise be prevented by the Scheme Implementation Agreement) would involve, or would be likely to involve, a breach of the RHS Board’s fiduciary or statutory duties.

(c) Notice of Competing Proposal

If RHS or, so far as it is aware, any of its representatives is approached (directly or indirectly) during the Exclusivity Period, RHS must promptly inform PKI in writing of:

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- (i) any approach, inquiry or proposal made by any person to RHS or any of its representatives, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
 - (ii) any request made by any person (other than PKI and its representatives) to RHS or any of its representatives, for any non-public information relating to RHS, its Related Bodies Corporate, or any of their businesses and operations.

A notice provided by RHS to PKI for this purpose must contain:

- (iii) the fact of that approach and the identity of the person who made the approach; and
- (iv) details of the expression of interest and/or proposal or proposed Competing Proposal made by the person making the approach and details of any discussions between such persons and RHS (or its representatives).

(d) PKI response to a Competing Proposal

During the Exclusivity Period, RHS must not recommend a Competing Proposal, or enter into any agreement, arrangement or understanding to undertake or facilitate a Competing Proposal, and must ensure that each member of the RHS Board does not change its recommendation or voting intention as a consequence of receiving a Competing Proposal, unless it has first:

- (i) notified PKI in writing of the material terms of the Competing Proposal and the person or persons proposing the Competing Proposal; and
- (ii) given PKI at least five Business Days after provision of that information in which to provide a matching or superior deal to the relevant Competing Proposal (**PKI Counter Proposal**).

RHS must use its reasonable endeavours to procure that the RHS Directors consider any PKI Counter Proposal in good faith and, if the RHS Directors determine that the terms and conditions of the PKI Counter Proposal taken as a whole are no less favourable than those of the relevant Competing Proposal, RHS and PKI must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the PKI Counter Proposal as soon as reasonably practicable, and RHS must use its reasonable endeavours to procure that each of the RHS Directors makes a public statement to the RHS Shareholders recommending the PKI Counter Proposal to the RHS Shareholders (subject to there being no further superior proposal in respect of RHS and the Independent Expert concluding that the PKI Counter Proposal is in the best interests of RHS Shareholders).

Each successive material modification of a Competing Proposal will constitute a new Competing Proposal in respect of which RHS must comply with the above PKI matching right obligations.

4.8 Break Fee

Clause 14 of the Scheme Implementation Agreement provides that:

- (a) RHS believes the Scheme will provide significant benefits to RHS and the RHS Shareholders and that PKI will incur significant costs in connection with performing its obligations under the Scheme Implementation Agreement and the Scheme;

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- (b) PKI has requested that provision be made for the payment of a break fee of \$251,777 (excluding GST) (**Break Fee**), without which it would not have entered into the Scheme Implementation Agreement; and
 - (c) RHS believes that it is appropriate to agree to the payment of the Break Fee in order to secure the participation of PKI in the Scheme. Further, RHS acknowledges that the amount of the Break Fee is an amount which represents a reasonable estimate of PKI's external and internal costs and opportunity costs in connection with the Scheme and the Option Cancellation Deeds.

RHS has agreed to pay the Break Fee to PKI if:

- (a) RHS is in material breach of any provision of the Scheme Implementation Agreement (including a material breach of a representation or warranty) and the Scheme Implementation Agreement is terminated as a result of that material breach;
- (b) any member of the RHS Board adversely changes, or withdraws, their recommendation that the Scheme is in the best interests of RHS Shareholders, or makes any public statement that they have adversely changed, or withdrawn, their recommendation that the Scheme is in the best interests of RHS Shareholders; or makes an announcement in support of a Competing Proposal or any other transaction or arrangement that would be likely to substantially reduce the likelihood of success of the Scheme; or does not vote any RHS Shares in which they have a relevant interest in favour of the Scheme; or announces an intention to do any of those acts, other than in circumstances:
 - (i) where the Scheme:
 - (A) is not implemented by the End Date; or
 - (B) becomes incapable, for any reason, of being implemented by the End Date because a condition precedent to the Scheme has not been satisfied or becomes incapable of being satisfied (other than as a result of a breach by RHS of any obligation it may have in the Scheme Implementation Agreement);
 - (ii) where RHS validly terminates the Scheme Implementation Agreement due to a material breach by PKI of any provision of the Scheme Implementation Agreement; or
 - (iii) where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme is not in the best interests of RHS Shareholders other than because of the existence of a Competing Proposal;
- (c) RHS enters into a binding agreement to effect a Competing Proposal (whether or not subject to conditions) before the date on which the Scheme Implementation Agreement is validly terminated;
- (d) a Competing Proposal is announced or made before the date on which the Scheme Implementation Agreement is terminated and, within 12 months after that announcement or proposal is made, the person who announced or made the Competing Proposal or any Associate of that person completes or implements that Competing Proposal in all material respects or acquires a relevant interest in at least 50% of the RHS Shares, or enters into a binding agreement to complete or implement such proposal other than in circumstances:

- For personal use only
- (i) where RHS validly terminates the Scheme Implementation Agreement due to a material breach by PKI of any provision of the Scheme Implementation Agreement; or
 - (ii) where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme is not in the best interests of RHS Shareholders other than because of the existence of a Competing Proposal; or
- (e) PKI validly terminates the Scheme Implementation Agreement as a consequence that the condition precedent in clause 2.1(f) (No RHS Prescribed Event) of the Scheme Implementation Agreement, is not satisfied or waived and as a consequence the Scheme is not, or is not capable of being implemented other than in circumstances where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme is not in the best interests of RHS Shareholders other than because of the existence of a Competing Proposal,

provided that in all cases the Break Fee will not be payable if the Scheme (or a PKI Counter Proposal as described in Section 4.7(d) of this Scheme Booklet) is implemented with PKI or PKI Australia.

The Break Fee is not payable merely because RHS Shareholders do not approve the Scheme.

4.9 Termination of the Scheme Implementation Agreement

Either RHS or PKI may terminate the Scheme Implementation Agreement by notice in writing to the other:

- (a) in the circumstances summarised in Section 4.4 of this Scheme Booklet (relating to the non-satisfaction of a condition precedent);
- (b) before 8.00am (Adelaide time) on the Second Court Date, if the other party (**defaulting party**) is in breach of any provision of the Scheme Implementation Agreement (including a breach of a representation or warranty) and:
 - (i) that breach is material;
 - (ii) the non-defaulting party has given prompt written notice to the defaulting party setting out the breach; and
 - (iii) if the breach is capable of remedy, the breach is not remedied by the defaulting party within five Business Days (or such shorter period ending at 11.59pm (Adelaide time) on the Business Day before the Second Court Date) of it receiving a notice under sub-paragraph (ii);
- (c) before 8.00am on the Second Court date, if the Independent Expert concludes (whether in its original or and subsequent opinion) that the Scheme is not in the best interest of RHS Shareholders;
- (d) before 5.00pm (Adelaide time) on the Business Day before the Second Court Date, if at the Scheme Meeting or any adjournment or postponement of it at which the Scheme is voted on, the Scheme is not approved by the requisite majority of RHS Shareholders required under the Corporations Act; or
- (e) if the Scheme has not been implemented by the End Date, or becomes incapable, for any reason, of being implemented by the End Date.

Further, PKI may terminate the Scheme Implementation Agreement by notice in writing to RHS before 8.00am (Adelaide time) on the Second Court Date, if:

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- (a) one or more RHS Directors who have a relevant interest in RHS Shares adversely varies their statement of intention to vote those RHS Shares, or procure that those RHS Shares are voted, in favour of the Scheme; or
 - (b) the RHS Board recommends, promotes or otherwise endorses a Competing Proposal; or
 - (c) before 8.00am on the Second Court Date, one or more of the RHS Directors withdraws or adversely varies their:
 - (i) statement that they consider the Scheme to be in the best interests of RHS Shareholders; or
 - (ii) recommendation that RHS Shareholders vote in favour of the Scheme; anddue to that withdrawal or variation, fewer than a majority of the RHS Directors continue to:
 - (iii) consider the Scheme to be in the best interests of RHS Shareholders; or
 - (iv) recommend that RHS Shareholders vote in favour of the Scheme.

RHS may also terminate the Scheme Implementation Agreement by notice in writing to PKI before 8.00am (Adelaide time) on the Second Court Date:

- (a) if only as permitted to do so under the Scheme Implementation Agreement, one or more of the RHS Directors withdraws or adversely varies their:
 - (i) statement that they consider the Scheme to be in the best interests of RHS Shareholders; or
 - (ii) recommendation that RHS Shareholders vote in favour of the Scheme; anddue to that withdrawal or variation, fewer than a majority of the RHS Directors continue to:
 - (iii) consider the Scheme to be in the best interests of RHS Shareholders; or
 - (iv) recommend that RHS Shareholders vote in favour of the Scheme.

RHS and PKI can also terminate the Scheme Implementation Agreement by written agreement between them.

If the Scheme Implementation Agreement is terminated, RHS, PKI and PKI Australia will no longer be obliged to proceed with the Scheme.

5 Information about RHS

5.1 Responsibility for information

The information set out in this Section 5 was prepared by RHS and RHS is responsible for the information contained in this Section 5.

5.2 Background

Tools developed by RHS and other companies over the past few years are enabling more accurate analysis of one cell at a time. The results from the testing of single cells have impacted our understanding of why IVF embryos succeed or fail to implant, and why some cancer patients respond to chemotherapy whilst others don't as examples of the technologies relevance. These technical advances are also being used in applied research for non-invasive testing during pregnancy and cancer diagnosis and monitoring from blood samples for personalised medicine.

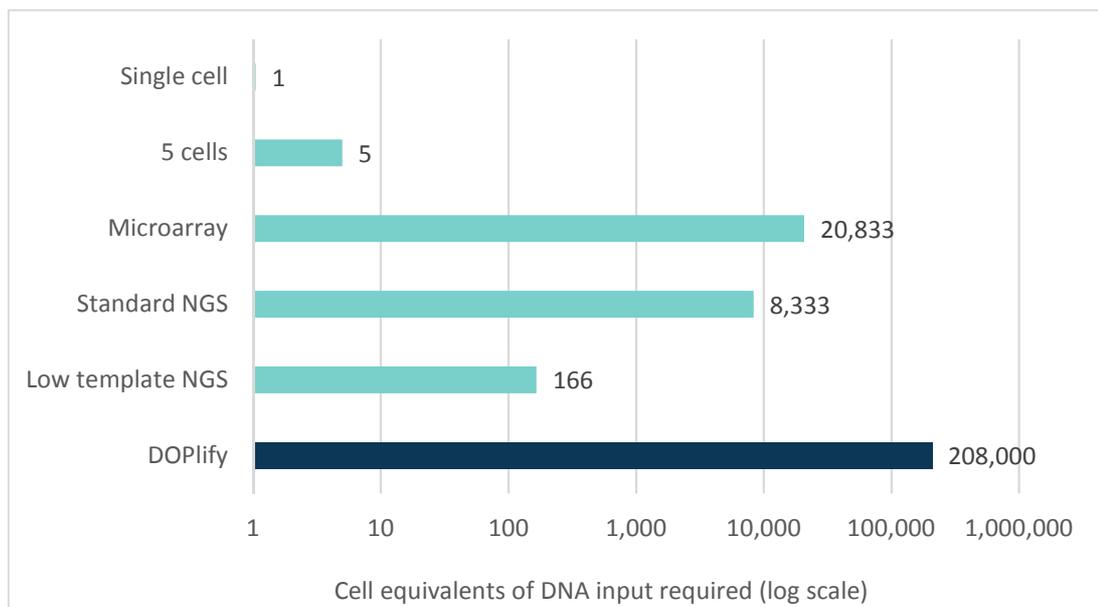
Whilst these examples are focussed on human health, single cell genomics also has much broader applications, including investigating ancient DNA samples and possibly improving the sensitivity of forensic sample analysis.

Since its inception, RHS has built an experienced team and significant know-how in the handling and testing of single cells. RHS is located in the TechInSA Incubator in the heart of the Thebarton biotechnology precinct in Adelaide, South Australia.

5.3 Overview of RHS

(a) The Basis of RHS's Products

For instruments to be able to genetically analyse DNA, there is often need for the equivalent DNA content of thousands of cells. Whole Genome Amplification (WGA) is used to provide enough DNA to test when there are not enough cells available. RHS has developed its WGA kit DOPlify® that copies the DNA of one cell to be the equivalent of approximately two hundred thousand cells. RHS with DOPlify® has a core technology platform that is optimised to take DNA from a single cell and amplify it, resulting in a sample that can then be sequenced and analysed.



Using DOPlify® as part of the sample preparation process provides a basis for downstream genetic analysis workflows, including Next Generation Sequencing and microarrays.

RHS has been applying this experience in single cell genetic analysis to develop its PG-Seq™ and EmbryoCollect® products, specifically tailored for IVF embryo biopsy testing.

Additionally, DOPlify® is being evaluated for liquid biopsy applications, including analysing fetal cells found in a mother's blood and circulating tumour cells found in the blood of cancer patients.

(b) RHS Product Positioning

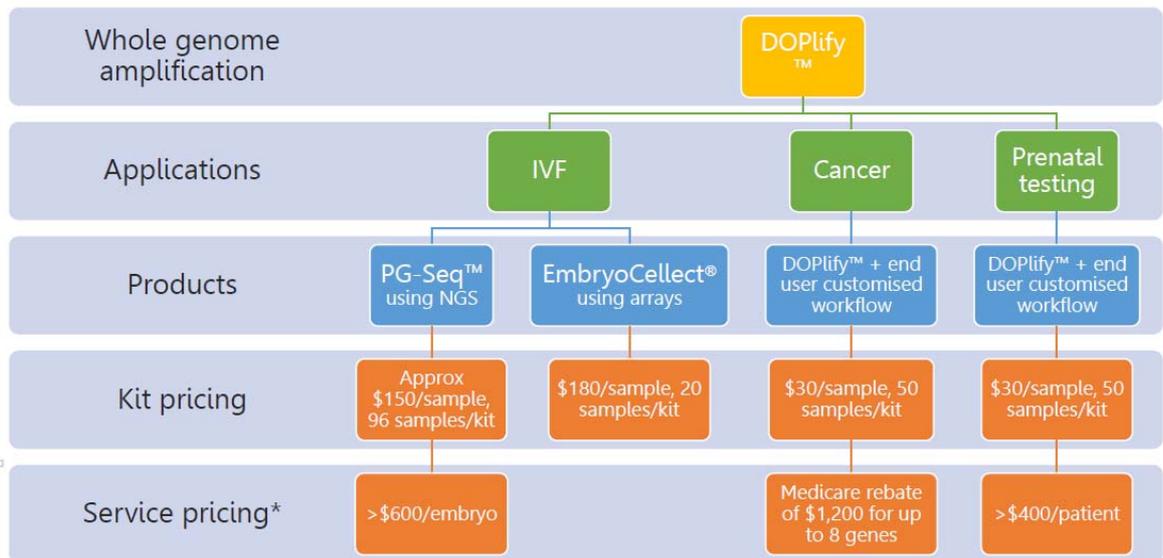
RHS is a developer of advanced single cell genomic technologies with a focus on improving health and research outcomes. RHS's principal activities are the development and marketing of its lead products DOPlify® (a Whole Genome Amplification kit), PG-Seq™ (a kit for Pre-implantation Genetic Screening of Aneuploidy (PGT-A) using Next Generation Sequencing) and EmbryoCollect® (a kit for PGT-A using array comparative genomic hybridisation). DOPlify® and EmbryoCollect® are currently in the market for global sales with PG-Seq™ being launched in mid-2018.

RHS started out within the Department of Obstetrics and Gynaecology at the University of Adelaide focused on developing single cell genomic technologies. In 2004, our founding scientists published one of the very first papers on the use of microarrays for identifying whole chromosomal abnormalities within embryos for IVF, now known as Preimplantation Genetic Testing for Aneuploidy (PGT-A). This research led to the development of EmbryoCollect® and the paper formed the basis for patents granted in Australia, the USA, Europe, China, New Zealand, Hong Kong and Canada that are exclusively licenced to RHS. Importantly, the optimisation of EmbryoCollect led to the development of a standalone WGA (Whole Genome Amplification) kit which is now known as DOPlify®.

RHS have continued to innovate around our technologies to meet the rapidly evolving needs of the IVF market. To provide additional higher resolution information such as sub-chromosomal changes, RHS developed PG-Seq™, a complete Next Generation Sequencing (NGS) solution. By then further extending the PG-Seq™ workflow with Targeted Sequence Enrichment of genetic areas of interest such as sites of disease, RHS have developed a patented workflow to perform both PGT-A and Preimplantation Genetic Testing for Monogenic Disorders (PGT-M) consecutively from the same sample.

During 2017, RHS commenced a collaboration with Monash IVF Group to further adapt our technology to allow for non-invasive PGT-A using the culture media that the embryo has been growing in. This advance is a significant change to embryo testing as a biopsy is not required and no cells are removed from the embryo. RHS are able to take cell free DNA of the IVF embryo from the spent culture media surrounding it and analyse the DNA that has been released by the embryo.

The RHS products and their applications are summarised further below. In addition, RHS also provides services to IVF clinics for embryo testing using its products.



(c) **RHS Products & Services**

DOPlify®

DOPlify® captures RHS' exclusive know-how for the lysis and whole genome amplification of single or small numbers of cells, accurately multiplying the limited DNA in a single cell ready for analysis. The products from DOPlify® are suitable for a wide range of applications including but not limited to, Next Generation Sequencing, microarrays (aCGH) or primer-specific PCR. These platforms can be used for the detection of a range of clinically relevant genetic changes such as copy number changes, segmental DNA changes, genome monitoring, SNP (Single Nucleotide Polymorphism) analysis, mitochondrial DNA load assessment and mutation detection, as examples.

EmbryoCollect®

RHS was founded for the commercialisation of its first released product, EmbryoCollect®. This kit uses microarray technology (array Comparative Genomic Hybridisation or a CGH) to compare the number of chromosomes in a sample cell to a known reference. The samples are labelled with different fluorescent dyes and the amount of fluorescence is measured and compared for each chromosome. The result provides a reliable and straightforward way to count the number of chromosomes in the test cell and detect whole chromosome aneuploidy. This procedure is called PGT-A. Whole chromosome aneuploidy is prevalent in IVF embryos, increases with advanced maternal age and has been associated with embryo implantation failure and miscarriage. By identifying embryos with the incorrect number of chromosomes, PGT-A can improve the efficiency of IVF by selecting healthy embryos for preferential transfer and allowing the storage of only healthy embryos for future use.

EmbryoCollect® is a clinically proven PGT-A solution that has been specifically developed for this purpose. The product has been extensively validated with a greater than 99% accuracy and has the ability to detect low level mosaicism (mixtures of cells with different numbers of chromosomes) that can be found in some embryos. EmbryoCollect® includes the RHS DOPlify® cell lysis and whole genome amplification product and materials necessary for fluorescent labelling and microarray hybridisation.

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PG-Seq™

PG-Seq™ is a new Next Generation Sequencing workflow solution for PGT-A (Pre-implantation Genetic Testing for Aneuploidy) and PGT-M (Pre-implantation Genetic Testing for Monogenic Disorders) that RHS is proposing to launch in 2018. PG-Seq™ has been specifically developed for this purpose.

RHS is specifically investing in optimising PG-Seq for testing spent culture media. The use of non-invasive samples is a clinical advance that is expected to have a positive impact on the use of PGT-A.

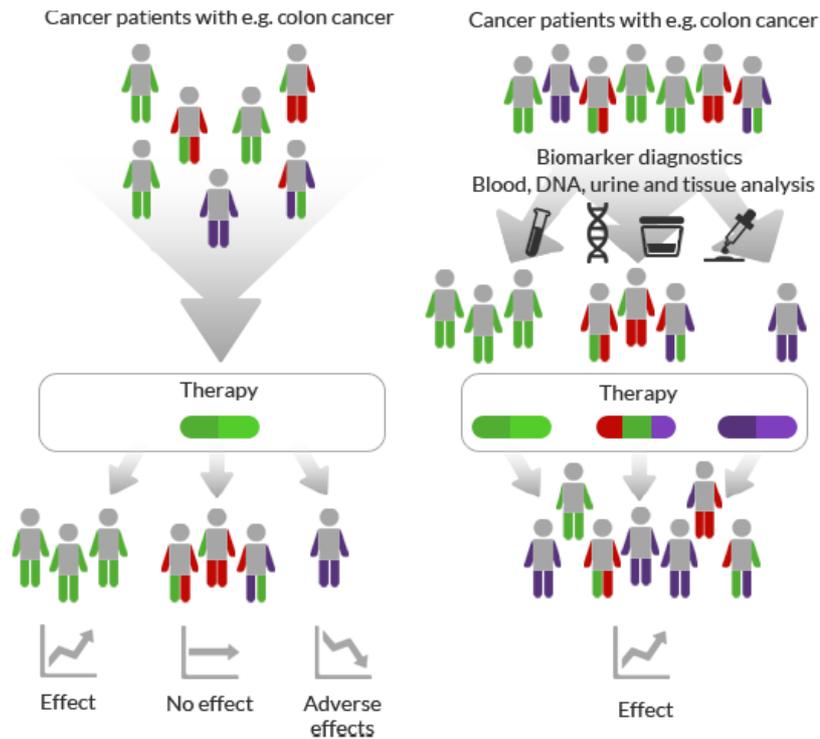
Services

RHS has established and offers Pre-implantation Genetic Testing for Aneuploidy (PGT-A) services using its PG-Seq™ and EmbryoCollect® products. This service provides clinics with access to genetic testing of their embryos without the need to invest in capital equipment and recruitment of molecular biology expertise.

Results can be achieved for aneuploid screening using either microarray technology (aCGH) or Next Generation Sequencing. The PGS service is offered to clinics that are not ready to bring testing in-house, but prefer to send their samples to a service provider.

(d) Personalised Medicine – the future for DOPlify

RHS's products have a potential role in personalised medicine. For a number of reasons, cancer patients do not all respond to treatment in the same way; genetic differences can be one of the reasons. The basis of personalised medicine is analysing these genetic differences to help target specific therapies, improving response rates and reducing adverse effects. This can include analysing circulating tumour cells from a patient's blood sample or taking multiple small (single or few cells) biopsies from a single tumour and looking at whether it is made up of a single genetic type of cell or whether it is a mixed population of cells. The information gained from analysing in detail the characteristics of a patient's tumour is expected to improve treatment outcomes and lead to a better understanding of mechanisms of action and new targets for the next generation of treatments. This level of detailed analysis relies on robust, accurate amplification of the limited DNA available from a scarce number of circulating tumour cells found in patient's blood (a venesection sample of 10ml may contain up to 100 circulating tumour cells). Importantly, DOPlify® has been shown to be capable of accurately amplifying the DNA from cells chemically treated in the same manner as when these cells are isolated from a cancer patient's blood specimen. Not all WGA kits have this capability.



5.4 Directors and senior management

(a) Directors

The current directors of RHS are:

- (i) Dr David Brookes, Non-Executive Chairman;
- (ii) Dr Michelle Fraser, Managing Director & CEO;
- (iii) Mr Johnathon Matthews, Non-Executive Director;
- (iv) Ms Sue MacLeman, Non-Executive Director; and
- (v) Dr Colin Matthews (alternate for Mr Johnathon Matthews).

(b) Senior management

Key members of RHS's senior management team include:

- (i) Dr Michelle Fraser – Managing Director & CEO;
- (ii) Dr Melinda Jasper – Chief Scientific Officer; and
- (iii) Mr Alwin Hui – Chief Commercial Officer.

5.5 RHS financial overview

(a) Overview

The sections below set out summary financial information in relation to RHS. The summary historical financial information has been extracted from RHS's audited financial statements for the financial years ended 2015 to 2017, released to the ASX on the 26th of February 2016, 24th of February 2017 and 28th of February 2018, respectively.

The financial information contained in this section has been presented in an abbreviated form and does not contain all of the disclosures, statements or

comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Copies of the audited financial statements and company announcements from which the following historical financial information has been extracted can be found on RHS's website at www.rhsc.com.au. RHS shareholders may also contact RHS for copies of published audited financial statements free of charge.

A copy of RHS's annual financial report, directors' report and auditor's report for the financial year ended 31 December 2017 will also be sent to RHS Shareholders with this Scheme Booklet.

(b) Consolidated income statement

Set out below is a summary of RHS's consolidated income statements for the last 3 years.

Consolidated statement of comprehensive income			
	31-Dec 2017	31-Dec 2016	31-Dec 2015
For the year ended 31 December	\$	\$	\$
Sales Revenue	210,548	76,158	73,363
Cost of Goods Sold	(45,896)	(25,565)	(34,117)
Gross Profit	164,652	50,593	39,246
Research and development tax incentive	234,662	278,104	
Other income	66,163	87,114	360,399
Total Income	465,477	415,811	399,645
Expenses			
Salaries and benefits	(1,232,727)	(1,003,965)	(1,090,467)
Consultants and professional fees	(289,144)	(187,253)	(203,821)
Research and development	(231,069)	(136,725)	(100,356)
Rent and property expenses	(132,127)	(131,293)	(145,858)
Depreciation and amortisation	(70,441)	(76,570)	(82,596)
Travel costs	(134,893)	(150,975)	(137,042)
Other expenses	(300,151)	(215,011)	(236,294)
Finance costs	(12,512)	(10,186)	(11,081)
Doubtful debts	-	(10,464)	-
Share based payments	(47,481)	(302,594)	(27,309)
Loss before income tax expense	(1,985,068)	(1,809,225)	(1,635,179)
Income tax benefit/(expense)	-	-	-
Loss from continuing operations	(1,985,068)	(1,809,225)	(1,635,179)
Loss attributable to members of the parent entity	(1,985,068)	(1,809,225)	(1,635,179)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(1,985,068)	(1,809,225)	(1,635,179)

(c) **Consolidated balance sheet**

Set out below is a summary of RHS's consolidated balance sheet for the last 3 years.

Consolidated statement of financial Position			
	31-Dec 2017	31-Dec 2016	31-Dec 2015
For the year ended 31 December	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	852,580	1,358,449	1,455,483
Trade and other receivables	17,827	24,763	72,965
Inventories	94,370	15,522	-
Other current assets	8,948	2,000	12,471
TOTAL CURRENT ASSETS	973,725	1,400,734	1,540,919
NON-CURRENT ASSETS			
Property, plant and equipment	266,107	310,260	329,344
Intangible assets	51,267	60,328	66,519
Other non-current assets	10,400	10,400	10,400
TOTAL NON-CURRENT ASSETS	327,774	380,988	406,263
TOTAL ASSETS	1,301,499	1,781,722	1,947,182
CURRENT LIABILITIES			
Trade and other payables	214,885	171,755	251,667
Deferred Revenue	18,200	18,200	27,400
Interest-bearing loans and borrowings	54,329	47,632	35,159
Provisions	226,581	175,649	147,089
TOTAL CURRENT LIABILITIES	513,995	413,236	461,315
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	64,567	115,753	121,425
Provisions	37,037	21,578	14,058
TOTAL NON-CURRENT LIABILITIES	101,604	137,331	135,483
TOTAL LIABILITIES	615,599	550,567	596,798
NET ASSETS	685,900	1,231,155	1,350,384
EQUITY			
Contributed equity	15,019,333	13,627,001	12,239,599
Share based payments reserve	354,575	1,089,279	786,685
Accumulated losses	(14,688,008)	(13,485,125)	(11,675,900)
TOTAL EQUITY	685,900	1,231,155	1,350,384

(d) **Consolidated cash flow statement**

Set out below is a summary of RHS's consolidated cash flow statements for the last 3 years.

Consolidated statement of cash flows			
	31-Dec 2017	31-Dec 2016	31-Dec 2015
For the year ended 31 December	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	205,923	64,153	86,668
Payments to suppliers and employees	(2,328,683)	(1,829,542)	(1,905,810)
Interest paid	(12,512)	(10,186)	(11,081)
Interest received	16,088	16,872	40,644
R&D Tax benefit received	234,662	278,104	431,992
EMDG grant received	23,269	103,927	-
Other income	26,806	8,000	-
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(1,834,447)	(1,368,672)	(1,357,587)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	-	(71,558)	-
Purchase of property, plant and equipment	(19,265)	(51,552)	(116,525)
Proceeds from the sale of assets	-	545	31,466
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(19,265)	(122,565)	(85,059)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	1,500,000	1,515,077	1,308,150
Payment of transaction costs for issue of shares	(107,668)	(127,675)	(85,206)
Proceeds from borrowings	29,553	42,143	190,481
Finance lease repayments	(74,042)	(35,342)	(33,897)
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,347,843	1,394,203	1,379,528
Net increase/(decrease) in cash and cash equivalents	(505,869)	(97,034)	(63,118)
Cash at the beginning of the year	1,358,449	1,455,483	1,518,601
CASH AT THE END OF THE YEAR	852,580	1,358,449	1,455,483

5.6 Material changes in financial position since 31 December 2017 and other developments

The Directors are not aware of any material changes to the financial position of RHS since 31 December 2017 except that RHS entered into an interim funding agreement in connection with the Scheme Implementation Agreement (**Interim Funding Agreement**). RHS entered into the Interim Funding Agreement with The Very Company Pty Ltd (**TVC**), a company controlled by RHS Director Johnathon Matthews and alternate RHS Director Colin Matthews.

The purpose of the Interim Funding Agreement is to provide funding for RHS pending the implementation of the Scheme and to obviate the need for RHS to raise further capital prior to such implementation. The key terms of the Interim Funding Agreement are:

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- (a) TVC agrees to lend RHS up to \$750,000, which RHS may draw down provided the aggregate principal outstanding at the time of draw down (including the additional amount requested to be drawn down) does not exceed:
 - (i) up to \$150,000 between 24 February and 31 March 2018;
 - (ii) up to \$350,000 between 1 and 30 April 2018; and
 - (iii) up to \$750,000 between 1 May and 29 September 2018;
 - (b) interest accrues on the outstanding principal at a rate of 9% per annum, with interest payable on repayment of the facility;
 - (c) the outstanding principal and accrued interest must be repaid by 30 September 2018 (or earlier following any event of default);
 - (d) RHS may prepay all or part of the drawn down facility without penalty;
 - (e) RHS must pay a “one off” establishment fee of \$25,000; and
 - (f) the facility may only be used for working capital purposes, to pay the establishment fee and for RHS to pay its costs and expenses of implementing the Scheme.

As at the Business Day prior to the date of this Scheme Booklet, RHS has drawn down \$350,000 under the Interim Funding Agreement.

Termination of the Scheme Implementation Agreement is not an event of default under the Interim Funding Agreement. However, if the Scheme Implementation Agreement is terminated before the facility is fully drawn down, any further draw downs will be conditional upon the aggregate principal outstanding (including the relevant draw down) not exceeding the lower of:

- (a) the amount drawn down as at the date of termination, plus \$250,000; and
- (b) \$750,000 (less any amount pre-paid).

The Directors are not aware of any likely developments that may significantly affect RHS not included within this Scheme Booklet.

5.7 Historical share price performance

The last recorded sale price of RHS Shares traded on the ASX was \$0.14 on 23 February 2018, being the last trading day before the Scheme was announced on 26 February 2018.

The VWAP of RHS Shares on the ASX for the 30, 60 and 90 ASX trading day periods prior to 23 February 2018 were \$0.130, \$0.133 and \$0.134, respectively.

The chart below shows the RHS Share price performance from 23 February 2017 to 23 February 2018.

RHS 12 Month Share Price Performance



Source: Iress

5.8 Issued RHS Shares

As at the date of this Scheme Booklet, RHS had 89,920,483 fully paid ordinary shares on issue.

RHS does not anticipate that it will be required to issue any RHS Shares before the Implementation Date, but if it did such issue will be made in accordance with the terms of the Scheme Implementation Agreement.

5.9 RHS Options

(a) Details about RHS Options

As at the date of this Scheme Booklet, there are 7,400,000 RHS Options on issue, details of which are set out below.

Holder	Grant Date	Number of options	Exercise price	Expiry date
David and Elisabeth Brookes	31-May-16	1,400,000	\$0.208	31-May-20
Dalroar Pty Ltd	31-May-16	675,000	\$0.208	31-May-20
Johnathon Matthews	31-May-16	675,000	\$0.208	31-May-20
ML Fraser Nominees Pty Ltd	31-May-16	1,500,000	\$0.208	31-May-20
ML Fraser Nominees Pty Ltd	31-May-16	1,500,000	\$0.248	31-May-20
Melinda Jasper	10-Jan-17	500,000	\$0.208	31-May-20
Christine Robinson	10-Jan-17	100,000	\$0.208	31-May-20
Sandra Protopsaltis	10-Jan-17	100,000	\$0.208	31-May-20
Matthew Brockman	10-Jan-17	100,000	\$0.208	31-May-20
Oksana Mugalimova	10-Jan-17	100,000	\$0.208	31-May-20
Kimberly Warren	10-Jan-17	100,000	\$0.208	31-May-20
Alessandro Borsatti	23-Mar-17	100,000	\$0.200	31-May-19
EpiCELONA, LLC	23-Mar-17	100,000	\$0.200	31-May-19
Caroline Popper	09-Jun-17	100,000	\$0.200	31-May-20

Alwin Hui	28-Nov-17	250,000	\$0.200	31-May-20
Alessandro Borsatti	28-Nov-17	100,000	\$0.200	31-May-19

The RHS Options are not quoted on the ASX.

(b) Option Cancellation Deeds

RHS and PKI have entered into Option Cancellation Deeds with each of the holders of RHS Options.

Under the terms of the Option Cancellation Deeds, the RHS Options will be acquired by PKI Australia and then cancelled with effect from the Implementation Date and, in consideration for their cancellation, PKI or PKI Australia will pay each holder of RHS Options on the Implementation Date an amount per RHS Option calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration.

The ASX has granted a waiver of ASX Listing Rule 6.23.2 to permit the acquisition and cancellation of the RHS Options in accordance with the terms of the Options Cancellation Deeds.

Sections 8.4 and 8.5 of this Scheme Booklet contain information regarding the interests of RHS Directors in relation to the acquisition and cancellation of the RHS Options under the Option Cancellation Deeds.

5.10 Top 20 RHS Shareholders

As at close of trading on the last trading day prior to the date of this Scheme Booklet the top 20 RHS Shareholders in the RHS Register held approximately 62.3% of all issued RHS Shares.

5.11 RHS Substantial Shareholders

The substantial holders (within the meaning of the Corporations Act) of RHS Shares as at close of trading on the last trading day prior to the date of this Scheme Booklet are as follows:

Name	Number of RHS Shares	Percentage of RHS Shares
Colin Douglas Matthews and Johnathon Peter Matthews at trustees for the Acorn Trust	11,960,700	13.30%
Rosherville Pty Ltd and Endeavour River Pty Ltd	10,800,000	12.01%
Harvest Lane Asset Management Pty Ltd	4,724,623	5.25%

For this purpose, the Corporations Act provides that a person has a substantial holding in a body corporate if the total votes attached to voting shares in the body corporate in which the person, or their associates, have relevant interests (and would have a relevant interest but for sections 609(6) (market traded options) or 609(7) (conditional agreements) of the Corporations Act) is 5% or more of the total number of votes attached to voting shares in the body corporate.

RHS has relied on substantial holder notices provided to it up to the date of this Scheme Booklet, which are available on the ASX website, to compile the above table. Information in

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regard to substantial holdings arising, changing or ceasing after this time or in respect of which the relevant announcement is not available on the ASX website is not included above.

5.12 **Litigation**

As at the date of this Scheme Booklet, RHS is not involved in, and to the best of its knowledge, is not party to, any material litigation.

5.13 **Risk factors**

The risk factors in this Section 5.13 are existing risks relating to RHS's business and the industry in which it operates. These risks will only continue to be relevant to RHS Shareholders if the Scheme is not implemented and RHS Shareholders retain their current investment in RHS.

If the Scheme proceeds, RHS Shareholders will cease to be RHS Shareholders and will no longer be exposed to the risks set out in this Section 5.13.

(a) **General risk factors**

As with any entity with listed securities on the ASX, the future prospects, operating and financial performance of RHS and the value of RHS Shares are affected by a variety of general business cycles, economic and political factors in Australia and overseas, including economic growth, inflation, interest rates, employment levels, changes in government fiscal or regulatory regimes and foreign trade policies, changes in accounting or financial reporting standards, and changes in taxation laws (or their interpretation) or regulations in the markets in which RHS sells its products. Deterioration of the general economic conditions, adverse foreign exchange rate movements, the Australian and overseas stock markets, natural disasters and catastrophic events may also affect RHS's operating and financial position.

(b) **Specific risk factors**

Specific risk factors for RHS include, but are not limited to, the following:

IP Risks: Any inability to effectively protect RHS's proprietary technologies could harm its competitive position. There is a risk that RHS will need to undertake expensive litigation to protect its intellectual property from infringement.

RHS's existing and future licensing arrangements may be affected by the failure or default of any of the contracting parties.

Litigation, or other proceedings, or third party claims of intellectual property infringement could require RHS to spend significant time and money and could prevent it from selling its products or services.

Alliance Risks: Partners can be difficult to find or can fail to follow through or withdraw from commitments. The cost of pursuing broken contracts may be prohibitive or unwise.

Global sale of the RHS products may rely on distribution partnerships. If these partnerships are not successful, RHS may not achieve the forecast sales targets and the profitability of the business may be compromised.

Reliance on Third Party Manufacturers and Suppliers: RHS depends on third-party manufacturers and suppliers for components and materials used in its products. If shipments from these manufacturers or suppliers are delayed or interrupted, or if the quality of the components or materials supplied does not meet its requirements, RHS may not be able to manufacture, or ship its products in a timely manner, or at all.

Shortage of Funding: RHS's operating results may vary significantly from period to period, and it may not be able to sustain operating profitability.

If RHS incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. RHS may require additional funding to carry out further biotechnological product development or product improvement. Any additional financing through share issues may dilute current shareholdings. If the Scheme is not approved and no superior proposal emerges, the RHS Share price is likely to fall to trading prices around or below those observed on or prior to 23 February 2018, being the last trading day prior to the announcement of the Scheme on 26 February 2018. Given RHS's last reported cash balance of \$852,580 on 31 December 2017, it is likely that RHS will need to raise capital in the absence of the Scheme, which could be both dilutive and place further pressure on its share price.

Debt financing may not be available to support the scope and extent of proposed developments or obligations. If available, it may impose restrictions on operating activities or anticipated expansion of RHS's operations.

As noted in Section 5.6 above, if the Scheme Implementation Agreement is terminated, RHS may be unable to fully draw down on the amount that would otherwise be available under the Interim Funding Agreement. Further, RHS may need to refinance that facility to enable it to pay all outstanding principal and accrued interest by the required date of 30 September 2018. There is no guarantee that such funding will be available or available on terms acceptable to RHS. An inability to obtain the necessary funding or a material increase in the cost of funding may have an adverse impact on RHS's operating activities (including product development and improvement), and RHS's financial performance and position.

Security Breach: Security breaches and other disruptions could compromise RHS' information and expose it to liability, which would cause its business and reputation to suffer.

Reliance on Specialised Leased Premises: RHS relies on access to laboratory space for the manufacture of the Microarray and the RHS operations. There is a risk that continued access to specialised premises is not available, which would cause business interruption and loss of revenues while suitable alternate premises are secured.

Specific Market Risk: Below forecast growth in the IVF market, changes to Government financial support for patients and lower than anticipated uptake of Pre-implantation Genetic Testing (PGT) may negatively impact RHS's forecast revenues. In addition, ethical, legal, and social concerns related to the use of genetic information could reduce demand for the RHS products or services.

Damage to Reputation and Key Brands: If the quality of RHS' products does not meet its customers' expectations, then its reputation could suffer and ultimately its sales and operating earnings could be negatively impacted.

5.14 ASIC and ASX lodgements and disclosures

RHS is a disclosing entity for the purpose of the Corporations Act, and as such is subject to continuous reporting and disclosure obligations. Specifically, as an ASX listed company, RHS is subject to the ASX Listing Rules which require it (subject to certain exceptions) to notify the ASX immediately of any information of which it becomes aware concerning RHS that a reasonable person would expect to have a material effect on the price or value of its shares. The following table summarises key announcements made by RHS in the period since 19 August 2017:

Date	Announcement
29-Mar-18	Extension of time to hold AGM
28-Feb-18	Appendix 4E
28-Feb-18	Annual Financial Statements 2017 (Audited)
26-Feb-18	PerkinElmer to acquire RHS
31-Jan-18	Appendix 4C & Business Update - quarterly
11-Dec-17	Further positive DOPlify benchmarking study published
05-Dec-17	Investor Presentation
28-Nov-17	Appendix 3B
27-Nov-17	RHS Demonstrates Advanced Performance
30-Oct-17	Appendix 4C - Quarterly
17-Oct-17	Validation data for NGS product PG-Seq
12-Oct-17	RHS Wins HWA Lab Competition

The disclosures made by RHS to the ASX are available from the ASX's website at www.asx.com.au. Further announcements concerning material developments in relation to RHS will continue to be available on that website after the date of this Scheme Booklet.

In addition, RHS is required to lodge annual and half yearly financial reports with ASIC. Copies of these and other documents lodged with ASIC by RHS may be obtained from ASIC. RHS will provide free of charge, to any holder of RHS Shares who requests it before the Scheme is approved by order of the Court, a copy of:

- (a) any continuous disclosure notice given to the ASX by RHS after the lodgement with ASIC of the annual financial report of RHS for the year ended 31 December 2017 referred to above and before the date of this Scheme Booklet; and
- (b) the annual financial report, directors' report and auditor's report of RHS for the year ended 31 December 2017.

Copies of RHS's continuous disclosure notices and annual and half yearly financial reports may also be obtained from RHS's website at www.rhsc.com.au.

6 Information about the PKI Group

6.1 Responsibility for information

The information set out in this Section 6 was prepared by PKI and PKI is responsible for the information contained in this Section 6.

6.2 Overview of PKI

PKI, an American multinational corporation listed on the New York Stock Exchange, is a global leader committed to innovating for a healthier world. In 2017, PKI reported revenue of approximately US\$2.3 billion and serves customers in more than 150 countries.

PKI has a team of approximately 11,000 employees worldwide who are passionate about providing customers with an unmatched experience as they help solve critical issues especially impacting the diagnostics and discovery and analytical solutions markets.

PKI's innovative detection, imaging, informatics, and service capabilities, combined with deep market knowledge and expertise, help customers gain earlier and more accurate insights to improve lives and the world around us.

6.3 Directors of PKI

The directors of PKI are:

- Robert F. Friel (Chairman, CEO and President);
- Peter Barrett;
- Samuel R. Chapin;
- Dr Sylvie Grégoire;
- Nicholas A. Lopardo;
- Alexis P. Michas;
- Patrick J. Sullivan;
- Frank Witney; and
- Pascale Witz.

6.4 Overview of PKI Australia

PKI Australia was incorporated as a proprietary limited company for the purpose of acquiring the shares of RHS under the Scheme. PKI Australia is an indirect wholly-owned subsidiary of PKI.

If the Scheme Resolution is approved by the requisite majority of RHS Shareholders required under the Corporations Act and the Scheme is approved by the Court, then subject to the terms of the Scheme, on the Implementation Date, PKI Australia will acquire all the shares held by RHS Shareholders so that following the implementation of the Scheme PKI Australia will own 100% of the issued shares of RHS.

As at the date of the Scheme Booklet, the directors of PKI Australia are Jack Healy and Louise Needham.

6.5 Rationale for proposed acquisition of RHS

PKI's global diagnostics franchise places strategic importance on delivering advanced solutions in the area of reproductive health. PKI recognises the importance of RHS'

innovative and novel products and solutions to the global pre-implementation genetic screening and diagnostic testing markets. A combination with PKI will increase RHS' market access and the positive impact on mothers and families will be greatly enhanced worldwide. Further, RHS know-how and capabilities relating to the handling and testing of single cells brings the potential for broader success outside of pre-implementation genetic screening and diagnostics.

6.6 Funding arrangements for Scheme Consideration

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll, each of PKI and PKI Australia have undertaken in favour of each Scheme Shareholder to pay the Scheme Consideration into a trust account for the benefit of the Scheme Shareholders no later than the Business Day before the Implementation Date, conditional upon the Scheme becoming Effective.

If the Scheme is implemented, Scheme Shareholders will be entitled to receive the Scheme Consideration of \$0.28 per RHS Share.

PKI estimates that it will need approximately US\$20 million to satisfy the payment obligations under the Scheme. As at 31 December 2017, PKI had approximately US\$202 million of total cash and cash equivalents.

PKI, through itself or one or more of its subsidiaries, will provide PKI Australia with sufficient funds to purchase all RHS Shares upon the terms and subject to the conditions in the Scheme Implementation Deed to complete the Scheme. PKI expects to obtain the necessary funds from cash on hand.

6.7 PKI's intentions if Scheme is implemented

This section sets out the current intentions of PKI in relation to:

- the continuation of the operations and business of RHS, including any redeployment of significant assets of RHS;
- changes to the RHS Board and management team;
- the future employment of the present employees of RHS; and
- the delisting of RHS from ASX.

This section sets out PKI's current intentions on the basis of facts and information concerning RHS and the general business environment which are known to PKI at the time of the preparation of this Scheme Booklet and as such, set out the current intention only and may change as new information becomes available or as circumstances change.

(a) Operations

If the Scheme is implemented, PKI intends to undertake a detailed review of the RHS business including in relation to its assets, strategies and operations. Subject to the outcome of that review, PKI currently intends to continue the business of RHS Group substantially in the aggregate to its current form.

(b) Board of directors

If the Scheme is implemented, PKI will replace the members of the RHS Board and the boards of its subsidiaries with nominees of PKI (who are yet to be identified).

(c) Management team

PKI intends for the existing senior management team, led by Dr Michelle Fraser, to remain in place to drive the performance and growth of RHS. PKI plans to draw on

the expertise of the existing management team of RHS to ensure that the businesses and cultures are integrated and operated effectively, if the Scheme is implemented.

Following the general operational review described above, PKI may combine and centralise certain roles within the RHS management team with those in PKI's Diagnostics Segment or its corporate group.

(d) Employees

RHS employees are an integral part of, and key to the success of, the business. Definitive plans in relation to the broader employee base of RHS have not yet been determined and will be developed during integration planning. PKI will evaluate the future management and administrative requirements of RHS following completion of the general operational review described above.

(e) RHS to be delisted

If the Scheme is implemented, PKI will arrange for application to be made to the ASX for RHS to be removed from ASX's official quotation list with effect from or shortly after the Implementation Date.

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7 Australian taxation implications of the Scheme

7.1 Introduction

The following is an outline of the Australian tax consequences that will generally apply for RHS Shareholders who dispose of their RHS Shares under the Scheme and who hold their RHS Shares on capital account. This summary does not apply to the cancellation of RHS Options or to RHS Shareholders who:

- hold their RHS Shares as trading stock or otherwise on revenue account;
- are subject to the taxation of financial arrangements provisions (Division 230 of the *Income Tax Assessment Act 1997* (Cth)) in relation to gains and losses on their RHS Shares; or
- acquired their shares pursuant to an employee share, option or right plan and the share, option or right is taxable under the employee share scheme rules (Division 83A of the *Income Tax Assessment Act 1997* (Cth)).

The outline does not take into account the specific circumstances of any particular RHS Shareholder.

The outline reflects the current provisions of the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth), and the *A New Tax System (Goods and Services Tax) Act 1999* (Cth), collectively referred to as “**the Tax Law**”, and the regulations made under those acts and current administrative practices of the Australian Taxation Office. The Tax Law is frequently being changed, both prospectively and retrospectively. The tax consequences outlined in this section may change if there is a change to the Tax Law, or a change of interpretation of the Tax Law by the courts or the Australian Taxation Office after the date of this Scheme Booklet.

No one should act on the information contained in this outline without seeking appropriate professional advice and without examining their particular situation.

7.2 Income tax implications - Australian resident shareholders

The following discussion applies to you if you are an Australian resident (and not a temporary resident) for the purposes of the Tax Law.

If the Scheme is approved, you will dispose of your RHS Shares for tax purposes as a result of the implementation of the Scheme. Where your RHS Shares are held on capital account, the disposal will give rise to a Capital Gains Tax (CGT) event (CGT Event A1). The CGT event will happen on the Implementation Date.

The tax implications for you from the disposal of your RHS Shares will depend upon your specific circumstances, including your taxpayer status (e.g. whether you are an individual, a company, the trustee of a trust or a complying superannuation fund).

You will make a capital gain on the disposal of your RHS Shares if the capital proceeds you receive exceed the cost base of your RHS Shares. You will make a capital loss if the capital proceeds are less than the reduced cost base of your RHS Shares.

The capital proceeds for the CGT event arising from the disposal of the RHS Shares under the Scheme should be the Scheme Consideration of \$0.28 per RHS Share. The cost base and reduced cost base of RHS Shares will generally include the amount paid and the market value of any property given to acquire the RHS Shares, plus certain non-deductible incidental costs of acquisition (e.g. brokerage fees) and disposal.

All capital gains and capital losses of a taxpayer in a year of income are aggregated, together with any unapplied net capital loss from prior years (subject to satisfaction of any

applicable loss utilisation rules). Subject to any CGT discount, any net capital gain for the year is included in the taxpayer's assessable income and is subject to income tax at the taxpayer's marginal tax rate, whilst a net capital loss may be carried forward to later income years.

CGT discount

You will be entitled to benefit from the CGT discount if:

- (i) you have beneficially owned your RHS Shares for at least 12 months at the Implementation Date; and
- (ii) you are an individual, the trustee of a trust, a complying superannuation entity, or in certain circumstances a life insurance company.

Where the CGT discount applies, you will be entitled to reduce your taxable capital gain realised on disposal of your RHS Shares by 50% (for individuals and trustees holding RHS Shares) or 33.33% (for complying superannuation entities and life insurance companies).

The CGT discount is applied only after available capital losses have been applied to reduce the capital gain. The CGT discount does not apply to capital losses.

The CGT discount will not be available to you if you are a company.

The rules relating to discount capital gains and trusts are complex. Trustees should seek their own advice as to how the discount capital gains provisions apply to them and their beneficiaries, having regard to their own particular circumstances.

7.3 Income tax implications – foreign shareholders

The following discussion applies to you if you are a non-resident or temporary resident of Australia for the purposes of the Tax Law on, or immediately before, the Implementation Date.

Any capital gains or losses on disposal of your RHS Shares may be disregarded where the following criteria are met:

- (i) your RHS Shares do not relate to a business carried on through an Australian permanent establishment; and
- (ii) you (and your associates) hold less than 10% of the RHS Shares on the Implementation Date and have held less than 10% of the RHS Shares throughout a 12 month period during the two years preceding the sale of your RHS Shares; and
- (iii) not more than 50% of the value of RHS is attributable to direct or indirect interests in Australian real property (as defined in the Tax Law).

Foreign RHS Shareholders that have held 10% or more of the RHS Shares, either alone or together with their associates, should obtain specific advice on the application of the Australian CGT rules to any gain or loss realised on sale.

7.4 Stamp duty implications

No stamp duty should be payable in any Australian jurisdiction by any RHS Shareholder in respect of the disposal of their RHS Shares.

7.5 Goods and services tax (GST) implications

You will not be liable to pay GST on the Scheme consideration you receive for your RHS Shares, regardless as to whether you are registered for GST. In the event that you are

registered for GST, the disposal of the RHS Shares should be considered an input taxed financial supply.

RHS Shareholders may incur GST on costs (such as adviser fees) that relate to their participation in the Scheme. RHS Shareholders that are registered, or required to be registered, for GST may not be entitled to full input tax credits for any GST payable on such costs, but may be entitled to reduced input tax credits for some acquisitions. This will depend on each RHS Shareholder's individual circumstances.

RHS Shareholders should seek their own independent tax advice in relation to the GST implications of their participation in the Scheme.

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8 Additional information

8.1 RHS Directors

The RHS Directors in office at the date of lodgement of this Scheme Booklet for registration by ASIC are:

Name	Position
Dr David Brookes	Chairman –Non-Executive Director
Dr Michelle Fraser	Managing Director & CEO
Johnathon Matthews	Non-Executive Director
Dr Colin Matthews	Alternate for Johnathon Matthews
Sue MacLeman	Non-Executive Director

Each of the RHS Directors recommends RHS Shareholders vote in favour of the Scheme, in the absence of a superior proposal. Pages 6 to 13 of this Scheme Booklet set out the reasons for the RHS Directors' unanimous recommendations.

8.2 Interests in RHS held by RHS Directors

As at the date of this Scheme Booklet, the RHS Directors have the following interests in securities in RHS:

Name	No. of RHS Shares in which an interest is held	No. of RHS Options held or in which an interest is held
Dr David Brookes	1,854,774 ¹	1,400,000 options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 1 of the RHS notice of annual general meeting dated 20 April 2016
Dr Michelle Fraser	422,063 ²	1,500,000 options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 2 of the RHS notice of annual general meeting dated 20 April 2016 1,500,000 options with an exercise price of \$0.248 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 2 of the RHS notice of annual general meeting dated 20 April 2016
Johnathon Matthews	11,960,700 ³ <i>(11,960,700 shares held jointly by J Matthews and C Matthews)</i>	675,000 options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 1 of the RHS notice of annual general meeting dated 20

		April 2016
Dr Colin Matthews	11,960,700 ⁴ <i>(11,960,700 shares held jointly by J Matthews and C Matthews)</i>	Nil
Sue MacLeman	24,500 ⁵	675,000 options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 1 of the RHS notice of annual general meeting dated 20 April 2016

Notes:

1. Dr David Brookes holds 455,158 RHS Shares in his own name and has an interest in 781,616 RHS Shares held by Dr David Brookes and Elisabeth Brookes as trustees for the Dr DL Brookes Personal Super Fund and an interest in 618,000 RHS Shares held by Elisabeth Brookes as trustee for the Dahlbrook Family Trust.
2. Dr Michelle Fraser has an interest in 422,063 RHS Shares held by ML Fraser Nominees Pty Ltd as trustee for the Michelle Fraser Family Trust (Dr Michelle Fraser is a director and shareholder of ML Fraser Nominees Pty Ltd and a beneficiary of the Michelle Fraser Family Trust).
3. Johnathon Matthews has an interest in 11,960,700 RHS Shares held by Johnathon Matthews and Dr Colin Matthews as trustees for the Acorn Trust (Johnathon Matthews is a beneficiary of the Acorn Trust).
4. Dr Colin Matthews has an interest in 11,960,700 RHS Shares held by Johnathon Matthews and Dr Colin Matthews as trustees for the Acorn Trust (Dr Colin Matthews is a beneficiary of the Acorn Trust).
5. Sue MacLeman has an interest in 24,500 RHS Shares held by Dalroar Pty Ltd as trustee for the MacLeman Investment Trust (Sue MacLeman is a director and shareholder of Dalroar Pty Ltd and a beneficiary of the MacLeman Investment Trust).

RHS Shares held by RHS Directors will be treated in the same manner under the Scheme as all other RHS Shares.

In relation to the RHS Options referred to above, each of the RHS Directors who holds RHS Options has entered into an Option Cancellation Deed with RHS and PKI pursuant to which those RHS Options will be acquired by PKI Australia on the Implementation Date and then cancelled with effect from that date in consideration for the payment in cash on the Implementation Date of an amount calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration.

8.3 *Interests in PKI Group held by RHS Directors*

No marketable securities in PKI or any of its Related Bodies Corporate (including PKI Australia) are held by, or on behalf of, any RHS Director as at the date of this Scheme Booklet.

8.4 *Payments or other benefits to RHS Directors, secretaries and executive officers*

No payment or other benefit is proposed to be made or given to any RHS Director or any secretary or executive officer of RHS, or any body corporate related to RHS, as compensation for loss of, or as consideration for or in connection with, his or her retirement from office as RHS Director, secretary or executive officer of RHS or a body corporate connected with RHS.

8.5 *Other agreements or arrangements with RHS Directors connected with or conditional on the Scheme*

Except as set out in this Section 8.5 or as set out elsewhere in this Scheme Booklet, there is no agreement or arrangement made between any RHS Director and any other person in connection with or conditional on the outcome of the Scheme:

- (a) each RHS Director who holds RHS Shares at the Scheme Record Date will be entitled to receive the Scheme Consideration in accordance with the terms of the Scheme;

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- (b) PKI has acknowledged in the Scheme Implementation Agreement, that none of RHS and its representatives, to the maximum extent permitted by law, makes any representation or warranty as to the accuracy, reasonableness, completeness or relevance of any forecast or forward looking statement contain or referred to in the RHS due diligence information disclosed to PKI, or any assumption on which any such forecast or other forward looking statement is based;
 - (c) each of Dr David Brookes, Dr Michelle Fraser, Johnathon Matthews and Sue Macleman (or entities Associated with them) have entered into an Option Cancellation Deed with RHS and PKI in respect of the RHS Options they hold. Under the Option Cancellation Deeds, their respective RHS Options will be acquired by PKI Australia on the Implementation Date and then cancelled with effect from that date in consideration for the payment on the Implementation Date of an amount per RHS Option calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration. The payment to be made to each of these RHS Directors (or entities Associated with them) in consideration for the cancellation of their RHS Options is as follows:
 - (i) Dr David Brookes – a payment of \$100,800 in consideration for the cancellation of the 1,400,000 RHS Options in which he holds an interest;
 - (ii) Dr Michelle Fraser – a payment of \$156,000 in consideration for the cancellation of the 3,000,000 RHS Options in which she holds an interest;
 - (iii) Johnathon Matthews – a payment of \$48,600 in consideration for the cancellation of the 675,000 RHS Options he holds; and
 - (iv) Sue MacLeman – a payment of \$48,600 in consideration for the cancellation of the 675,000 RHS Options in which she holds an interest;
 - (d) as outlined in Section 5.6, RHS entered into the Interim Funding Agreement with TVC, a company controlled by RHS Director Johnathon Matthews and alternate RHS Director Colin Matthews, to provide funding for RHS pending the implementation of the Scheme and to obviate the need for RHS to raise further capital prior to such implementation; and
 - (e) Dr Michelle Fraser and RHS have entered into an agreement to vary the terms of Dr Fraser's existing employment with RHS. The variations are conditional on the Scheme being implemented. If the Scheme is implemented, Dr Fraser's employment arrangement with RHS will continue on substantially similar terms as her current employment except that:
 - (i) total fixed remuneration will be increased from \$260,000 per annum plus compulsory employer superannuation contributions to \$280,000 per annum plus compulsory employer superannuation contributions;
 - (ii) Dr Fraser will be eligible to receive a discretionary incentive of up to 15%, paid bi-annually, of her total fixed remuneration, dependent on the performance of the RHS diagnostics business and subject to the discretion of RHS;
 - (iii) Dr Fraser will be eligible to receive a retention incentive in the amount of \$95,000, payable at the end of the 2018 and 2019 calendar years subject, broadly, to Dr Fraser remaining employed with RHS or any Related Body Corporate until completion of the relevant retention period and complying with the terms of her employment agreement and applicable RHS policies and procedures; and

- (iv) Dr Fraser will be subject to non-competition and non-solicitation restrictive covenants in specified areas for up to 12 months from cessation of her employment with RHS.

8.6 *Interests held by RHS Directors in contracts of PKI Group*

Other than as set out in Section 8.5 above, no RHS Director has an interest in any contract entered into by PKI or any of its Related Bodies Corporate (including PKI Australia).

8.7 *Other Interests of RHS Directors*

Except as set out in this Scheme Booklet, no RHS Director has any other interest material to the Scheme.

8.8 *RHS Directors' intentions regarding the business, assets and employees of RHS*

If the Scheme becomes Effective, all RHS Shares will be transferred to PKI Australia, all RHS Options will be acquired by PKI Australia and then cancelled and PKI Australia will be the sole shareholder of RHS. As outlined in section 6.7(b), PKI intends to replace the members of the RHS Board and the boards of its subsidiaries with nominees of PKI (who are yet to be identified). As such, it is not possible for the RHS Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of RHS;
- (b) any major changes to be made to the business of RHS, including any redeployment of the fixed assets of RHS; or
- (c) the future employment of the present employees of RHS.

The intentions of PKI Australia in relation to these matters are outlined above in Section 6 of this Scheme Booklet.

8.9 *Consents*

The following parties have given and, before the date on which this Scheme Booklet was lodged with ASIC for registration, have not withdrawn, their consent to be named in this Scheme Booklet in the form and context in which they are named:

- (a) Taylor Collison, as financial adviser to RHS;
- (b) Johnson Winter & Slattery, as legal adviser to RHS;
- (c) Grant Thornton, as Independent Expert;
- (d) Link Market Services, as RHS's share registry; and
- (e) PKI and PKI Australia, in respect of the PKI Scheme Booklet Information.

The following persons have given and, before the date on which this Scheme Booklet was lodged with ASIC for registration, have not withdrawn, their consent to the inclusion in this Scheme Booklet of the following statements in the form and context in which they are included:

- (a) Grant Thornton, in respect of the Independent Expert's Report and references to that report in this Scheme Booklet.

Each person referred to in this Section 8.9 has not authorised or caused the issue of this Scheme Booklet, does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in this Section 8.9 and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet except in respect of those reports or statements to which they have consented as specified in this Section 8.9.

8.10 Creditors of RHS

The Scheme, if implemented, is not expected to materially prejudice RHS's ability to pay its creditors and other arrangements referred to in section 5.6 as it involves the acquisition of shares, and cancellation of options to acquire shares, in RHS. No material new liability (other than transaction costs) is expected to be incurred by RHS as a consequence of the implementation of the Scheme. RHS has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

8.11 No interests of PKI Group in RHS Shares

As at the date of this Scheme Booklet, PKI and its Related Bodies Corporate (including PKI Australia) do not have a relevant interest in any RHS Shares.

8.12 No interests of PKI directors in RHS Shares

As at the date of this Scheme Booklet, none of the directors of the PKI (or PKI Australia) has a relevant interest in any RHS Shares.

8.13 No dealings of PKI Group in RHS Shares in the previous four months

Neither PKI, its Related Bodies Corporate (including PKI Australia) nor any of their Associates has provided, or agreed to provide, consideration for RHS Shares during the period of four months before the date of this Scheme Booklet.

8.14 Benefits from PKI Group to the holders of RHS Shares

None of PKI, its Related Bodies Corporate (including PKI Australia) nor any of their Associates, during the period of four months before the date of this Scheme Booklet, gave, or offered to give or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate, to:

- (a) vote in favour of the Scheme; or
- (b) dispose of RHS Shares,

and which benefit was not offered to all other RHS Shareholders under the Scheme.

8.15 Benefits from PKI Group to RHS Directors

None of PKI or its Related Bodies Corporate (including PKI Australia) will be making any payment or giving any benefit to any current RHS Directors as compensation or consideration for, or otherwise in connection with, their resignation from the RHS Board, if the Scheme becomes Effective and the RHS Board is accordingly reconstituted, other than as required under the relevant person's employment contract with RHS (as to which see Section 8.5(e) of this Scheme Booklet).

8.16 Right to inspect and obtain copies of the RHS Register

Under section 173 of the Corporations Act, a RHS Shareholder has the right to inspect, and to ask for a copy of, the RHS Register which contains details of the names and addresses of RHS Shareholders.

A copy of the RHS Register will be given to any RHS Shareholder upon request and payment of the prescribed fee under the Corporations Act.

8.17 ASIC relief – change in financial position

Clause 8302(h) of Schedule 8 of the Corporations Regulations requires the Scheme Booklet to disclose the extent to which the financial position of RHS has materially changed since the date of the last balance sheet laid before RHS's general meeting, being its financial statements for the financial year ended 31 December 2016.

ASIC has allowed RHS to confine its disclosure to all material changes to RHS's financial position between 31 December 2017 and the date of this Scheme Booklet on the basis that:

- (a) RHS has complied with Division 2 of Part 2M.3 of the Corporations Act in respect of the financial year ended 31 December 2017;
- (b) RHS intends to send its shareholders a copy of its balance sheet (and other financial statements) for the financial year ended 31 December 2017 with this Scheme Booklet;
- (c) RHS released its audited financial statements in respect of the financial year ended 31 December 2017 to ASX on 28 February 2018;
- (d) RHS discloses all material changes in RHS's financial position occurring after the financial year ended 31 December 2017 and prior to the date of this Scheme Booklet, in this Scheme Booklet. This information is provide in section 5.6 of this Scheme Booklet;
- (e) RHS discloses in announcements to the ASX any material changes to its financial position that occur after the date of lodgement of this Scheme Booklet for registration with ASIC but prior to the Scheme being approved by the court; and
- (f) the explanatory statement sent to RHS shareholders is substantially in the form given to ASIC on 11 April 2018.

8.18 ASX Listing Rule 6.23.2 waiver

Subject to the Scheme being approved by the RHS Shareholders and the Court, the ASX has granted a waiver to RHS from compliance with ASX Listing Rule 6.23.2 to permit the RHS Options to be cancelled for consideration without requiring shareholder approval, on the Implementation Date under the Option Cancellation Deeds.

8.19 No unacceptable circumstances

The Directors of RHS believe that the Scheme does not involve any circumstances in relation to the affairs of RHS that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

8.20 Supplementary information

RHS will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, RHS may circulate and publish the supplementary document by any or all of:

- (a) prominently placing an advertisement in a published newspaper that is circulated throughout Australia;
- (b) posting the supplementary document on RHS's website at www.rhsc.com.au;

- (c) making an announcement to the ASX; or
- (d) issuing a supplementary explanatory statement.

8.21 Other material information

Other than as contained in or referred to in this Scheme Booklet, there is no other information material to the making of a decision by RHS Shareholders about whether or not to vote in favour of the Scheme, being information that is known to RHS or a director of a Related Body Corporate of RHS and which has not previously been disclosed to RHS Shareholders.

9 Glossary

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means, as the context requires, ASX Limited (ABN 98 008 624 691) or the securities market conducted by ASX Limited.

ASX Listing Rules means the official listing rules of the ASX.

Business Day has the meaning given in the ASX Listing Rules.

CGH means Comparative Genomic Hybridisation

CGT means Australian capital gains tax.

Comparative Genomic Hybridisation means a molecular cytogenetic method of screening cells for gains or losses of DNA.

Competing Proposal means any inquiry, offer, expression of interest, proposed or possible transaction or arrangement:

- (a) pursuant to which, if ultimately completed, any person or persons (other than a member of the PKI Group) could:
 - (i) acquire or have a right to acquire (directly or indirectly, whether alone or together with its Associates);
 - (A) an interest in all or a substantial part of the assets or business of RHS or the RHS Group;
 - (B) an economic interest in 50% or more of the issued share capital of RHS or any member of the RHS Group; or
 - (C) a relevant interest in 15% or more of the voting shares of RHS or of the share capital of any Related Body Corporate of RHS; or
 - (ii) enter into, or increase, any cash settled equity swap or other derivative contract arrangement in respect of 15% or more of the share capital of RHS; or
 - (iii) acquire (directly or indirectly) control (as determined in accordance with section 50AA of the Corporations Act) of RHS or any member of the RHS Group; or
 - (iv) otherwise acquire or have a right to acquire (directly or indirectly) or merge (directly or indirectly) with, or otherwise acquire an economic interest in, RHS (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company or similar structure, capital reconstruction or any other transaction or arrangement) or in all or substantially all of the business, assets, or undertaking of the RHS Group; or
- (b) which is conditional, or may only progress, upon RHS failing to proceed with the Scheme or terminating the Scheme Implementation Agreement.

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

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia.

Deed Poll means the deed poll executed by PKI and PKI Australia in favour of Scheme Shareholders, a copy of which is set out in Appendix 4 to this Scheme Booklet.

Department of Obstetrics and Gynaecology means the University of Adelaide's academic research department within the School of Medicine.

DNA means deoxyribonucleic acid.

DOPlify® means RHS's whole genome amplification kit.

DOP-PCR means degenerate oligonucleotide primed-PCR, a method for whole genome amplification employed by DOPlify®.

Effective, when used in relation to the Scheme, means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act approving the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

EmbryoCollect® means RHS's Comparative Genomic Hybridisation kit using microarrays for the detection of whole chromosome aneuploidy.

End Date has the meaning given to it in the Scheme Implementation Agreement.

Grant Thornton means Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987).

Implementation Date means the date on which the Scheme is to be implemented, being the fifth Business Day after the Scheme Record Date, currently expected to be Thursday, 14 June 2018 or such other date agreed by RHS and PKI in writing, ordered by the Court or as may be required by the ASX.

Independent Expert means Grant Thornton.

Independent Expert's Report means the report set out in Appendix 1 to this Scheme Booklet.

IVF means in-vitro fertilisation.

Link Market Services means Link Market Services Limited (ACN 083 214 537).

Microarray means a glass surface with DNA bound to it used for Comparative Genomic Hybridisation.

Next Generation Sequencing means a method to determine the genetic code of a fragment of DNA.

NGS means Next Generation Sequencing

Option Cancellation Deeds means the deeds between RHS, PKI and each of the holders of RHS Options under which it is proposed that all of the RHS Options will be acquired by PKI Australia and then cancelled with effect from the Implementation Date in consideration for the payment by PKI or PKI Australia per RHS Option of an amount calculated by subtracting the exercise price of the relevant RHS Option from the Scheme Consideration.

PG-Seq™ means RHS' kit for PGT-A using NGS.

PGS means Pre-implantation Genetic Screening.

PGT-A means Pre-implantation Genetic Testing for Aneuploidy.

PGT-M means Pre-implantation Genetic Testing for Monogenic Disorders

PKI means PerkinElmer Inc.

PKI Australia means PerkinElmer Holdings Pty Ltd (ACN 625 022 193).

PKI Director means a director of PKI.

PKI Group means PKI and its Related Bodies Corporate (including PKI Australia).

PKI Prescribed Event has the meaning given to the term “Bidder Prescribed Event” in the Scheme Implementation Agreement.

PKI Scheme Booklet Information or Bidder Scheme Booklet Information means Section 6 and Sections 8.11 to 8.15 (inclusive) of this Scheme Booklet, the information in Section 2 of this Scheme Booklet regarding “Who is PKI and the PKI Group?” and “Who is PKI Australia and what are its intentions towards RHS?”, the information regarding PKI Australia’s intention in relation to the RHS Board in Section 8.8 of this Scheme Booklet.

Pre-implantation Genetic Screening means analysing the number of chromosomes in an IVF embryo.

Pre-implantation Genetic Testing for Aneuploidy has the same meaning as Pre-implantation Genetic Screening.

Pre-implantation Genetic Testing for Monogenic Disorders means testing an embryo for an inherited genetic disease.

Proxy Form means the proxy form accompanying this Scheme Booklet.

Related Body Corporate has the meaning given to it in the Corporations Act.

RHS means RHS Limited (ACN 010 126 708).

RHS Board means the Board of RHS.

RHS Director means a director of RHS.

RHS Directors means each of Dr David Brookes, Dr Michelle Fraser, Johnathon Matthews, Sue MacLeman and Dr Colin Matthews (as alternate for Johnathon Matthews).

RHS Group means RHS and its Related Bodies Corporate.

RHS Material Adverse Change has the meaning given to the term “Target Material Adverse Change” in the Scheme Implementation Agreement.

RHS Option means an option to acquire one unissued RHS Share, details of which are set out in Section 5.9 of this Scheme Booklet.

RHS Prescribed Event has the meaning given to the term “Target Prescribed Event” in the Scheme Implementation Agreement.

RHS Register means the register of members of RHS.

RHS Scheme Booklet Information means all information in this Scheme Booklet other than the PKI Scheme Booklet Information and the Independent Expert’s Report.

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

RHS Shareholder means a person who is recorded in the RHS Register as a holder of RHS Shares.

Scheme means the scheme of arrangement, a copy of which is set out in Appendix 3 to this Scheme Booklet, to be proposed between RHS and the RHS Shareholders pursuant to section 411 of the Corporations Act.

Scheme Booklet means this document, including the explanatory statements in relation to the Scheme as required under section 412(1) of the Corporations Act in respect of the Scheme.

Scheme Consideration means the consideration to be paid by PKI Australia to Scheme Shareholders under the Scheme, being \$0.28 in cash in respect of each RHS Share held on the Scheme Record Date.

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 24 February 2018 between RHS and PKI, a copy of which is set out in Appendix 2 to this Scheme Booklet (excluding its annexures).

Scheme Meeting means the meeting of RHS Shareholders convened by the Court under section 411 of the Corporations Act for the purpose of considering and, if thought fit, approving the Scheme.

Scheme Record Date means the time and date for determining RHS Shareholders entitled to receive Scheme Consideration, being 6.30pm (Adelaide time) on the fifth Business Day after the Effective Date, currently expected to be Wednesday, 6 June 2018, or such other date as agreed between the parties or required by ASX.

Scheme Resolution means the resolution to be put to RHS Shareholders to approve the Scheme as set out in the Notice of Meeting set out in Appendix 5 to this Scheme Booklet.

Scheme Shareholders means each RHS Shareholder who holds RHS Shares as at the Scheme Record Date.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is (or is to be) heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Second Court Hearing means the hearing before the Court to approve the Scheme following the Scheme Meeting.

Superior Proposal means a bona fide Competing Proposal in respect of RHS received by RHS, which the RHS Board determines, acting in good faith and in order to satisfy what the RHS Board considers to be its fiduciary or statutory duties (and after consulting with RHS's financial advisers and having taken written advice from RHS's legal advisers):

- (a) is capable of being valued and consummated; and
- (b) would, if consummated, result in a transaction more favourable to RHS Shareholders (as a whole) than the Scheme,
- (c) taking into account all terms and conditions of the Competing Proposal, including the terms and conditions, the identity of the person making the proposal, consideration, conditionality, funding, certainty and timing of the proposal provided that a Competing Proposal cannot be a Superior Proposal if it is subject to a due diligence or financing condition.

University of Adelaide means the public university of that name located in Adelaide, South Australia, Australia.

Unsolicited Competing Proposal means any bona fide approach by a third party in respect of a Competing Proposal not solicited in breach of the no shop restriction (being, clause 12.1 of the Scheme Implementation Agreement and referred to as "solicited proposals").

VWAP means volume weighted average price, calculated by dividing the value of trades by the volume of trades over a given period.

WGA means Whole Genome Amplification.

Whole Genome Amplification means a method for copying an entire genome.

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Appendix 1 – Independent Expert’s Report

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Grant Thornton

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RHS Limited

Independent Expert's Report and Financial Services Guide

16 April 2018

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Directors
RHS Limited
40-46 West Thebarton Road
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16 April 2018

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Dear Directors

Introduction

RHS Limited (“RHS” or “the Company”) is a biotechnology company focused on developing advanced patented single cell genomic technologies for use in the analysis of in-vitro fertilisation (“IVF”) embryo screening, cancer and prenatal testing. RHS’ product portfolio includes EmbryoCollect™ for pre-implantation genetic screening (“PGS”), DOPlify™ which is a whole genome amplification kit (“WGA”) and PG-Seq™ which is a new next generation sequencing (“NGS”) workflow solution for pre-implantation genetic testing for aneuploidy (“PGT-A”) and for monogenic disorders (“PGT-M”). DOPlify™ and EmbryoCollect™ are currently in the market with PG-Seq™ being launched in the first half of 2018. RHS is listed on the Australian Securities Exchange (“ASX”) and at close of business on 20 March 2018, had a market capitalisation of approximately A\$24.3 million¹.

PerkinElmer Inc (“PerkinElmer”) is a US incorporated company that provides products, services, and solutions to the diagnostic, research, environmental, industrial, food and laboratory services markets worldwide. One of its divisions focuses on the areas of reproductive health, emerging market diagnostics and applied genomics. With its shares listed on the New York Stock Exchange, PerkinElmer had a market capitalisation of US\$8.6 billion (c.A\$11.2 billion) as at 20 March 2018.

On 26 February 2018, RHS announced that it had entered into a Scheme Implementation Agreement (“SIA”) with PerkinElmer under which PerkinElmer proposes to acquire all the issued share capital in RHS by way of a scheme of arrangement (the “Scheme”). If the Scheme is implemented, RHS shareholders (“RHS Shareholders”) will receive a cash consideration of A\$0.28 per share (the “Consideration”).

On 16 March 2018, in accordance with clause 3.4 of the SIA, PerkinElmer nominated PerkinElmer Holdings Pty Ltd (being a wholly-owned subsidiary of PerkinElmer) (“PerkinElmer Holdings”) to acquire all of the issued share capital of RHS instead of PerkinElmer. In accordance with clause 3.4(b) of the SIA, PerkinElmer irrevocably and unconditionally guarantees to RHS the due and punctual performance by PKI Holdings of all of its obligations under or in connection with SIA and certain related documents.”

The Scheme is subject to customary conditions precedent as set out in Section 1 of this Independent Expert’s Report (“IER”).

¹ Based on a closing trading price of A\$0.270 and 89,920,483 ordinary shares on issue

As at the date of the IER, RHS has 7.4 million options on issue (“RHS Options”) with an exercise price varying between A\$0.200 and A\$0.248 per share and expiring between 31 May 2019 and 31 May 2020. RHS, PerkinElmer and the holders of the RHS Options have agreed, by private treaty arrangements, that subject to the Scheme being implemented, PerkinElmer Holdings will acquire the RHS Options at a price equal to the difference between the Consideration and the exercise price. The RHS Options will then be cancelled immediately following such acquisition.

Subject to an independent expert’s report determining that the Scheme is in the best interests of RHS Shareholders and in the absence of a superior proposal, the Directors of RHS (the “Directors”) have unanimously recommended that RHS Shareholders vote in favour of the Scheme.

Subject to those same two qualifications, each Director has stated their intention to vote shares that they hold or control in favour of the Scheme.

Purpose of the report

Whilst there is no legal requirement for the preparation of an independent expert’s report in conjunction with the Scheme, the Directors have engaged Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance” or “GTCF”) to prepare an IER to assist RHS Shareholders in assessing the merits of the Scheme.

When preparing the IER, Grant Thornton Corporate Finance has had regard to the Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 *Contents of expert reports* (“RG111”) and Regulatory Guide 112 *Independence of experts* (“RG112”). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of RHS Shareholders.

Fairness Assessment

The valuation of RHS presents a number of challenges as outlined below:

- *Start-up nature* – RHS is a start-up biotechnology company with revenue of circa A\$0.2 million and a loss before income tax of circa A\$2 million in FY2017. Over the last 24 month period, the Company has repositioned itself as a single cell genomics company and it is currently still in the process of making significant commercial returns for its historical investments.
- *New products yet to gain market share but with significant growth prospects*
 - RHS launched DOPlify in 2016 and, in December 2017, a second independent study by the University of Ghent comparing single cell WGA kit performance confirmed that DOPlify is internationally competitive and demonstrated its application for cell-based cancer screening using liquid biopsy. Following the independent validations of this product, RHS is in the process of seeking to ramp-up future revenue with a number of advanced discussions with several potential customers.

- PG-Seq, RHS' latest product, is a complete PGS solution using next generation sequencing that includes RHS' DOPlify WGA. RHS is preparing for the full commercial launch of PG-Seq with the first external application clinical validation study complete and the second expected to be finalised by the end of March. These studies precede the commencement of an early access program, for which the first clinic has enrolled. The full commercial launch of PG-Seq is expected in the first half of 2018.
- *Long term projections* – The Company has not prepared long term projections in relation to the commercialisation of PG-Seq and DOPlify given the current uncertainty in relation to the level of demand from potential customers and the timing of future revenue which would be based on hypothetical assumptions. Whilst biotechnology companies are often valued based on the net present value of future cash flows, given RHS' specific circumstances, we are of the opinion that this methodology is not applicable.
- *Liquidity in the trading prices* – Whilst RHS is listed on the ASX, the liquidity is limited which may affect the ability of RHS Shareholders to sell their holding at fair market value.

Due to the challenges noted above, in our fairness assessment, we have considered a number of factors as outlined below:

- We have undertaken a valuation of RHS based on the revenue capitalisation approach ("Revenue Multiple"). We have adopted the Revenue Multiple given that RHS is not currently profitable and its products are either at an early stage of commercialisation or are yet to be launched. This valuation methodology is common for biotechnology companies in a similar stage of development as RHS.
- We have compared the premium for control payable to RHS Shareholders with the average premium for control historically paid for biotechnology companies in a similar stage of development. Based on the assessed average premium for control, we have assessed the fair market value of RHS on a control basis having regard to the trading prices.
- We have considered the revenue multiples implied by the Consideration.

Valuation of RHS based on Revenue Multiple

Set out below is our valuation assessment of RHS on a control basis based on the Revenue Multiple.

Valuation summary - FME Method \$'000	Section Reference	Low	High
Selected future revenue	6.1.1	2,000	5,000
Revenue multiple (times) on a control basis	6.1.2	5.5x	5.5x
Enterprise value (on a control basis)		11,000	27,500
Less: Fair market value of the RHS Options	6.1.3	(423)	(700)
Add: Pro-forma Net Cash as at 31 December 2017	6.1.4	734	734
Equity Value (on a control basis)		11,311	27,534
Number of ordinary RHS shares outstanding	6.1.5	89,920	89,920
Value per RHS Share (on a control basis) A\$/share		0.13	0.31

Source: GTCF Analysis

As outlined above, the Consideration offered is within our assessed valuation range of RHS on a control basis. We note that our valuation assessment has resulted in a wide value per share range for RHS which we do not believe is unreasonable considering the early stage nature of the Company, the potential growth opportunities in conjunction with RHS' product portfolio and the uncertainty in relation to future revenues.

We have outlined below the rationale behind the key assumptions adopted in our valuation assessment of RHS based on the Revenue Multiple:

- *Future Revenue* – The low-end of our assessed future revenue has been estimated using a bottom-up approach in which forecast revenues are based on sales of DOPlify and PG-Seq to customers for whom pricing and volume have been provisionally agreed and are therefore likely to eventuate. The high-end of our assessed future revenue takes into account the most likely revenue forecasts based on Management's views of the probability of revenues eventuating by customer having regard to discussions held with them.
- *Revenue multiple* – The selected revenue multiple of 5.5x is predominantly based on the Revenue Multiples implied in the acquisitions of BlueGnome² and Rubicon Genomics³ which we consider the most comparable to RHS (refer to section 6.1.2 for details). However, we note that these companies had more established operations than RHS and had revenue of A\$17.4 million and A\$16.9 million respectively the year prior to the acquisition.

RHS Shareholders should be aware that our assessment of the value per RHS Share should not be considered to reflect the price at which RHS Shares will trade if the Scheme is not implemented. The price at which RHS Shares will ultimately trade depends on a range of factors including: the liquidity of RHS Shares; macro-economic conditions; the regulatory and political environment; and the performance of RHS' business.

Premium for control and valuation based on the trading prices

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access cash flows, tax benefits and control of the board of Directors of the company.

The Consideration of A\$0.28 per RHS Share represents a premium of:

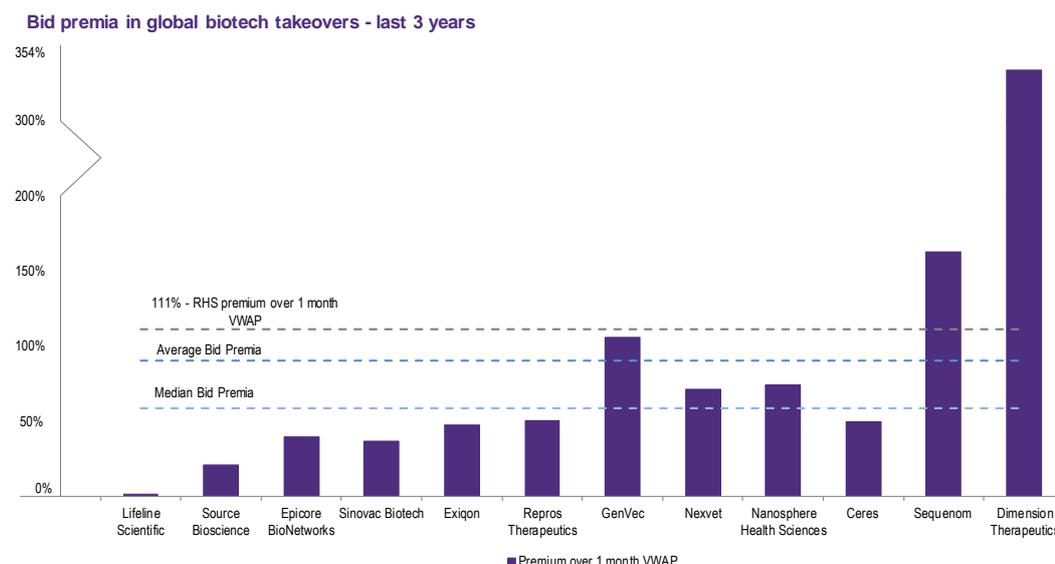
- 100% compared with the closing price of RHS Shares on 23 February 2018 of A\$0.14 (date before the announcement of the SIA).
- 111% compared with the VWAP of RHS Shares for the one month period prior to 23 February 2018.
- 108% compared with the VWAP of RHS Shares for three month period prior to 23 February 2018.

² BlueGnome developed array-based cytogenetic and IVF screening tests. The acquisition included BlueGnome's 24sure test, a PGS assay for counting the chromosomes in a single human cell. 24sure is a similar offering to EmbryoCollect.

³ Rubicon developed library preparation kits and products for sample analysis. Its amplification solutions include PicoPLEX, a single cell WGA kit for use in array and PCR analysis.

As part of our analysis to assess the fairness of the Scheme, we have benchmarked the control premium implied in the Consideration with the premium for control paid for worldwide transactions over the past three years, involving the acquisition of biotech companies with a market capitalisation of up to A\$100 million. We are of the opinion that companies of this size are more relevant for the purpose of our analysis of RHS as they are in a substantially similar stage of development.

We have set out our analysis below.



Sources: S&P Global, GTCF analysis.

Note: VWAP computed from the first undisturbed date before the transaction.

As outlined above, the control premium implied in the Scheme is higher than the average and median control premium paid in the selected comparable transactions. There are only two occasions where a higher premium for control was paid.

Adopting a premium for control between 80% and 90% (having regard to the average control premium⁴) and based on the RHS trading prices before the announcement of the Scheme of between A\$0.13 and A\$0.15 per share, we have assessed the fair value per RHS Share between A\$0.23 and A\$0.29 on a control basis, as shown in the table below:

Valuation summary - Quoted Share Price Method	Section Reference	Low	High
A\$ per share			
Assessed value per RHS based on trading prices (on minority basis)	6.2.1	0.13	0.15
Control premium	6.2.2	80%	90%
Assessed value per RHS Share based on trading prices (on control basis)		0.23	0.29

Sources: S&P Global, GTCF analysis

RHS Shareholders should be aware that the liquidity in RHS Shares is limited which may adversely affect the trading prices before the announcement of the Scheme and caused them not to be representative of fair market value of RHS on a minority basis.

⁴ We acknowledge that adopting a control premium based on the average of the historical premiums paid for our selected comparable transactions will be affected by outliers most noticeably at the high end, however, we are of the view that this is not unreasonable given the potential growth opportunities for RHS.

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Implied revenue multiple

We have set out below the Revenue Multiples implied in the Consideration having regard to the actual revenue for the year ending 31 December 2017 of A\$0.2 million and the future revenue of between A\$2 million and A\$5 million adopted for the purpose of our valuation assessment. Whilst RHS is yet to generate any meaningful revenue, we are of the opinion that based on current discussions with potential customers in relation to DOPlify and PG-Seq together with other growth opportunities, it would not be unreasonable for a pool of potential purchasers to recognise significant growth in revenue from the current level in their valuation assessment of RHS.

RHS implied revenue multiples		EV implied in the transaction (A\$m)	Implied multiples
Revenues (A\$m)			
Actual FY17	0.2	24.9	118.4x
Forecasted	2.0	24.9	12.5x
Forecasted	5.0	24.9	5.0x

Source: RHS annual report, SIA, GTCF analysis.

We note the following in relation to the table above:

- The EV/Revenue transaction multiples implied in the acquisitions of BlueGnome and Rubicon Genomics, which we consider the most relevant comparable transactions, were 5.2x and 5.9x respectively. However, these revenue multiples are based on actual historical revenue for both these companies rather than future potential revenue (both companies had revenue of circa A\$17 million in the full year prior to the acquisition).
- The median EV/Revenue trading multiples for the Tier 1 listed peers is 5.3x on a minority basis (forecast 2019). However, we note that these comparable companies are significantly larger than RHS with a market capitalisation in excess of A\$1 billion in most cases, more diversified and stable operations than RHS and an established revenue base.
- The Revenue Multiple implied in the Scheme based on 2017 actual revenue of RHS is circa 118x.

In summary, the Consideration seems to reflect a revenue base significantly greater than the actual 2017 revenue of RHS in line with the significant growth opportunities for the Company.

Fairness conclusion

Based on the quantitative analysis carried out above, it is our opinion that the Scheme is **FAIR** to RHS Shareholders given that:

- The Consideration offered is within our assessed valuation range of RHS on a control basis based on the Revenue Multiple and trading prices.
- The premium for control offered to RHS Shareholders is in excess of the average premium for control paid on successful takeovers in the biotechnology sector for companies of a similar size.
- The revenue multiple implied in the Consideration recognises significant revenue upside which is yet to be realised by RHS.

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Reasonableness Assessment

In accordance with RG111, the Scheme is deemed to be reasonable because it is fair. However, in assessing the reasonableness of the Scheme, we have also considered the following factors.

Ability to realise their investment in RHS versus future growth opportunities

RHS is on the cusp of a number of significant potential price catalyst events in relation to its products which may lead to substantial increases in future revenue of the Company. If the Company is successful in the roll-out of its product lines, the trading prices of RHS may significantly increase from the level before the announcement of the Scheme. The timing of the proposed acquisition by PerkinElmer is somewhat opportunistic as the underlying value of RHS Shares could increase materially in the short to medium term. In particular, we note the following:

- The development of PG-Seq is almost complete and RHS is on the cusp of product launch with the first external clinical validation study finished and the second underway and expected to be completed in the second quarter of 2018. Initial feedback from the validation studies has been positive with further detailed analysis to be presented following the completion of both trials. PG-Seq has been designed with the ability to perform testing for both PGT-A and PGT-M. The product has been developed to be platform independent and to be compatible with the lower cost Illumina MiniSeq sequencer⁵.
- DOPlify has shown suitability for liquid biopsy applications as confirmed by a University of Ghent study which compared four of the best performing single cell whole genome amplification kits. Liquid biopsy tests based on the circulating tumour cells (“CTCs”) have enormous potential as CTCs have been found for all cancers (except brain) and may aide in cancer diagnosis, treatment monitoring and general population screening for early detection and may one day replace invasive and more expensive biopsy procedures. The liquid biopsy market in the US is estimated to reach US\$32.6 billion within the next 5 years.

However, in our opinion, RHS Shareholders need to recognise several actual risks currently faced by the business which may adversely affect their ability to realise a price in excess of the Consideration for their RHS Shares:

- RHS operates in the highly competitive global biotechnology sector. Its main competitors are Illumina, Inc (“Illumina”) and Thermo Fisher Scientific, Inc (“Thermo Fisher”) with market capitalisations of circa US\$45 billion and US\$100 billion respectively. In FY2017, Illumina and Thermo Fisher incurred R&D expenses of US\$546 million and US\$888 million respectively. It will be challenging for RHS to compete with such large companies with a global scale and large R&D budget. In addition, the technological obsolescence of the industry is increasing at a rapid rate which poses further commercialisation risk for RHS’ product lines. For example, we note that RHS incurred R&D expenses of circa A\$3.8 million to develop EmbryoCollect and it is yet to generate a return on this investment however most IVF clinics have now switched to products based on the more advanced NGS technology (like PG-Seq) which make the commercial exploitation of EmbryoCollect challenging.

⁵ Current global market leader.

- From discussions with Management, we understand that for RHS to continue on a stand-alone basis, it would likely need to raise capital between A\$10 million to A\$15 million to support the commercialisation of its product lines, with no guarantee of a commercial return to RHS Shareholders. This is a significant amount to raise considering that the market capitalisation of the Company before the announcement of the Scheme was circa A\$12.5 million. We note that in June 2015, the Company completed an A\$1.5 million capital raising with sophisticated investors which was priced at an 8.1% discount to the volume weighted average price in the last 15 days during which trades occurred. A capital raising of up to A\$15 million has the potential to be significantly dilutive for those RHS Shareholders not able/allowed to participate.
- There is uncertainty as to whether RHS will be able to compete with its larger and more established competitors as the start-up nature of RHS operations means RHS is viewed as higher risk by customers who value continuity in supply. RHS' size and limited funding availability may hinder the demand for RHS' products by its customers even under the circumstances where RHS' products are considered superior to its competitors.
- RHS cash burn is c.A\$0.5 million per quarter to cover ongoing operational expenses, capital expenditure, patent expenses and working capital. It has historically financed these requirements primarily through capital raisings, and to a lesser extent, R&D tax benefits and grants. Capital raisings may be potentially dilutive for RHS shareholders.

Lack of liquidity of RHS Shares

The RHS Shares listed on the ASX have limited liquidity, with a median monthly trading volume of approximately 1% of RHS total issued capital over the 6 months to 23 February 2018. Such low liquidity may represent an impediment for RHS Shareholders to sell their shares at fair market value.

The Proposed Transaction will remove exposure to short-term funding risks

As discussed above, RHS' cash burn was approximately A\$0.5 million per quarter for the past few years due to its upfront investments in EmbryoCollect, DOPlify and PG-Seq. As at 28 February 2018, the Company had an available cash balance of only A\$0.85 million. In addition, we have been notified that RHS has requested the first draw-down of A\$0.15 million of an Interim Funding Facility which has been provided by The Very Company PTY Ltd.

Based on discussions with the Management of RHS and a review of the financial information, it is our opinion that if the Scheme is not implemented, RHS will likely be required to undertake a capital raising to continue as a going concern.

No brokerage costs

RHS Shareholders will be able to realise their investment in RHS without incurring any brokerage or stamp duty costs.

Prospect of a superior offer

To date, no superior value proposition to the Scheme has emerged. Whilst RHS has agreed not to solicit any competing proposals or, subject to a fiduciary exception, to participate in discussions or negotiations in relation to any competing proposals, there are no material impediments to an

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alternative proposal being submitted by potential interested parties. The transaction process may act as a catalyst for potential interested parties and the additional information provided in the Scheme Booklet and Independent Expert's Report will facilitate the ability of interested parties to assess the merits of potential alternative transactions. If an alternative proposal on better terms were to emerge, it is expected that this would occur prior to the Scheme meeting.

Value for PerkinElmer

We note that if the Scheme is implemented, PerkinElmer may be able to accelerate the commercialisation and ramp-up of PG-Seq and DOPlify via its global network of customers and footprint compared with what RHS may be able to achieve on a stand-alone basis. In addition, PerkinElmer is not financially constrained like RHS which should enhance the security of supply for customers and hence accelerate their take-up. In our opinion both these opportunities are reflected into our valuation assessment.

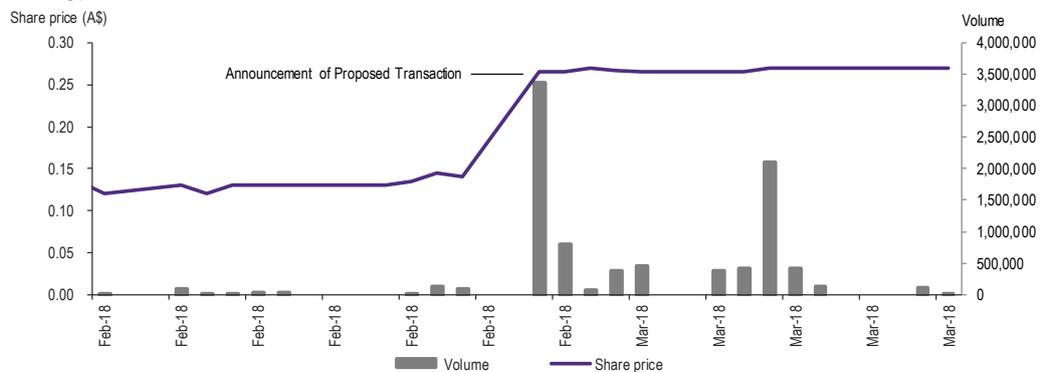
Share price in the absence of the Scheme

In the absence of the Scheme or an alternative transaction, all other things being equal, it is likely that RHS Shares will trade at prices below the Consideration and is therefore expected to fall from the existing level. In our opinion, the prospect of RHS Shares trading above the Consideration in the short term is limited, based on the current market conditions and the ongoing performance of the Company, and in the absence of the Scheme or alternative transactions. However, RHS Shareholders should note that the Company is on the cusp of significant price catalysts in relation to the commercialisation and ramp-up of its product lines which could be significantly value accretive for RHS Shareholders.

Share price after the announcement

As set out below, following the announcement of the Scheme, the trading prices of RHS have traded substantially in line with the Consideration which seems to indicate good support from investors for the Scheme, perceived low completion risk of the Scheme and limited expectations for a superior proposal.

Trading prices before and after the announcement date



Sources: S&P Global, RHS' ASX announcements

Tax implications

If the Scheme is implemented, RHS Shareholders may crystallise a capital gains tax expense. The taxation consequences for shareholders will vary according to their individual circumstances. RHS

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Shareholders should read the overview of tax implications of the Scheme set out in the Scheme Booklet and also seek independent financial and tax advice on the implications of accepting the Scheme.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE** to RHS Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR AND REASONABLE** to RHS shareholders in the absence of a superior alternative proposal emerging.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each RHS Shareholder to decide based on their own views of value of RHS and expectations about: future market conditions; RHS' performance; risk profile; and investment strategy. If RHS Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Director



JANNAYA JAMES
Authorised Representative

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Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by RHS to provide general financial product advice in the form of an independent expert's report in relation to the Scheme. This report is included in RHS' Scheme Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from RHS a fee of \$55,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of RHS in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.



“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with RHS (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Scheme

1.1 Key terms

The key terms of the Scheme pursuant to the SIA are outlined below:

- *Consideration* – RHS shareholders will receive a cash consideration of A\$0.28 per share.
- *Conditions* – The Scheme is subject to the following conditions (refer to the SIA for further details):
 - Approval of the Scheme by RHS Shareholders at the Scheme Meeting.
 - Approval of the Scheme by the Court in accordance with Section 411 of the Corporations Act.
 - The Independent Expert stating that in its opinion the Scheme is in the best interests of RHS Shareholders and the Independent Expert does not change or publicly withdraw this conclusion before the Scheme becomes effective.
 - The RHS Options are the subject of binding Option Cancellation Deeds or alternate binding arrangements under which the RHS Options will be cancelled, vested or acquired by PerkinElmer at a price equal to the difference between the Consideration and the exercise price and such arrangements are unconditional, other than in respect of the Scheme becoming effective.
 - Other conditions precedents customary for a transaction of this type including material adverse changes and prescribed occurrences (refer to section 4.3 of the Scheme Booklet for details).
- *Break fee* – A\$251,777 payable by RHS to PerkinElmer if, among other circumstances, the Directors withdraw their recommendation to RHS Shareholders in relation to the Scheme and/or a “Competing Proposal” is publically announced and completes.
- Other terms usual for a transaction of this nature, including customary exclusivity arrangements such as “no shop, no talk”, and “no due diligence” and a right for the bidder to be notified of, and to have an opportunity to match, competing proposals.

Refer to the Scheme Booklet for further details.



2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act, 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirements for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

As at the date of the report, PerkinElmer neither has an interest in RHS in excess of 30% nor has common directors. Accordingly, there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme. Notwithstanding this, the Directors of RHS have requested Grant Thornton Corporate Finance to prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of RHS shareholders.

2.2 Basis of assessment

We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests". In determining whether the Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the Australian Securities and Investments Commission ("ASIC"), including RG111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG112. The independent expert's report will also include other information and disclosures as required by ASIC.

RG111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.



RG111 considers an offer to be “reasonable” if it is fair. An offer may also be reasonable if, despite not being “fair” but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of RHS on a control basis before the Scheme with the Consideration.

In considering whether the Scheme is in the best interests of RHS shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The implications to RHS shareholders if the Scheme is not approved.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with the Scheme that could potentially affect RHS shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the implementation or not of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of RHS and its Directors and all other relevant parties involved in the Scheme.

2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around 20 April 2018 in which this Report appears, and is prepared for the exclusive purpose of assisting the RHS Shareholders in their consideration of the Scheme. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this IER in its form and context and consents to its inclusion in the Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Scheme to the RHS Shareholders as a whole. We have not considered the potential impact of the Scheme on individual shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the

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Scheme on individual shareholders.

The decision of whether or not to vote in favour of the Scheme is a matter for each RHS Shareholder based on their own views of the value of RHS and expectations about future market conditions, RHS' performance, and their individual risk profile and investment strategy. If shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

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3 Industry overview

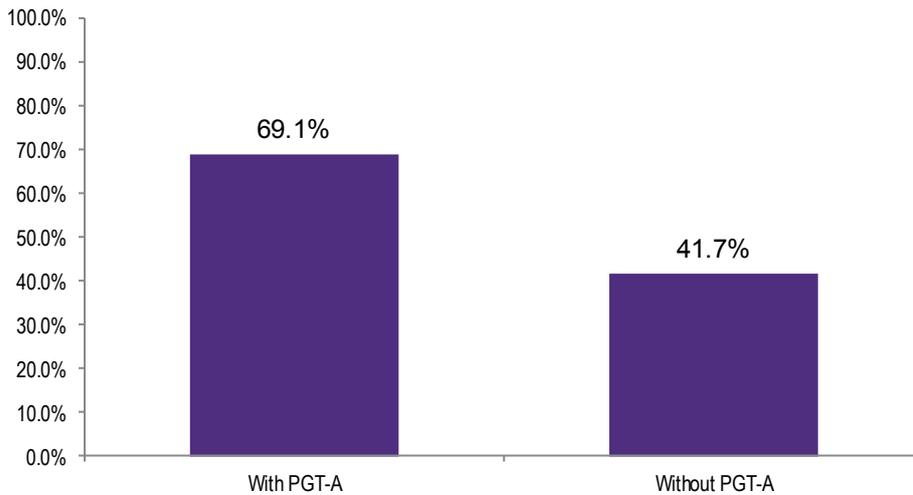
RHS is a biotechnology company focused on developing advanced patented single cell genomic technologies for use in the analysis of IVF embryo screening, cancer and prenatal testing. IVF embryo screening is typically referred to as Pre-implantation Genetic Testing (“PGT”).

3.1 Pre-implantation Genetic Testing market

In PGT a few cells are extracted from the early developing embryo and the DNA is extracted from these cells and copied many thousands of times to create enough DNA test material to undertake PGT. Once the test DNA material is prepared, the DNA material is analysed using a microarray or sequenced using a sequencing machine to determine the genetic code of the DNA. The genetic code is then used to identify genetic defects including aneuploidy (PGT-A), which tests for the correct number of chromosomes, and monogenic disorders (PGT-M) which identifies diseases at the single gene level.

PGT-A allows the embryologist to identify and transfer healthy embryos with the correct number of chromosomes, which significantly improves the likelihood of falling pregnant as shown in the chart below. Furthermore, aneuploidy has been demonstrated as the major contributor to unsuccessful IVF transfers⁶.

Pregnancy rate with and without PGT-A



Source: *Molecular Cytogenetics 2012: Yang Z, Liu J, Collins GS, Salem SA, Liu X, et al. (2012) Selection of single blastocysts for fresh transfer via standard morphology assessment alone and with array CGH for good prognosis patients: results from a randomised pilot study.*

There are approximately 2 million IVF cycles globally per annum and PGT-A adoption is estimated at between 5% and 10% currently. In 2015, the global PGT market was valued at US\$129.3 million⁷ and is forecast to grow at a compound annual growth rate (“CAGR”) of c.10% per annum over the period 2017-2023.

Key drivers in the global PGT market include:

- **Increase in adoption of IVF:** The global IVF industry is expected to grow at a CAGR of c.10% over the period 2016-2022⁸ due to reduced conceiving rates and changing lifestyle conditions.

⁶ Scott et al 2012 – Single embryo transfer with comprehensive chromosome screening results in improved ongoing pregnancy rates and decreased miscarriage rates

⁷ Grand View Research Pre-implantation Genetic Testing market overview

⁸ Research and Markets IVF Market, August 2016

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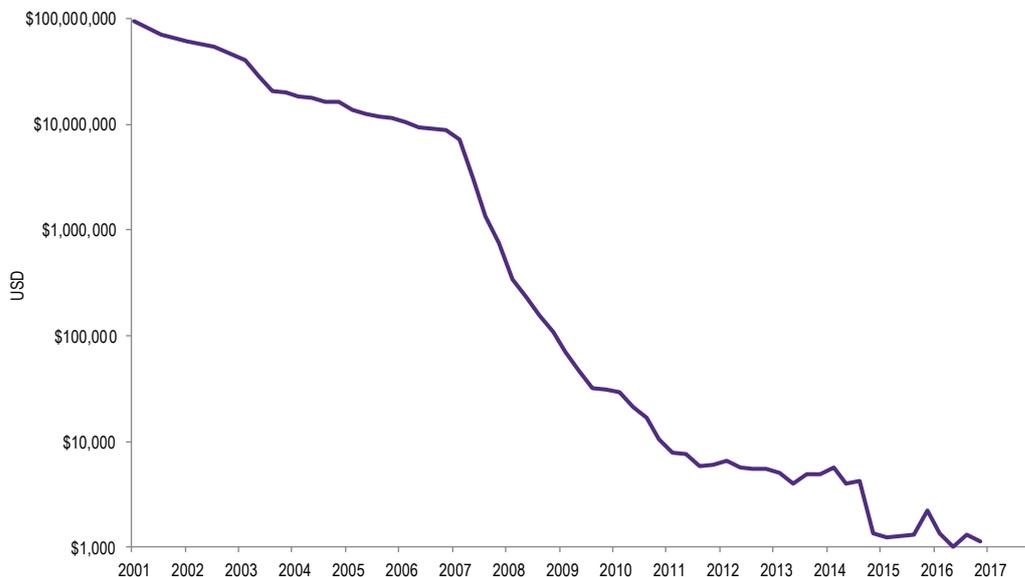
- *Delayed childbirth:* The average maternal age is rising as women are increasingly choosing to delay having children to focus on careers and education.
- *Technological advancements:* Improvements in sequencing technology is expected to lead to further reduction in sequencing costs while at the same time improving the accuracy of tests. Furthermore, tests that can identify a broader range of genetic conditions and allow for the selection of embryos to avoid genetic diseases will drive increased demand⁹.
- *Increase in implantation rate:* Embryos derived from older mothers commonly fail to implant. PGT can improve the implantation rates of older mothers to be equivalent to younger mothers.
- *Investment by governmental bodies:* IVF funding is provided by many countries around the world as a way to counter declining fertility rates.

PGT-M is less frequently used than PGT-A and is typically offered to patients carrying a specific genetic disease. By identifying IVF embryos that most likely do not carry a particular genetic disorder, PGT-M can enable the transfer of embryos most likely to be unaffected and reduce the risk of passing a known genetic condition onto an offspring.

3.1.1 Next-generation sequencing

Next generation sequencing technology is a method for sequencing millions of fragments of DNA at the same time. NGS has rapidly reduced the cost of sequencing since 2008 when sequencing centres began transitioning from Sanger-based sequencing to NGS as shown in the graph below:

Cost of sequencing per human genome



Source: National Human Genome Research Institute. The cost of sequencing refers to the costs associated with sequencing performed at the sequencing centres funded by the National Human Genome Research Institute

It now costs around US\$1,000 and takes approximately one day to sequence a human genome (compared to 13 years for the Human Genome project from 1990 to 2003). The greater throughput and improved resolution provided by NGS makes it possible to analyse large amounts of DNA more efficiently and more

⁹ Research and Markets Pre-implantation Genetic Testing Market, August 2017

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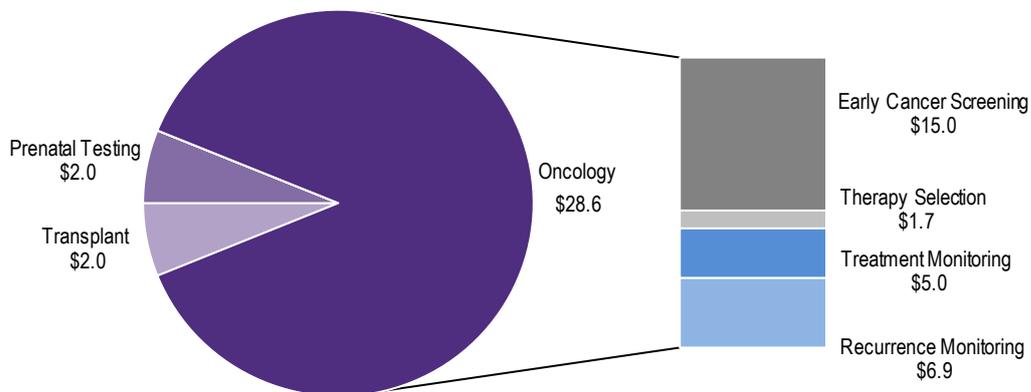
accurately compared to the array Comparative Genomic Hybridisation approach (“aCGH”). This reduces turnaround times and creates additional possibilities for genetic testing, such as the detection of single nucleotide polymorphism (“SNP”), which is a genetic variation of a single nucleotide. As a result, the market is adopting NGS in place of microarray aCGH technology.

3.2 Liquid Biopsy market

Liquid biopsies use blood or urine to assess biomarkers typically only accessible through an invasive procedure¹⁰. Cell-free DNA (“cfDNA”), circulating tumour cells (“CTC”) and exosomes have been detected for many years in blood, although these have had limited use in mainstream diagnostics due to their very low concentrations. Cancer tests typically require the DNA from thousands of cells, and therefore invasive biopsy procedures are required to extract enough cancer cells for testing purposes as only a small number of CTCs can be found in the blood samples of cancer patients.

However, recent technological advances such as NGS, sample preparation tools and bioinformatics have led to a decrease in the detection limits, enabling detection at significantly lower concentrations. Liquid biopsy applications that have been commercialised such as therapy selection, treatment monitoring and NIPT, are at low levels of penetration. Other liquid biopsies are in the early stages of commercialisation with early cancer screening a long-term opportunity. Overall the market represents a potential US\$32.6 billion opportunity in the United States alone¹¹.

United States Liquid Biopsy Market (\$ billion)



Source: PiperJaffray Liquid Biopsy Report, September 2015

3.2.1 Non-invasive pre-natal testing

Non-invasive pre-natal testing (“NIPT”) is similar in many respects to embryo testing in that the same genetic conditions are screened, such as aneuploidy and severe genetic disorders. While oncology is the largest market for liquid biopsies, cfDNA assays have found the most commercial traction in non-invasive prenatal testing. In 2012, Sequeunom introduced the first clinical NIPT to determine the risk of Down syndrome. NIPT has evolved to include tests for other genetic abnormalities and gender identification¹².

¹⁰ PiperJaffray Liquid Biopsy Report, September 2015

¹¹ Ibid

¹² Ibid

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4 Profile of RHS

4.1 Introduction

RHS is an independent Australian biotech company focused on the development of advanced single cell genomic technologies for use in the analysis of IVF embryo screening, cancer and prenatal testing. The Company was founded in 2003 by a team of scientists from the University of Adelaide that in 2004 published one of the first papers on the use of microarrays for PGS and formed the basis for patents and exclusive licenses to RHS in Australia, the USA, Europe, China, New Zealand, Hong Kong and Canada. At the Company's 2017 AGM, the Company changed its name from Reproductive Health Science Limited to RHS Limited, to reposition and rebrand the Company as a single cell genomics company with target markets beyond the IVF market.

The Company is currently commercialising DOPlify, a single cell WGA kit, and EmbryoCollect, a microarray based comparative genomic hybridisation kit for PGT, and it is in the process of launching a third product, PG-Seq, an NGS PGT kit. DOPlify is used in the workflow of EmbryoCollect and PG-Seq for the amplification of biopsy samples but has other potential novel applications in cancer, in particular the growing liquid biopsy market. Both EmbryoCollect and PG-Seq require the customer to own a dedicated microarray scanner or sequencer to perform analysis of the output data. In response to enquiries from IVF clinics, RHS also provides PGT services including the analysis of samples for clinics that are not ready to bring testing in house. Following the launch of DOPlify in 2016, the company launched a WGA service for DNA sample amplification.

4.2 EmbryoCollect

EmbryoCollect was the first product developed by RHS and was launched in July 2014. It is a clinically proven solution developed specifically for the purpose of PGT. The product has been extensively validated and is used to identify embryos suitable for transfer or frozen storage. EmbryoCollect uses microarray comparative genomic hybridisation technology to compare the number of chromosomes in a sample biopsy to a known reference sample for the detection of whole chromosome aneuploidy (PGT-A). In 2017, RHS published a rapid 5 hour protocol for EmbryoCollect, allowing for same day results and a significantly shorter turnaround than what is achievable using NGS. Each EmbryoCollect kit contains reagents, slides and software for analysing 20 test samples. A microarray scanner is required to interpret the results.

EmbryoCollect R&D expenses were circa A\$3.8 million for the period 2008 to June 2017, and accounted for c.70% of total R&D incurred over this period. However, the know-how acquired by RHS to create EmbryoCollect has been extensively leveraged-off to develop DOPlify.

The table below illustrates the cost to develop EmbryoCollect since 2008:



EmbryoCollect cost of development (A\$)		
Year	Total R&D Expenditure	EmbryoCollect portion
2008	56,271	56,271
2009	607,286	607,286
2010	837,476	837,476
2011	531,307	531,307
2012	586,171	527,554
2013	543,128	543,128
2014	610,255	457,691
2015	618,008	154,502
2016	521,471	78,221
2017	550,000	55,000
Total	5,461,373	3,848,436

Source: RHS Management

EmbryoCollect is expected to present a short-term opportunity going forward as most IVF clinics have switched to NGS technology. The adoption of NGS by the market has been hastened following the discontinuation of Illumina’s market leading 24sure microarray product. The exit of Illumina from this market presents RHS with an opportunity to service these remaining laboratories.

The kit is currently protected by a granted patent family in all the major territories.

4.3 DOPlify

DOPlify is a whole genome amplification kit that utilises polymerase chain reaction techniques (“PCR”)¹³ to copy small amounts of DNA equivalent to a single or limited number of cells, to the equivalent of thousands of cells worth of DNA. This has applications in genetic testing, as tests typically require thousands of cells worth of DNA. DOPlify is incorporated into the workflows of EmbryoCollect and PG-Seq to amplify the biopsy sample DNA for PGT purposes and has been validated for detecting chromosome aneuploidy. In addition to PGT, DOPlify has novel applications in cancer, particularly the liquid biopsy market, and research markets. Management advises that no further product development is required to use DOPlify in a range of different non-IVF applications.

The development of DOPlify commenced in 2012 and the product was launched 4 years later in August 2016. Since its launch, DOPlify has undergone two independent validation studies by the University of Ghent and has been shown to be internationally competitive with other leading WGA products.

The following table illustrates the R&D cost associated with the product development:

DOPlify cost of development (A\$)		
Year	Total R&D Expenditure	DOPlify portion
2012	586,171	58,617
2013	543,128	-
2014	610,255	152,564
2015	618,008	463,506
2016	521,471	26,074
2017	550,000	27,500
Total	3,429,033	728,260

Source: RHS Management Team

¹³ Polymerase Chain Reaction is a technique used to amplify, or copy, segments of DNA

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In addition to PGT, DOPlify has potential application in cancer analysis, non-invasive prenatal testing and non-invasive PGT-A (“NIPGT-A”). We describe these opportunities in more detail below:

- *Cancer analysis:* In April 2017, an independent University of Ghent study found that DOPlify achieved 100% accuracy for the detection of deletions and duplications from whole chromosomes down to 5mb. This resolution is fundamental for preimplantation screening and CTC applications. A second independent study released by the University of Ghent in December 2017 reinforced the previous study’s outcomes but also demonstrated that DOPlify is internationally competitive for cell-based liquids biopsy applications.
- *NIPGT-A:* In June 2017, RHS and Monash IVF Group Ltd (“Monash IVF”) announced that they were partnering to develop a way to test for chromosome number in embryos without biopsy. PGT-A is usually performed on a small number of cells taken from the developing embryo. The embryo releases DNA from their chromosomes into the culture media in which the embryo is grown so rather than biopsying the embryo, the cell-free DNA can be used to test for PGT-A when amplified using DOPlify. NIPGT-A removes the need for performing a biopsy and keeps the embryo intact. NIPGT-A may lead to increased use of PGT-A as it is faster than traditional PGT-A, can be used to test all embryos regardless of biopsy feasibility, requires less capex, requires no embryologist biopsy training and reduces the risk of damaging the embryo in the biopsy process.
- *NIPT:* The testing of circulating fetal cells is similar in many respects to embryo testing in that the same genetic conditions including aneuploidy and severe genetic diseases are screened. RHS is collaborating with companies in the US and Europe for the potential application of DOPlify in NIPT.

DOPlify is safeguarded by trade secret and supply exclusivity contracts. The formulation of the product is only known to RHS and its OEM partner. Regarding the trade mark, DOPlify has been registered in Australia in classes 1 and 5 and in the USA and Europe under class 1.

4.4 PG-Seq

PG-Seq is a platform-independent PGT solution using NGS technologies comprising DOPlify, NGS library preparation and reagents, and software for data analysis. It combines PGT-A and PGT-M analysis into a single workflow. PG-Seq was first presented at the European Society for Human Reproduction and Embryology (“ESHRE”) meeting in Geneva in July 2017 and has a planned global launch date of March 2018.

RHS has incurred c.A\$884k of R&D costs associated with developing PG-Seq since the beginning of its development in 2016 as shown in the table below:

PG-Seq cost of development (A\$)		
Year	Total R&D Expenditure	PG-Seq portion
2016	521,471	417,177
2017	550,000	467,500
Total	1,071,471	884,677

Source: RHS Management

In October 2017, the results of the first external clinical validation study of PG-Seq were announced with PG-Seq demonstrating whole chromosome aneuploidy detection accuracy of 98.4% sensitivity and 100%

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specificity for 5 cell samples, the current IVF embryo biopsy size, and 95.8% sensitivity for single cells¹⁴. A first clinical validation is complete and a second clinical validation study is currently underway and is expected to be completed in the first half 2018.

In parallel with the validation of PG-Seq on the MiSeq sequencer, the most commonly used sequencer in IVF clinics, RHS has validated PG-Seq on the cheaper Illumina MiniSeq sequencer, which provides a lower capex option to IVF clinics.

PG-Seq was initially created specifically for the PGT-A test. Subsequently, RHS has also developed a proprietary approach to combine PG-Seq with RHS' patented Target Enrichment ("TSE") on clinical genes of interest in order to process both PGT-A and PGT-M from a single biopsy. This patent approach is novel in the IVF market and is applicable in a broad range of other markets including the genetic screening of CTCs.

PG-Seq was created to be platform independent and is compatible with Illumina and Thermo Fisher sequencers. PG-Seq can process 48 samples per run on the same Illumina MiSeq sequencer used for the Illumina VeriSeq 24 sample kit in approximately the same turnaround time. Market research has indicated that the sequencers are typically run overnight; hence the duration difference does not impact time to result.

PG-Seq has a list price of A\$12,500 per kit, and provides 96 tests for a cost of c.A\$130 per test. RHS have undertaken market research of its customers in determining its pricing levels.

In the December quarter of 2017, RHS were awarded grant funding for further development and customisation of software for use with PG-Seq. This will allow RHS to tailor its PG-Seq software interface analysis modules to its products, including combining PGT-A and PGT-M analysis in a single package. The upgraded software will be released later in 2018 as a second generation PG-Seq kit.

PG-Seq is protected by a trade secret and an exclusivity of supply agreement with its OEM partner who supplies the reagents used in PG-Seq to RHS exclusively.

4.5 Financial Information

4.5.1 Financial performance

The table below illustrates the Company's audited consolidated statements of comprehensive income for the last three financial years ended 31 December 2015, 2016 and 2017.

¹⁴ Based on almost 400 samples with known chromosome content

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Consolidated statement of comprehensive income A\$	FY15 Audited	FY16 Audited	FY17 Audited
Sales revenue	73,363	76,158	210,548
Cost of Goods sold	(34,117)	(25,565)	(45,896)
Gross profit	39,246	50,593	164,652
Research and development tax incentive	274,615	278,104	234,662
Other income	85,784	87,114	66,163
Total income	399,645	415,811	465,477
Expenses			
Salaries and benefits	(1,090,467)	(1,003,965)	(1,232,727)
Consultants and professional fees	(203,821)	(187,253)	(289,144)
Research and development	(100,356)	(136,725)	(231,069)
Rent and property expenses	(145,858)	(131,293)	(132,127)
Depreciation and amortisation	(82,596)	(76,570)	(70,441)
Travel costs	(137,042)	(150,975)	(134,893)
Other expenses	(236,294)	(215,011)	(300,151)
Finance costs	(11,081)	(10,186)	(12,512)
Doubtful debts	-	(10,464)	-
Share based payments	(27,309)	(302,594)	(47,481)
Total expenses	(2,034,824)	(2,225,036)	(2,450,545)
Profit/(Loss) before income tax expense	(1,635,179)	(1,809,225)	(1,985,068)
Income tax benefit/(expense)		-	-
Profit (Loss) from continuing operations	(1,635,179)	(1,809,225)	(1,985,068)
Loss attributable to members of the parent entity	(1,635,179)	(1,809,225)	(1,985,068)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the year	(1,635,179)	(1,809,225)	(1,985,068)

Source: RHS limited annual reports

In relation to the above we note the following:

- Revenue increase is in relation to the commercialisation of DOPlify in August 2016 which however is still to achieve the revenue potential expected by Management.
- Research and development expenses increased driven by the development of PG-Seq.
- The increase in the expenses was due to the entering into the commercialisation phase for DOPlify and PG-Seq and an increase in repairs and maintenance costs, patent and annual trademark license fees.

4.5.2 Financial Position

The consolidated statements of financial position of RHS as at 30 June 2017 and 31 December 2017 is summarised below.

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Consolidated statement of financial position as at A\$	30-Jun-17 Audited	31-Dec-17 Audited
Current assets		
Cash and cash equivalents	1,989,556	852,580
Trade and other receivables	32,065	17,827
Inventories	10,121	94,370
Other current assets	60,918	8,948
Total current assets	2,092,660	973,725
Non-current assets		
Property, plant and equipment	291,428	266,107
Intangible assets	56,486	51,267
Other non-current assets	10,400	10,400
Total non current assets	358,314	327,774
Total Assets	2,450,974	1,301,499
Current liabilities		
Trade and other payables	199,012	214,885
Deferred revenue	18,200	18,200
Interest-bearing loans borrowings	67,599	54,329
Provisions	190,130	226,581
Total current liabilities	474,941	513,995
Non-current liabilities		
Interest bearing loans and borrowings	90,620	64,567
Provisions	32,759	37,037
Total non-current liabilities	123,379	101,604
Total Liabilities	598,320	615,599
Net assets	1,852,654	685,900
Contributed equity	15,019,333	15,019,333
Share based payments reserve	1,127,700	354,575
Accumulated losses	(14,294,379)	(14,688,008)
Total shareholder's equity	1,852,654	685,900

Source: RHS annual and half year reports

We note the following in relation to RHS' financial position:

- Current assets decreased significantly by c. 54% over the six months to 31 December 2017 due to the cash reduction to finance the Company operations.
- The increase in the inventory is driven by RHS preparing for the commercialisation of DOPlify and PG-Seq.
- Intangible assets represent the costs associated with obtaining patents and trademarks which are amortised over the term of the patents and trademarks.

The financial statements included an emphasis of matter in relation to the ability of the Company to continue as a going concern in the absence of successful fund raisings.

4.5.3 Cash Flow Statement

RHS' cash flow statements for the 3 years ending 31 December 2015, 2016 and 2017 are set out below:

Consolidated statement of cash flows	FY15	FY16	FY17
A\$	Audited	Audited	Audited
Cash flows from operating activities			
Receipts from customers	86,668	64,153	205,923
Payments to suppliers and employees	(1,905,810)	(1,829,542)	(2,328,683)
Interest paid	(11,081)	(10,186)	(12,512)
Interest received	40,644	16,872	16,088
R&D tax benefit received	431,992	278,104	234,662
EMDG grant received	-	103,927	23,269
Other income	-	8,000	26,806
Net cash flows (used in) operating activities	(1,357,587)	(1,368,672)	(1,834,447)
Cash flows from investing activities			
Purchase of intangible assets	-	(71,558)	-
Purchase of property, plant and equipment	(116,525)	(51,552)	(19,265)
Proceeds from the sale of assets	31,466	545	-
Refund of tenement bond	-	-	-
Net cash flows (used in) investing activities	(85,059)	(122,565)	(19,265)
Cash flows from financing activities			
Proceeds from issue of shares	1,308,150	1,515,077	1,500,000
Payment of transaction costs for issue of shares	(85,206)	(127,675)	(107,668)
Proceeds from borrowings	190,481	42,143	29,553
Finance lease repayments	(33,897)	(35,342)	(74,042)
Net cash flows from financing activities	1,379,528	1,394,203	1,347,843
Net increase/(decrease) in cash and cash equivalents	(63,118)	(97,034)	(505,869)
Cash at the beginning of the year/period	1,518,601	1,455,483	1,358,449
Cash at the end of the year	1,455,483	1,358,449	852,580

Source: RHS annual reports, GTFC analysis

In relation to the above we note the following:

- The increase in cash outflow was mainly driven by the payments to suppliers and employees that rose by 27% from c.A\$1.8 million to c.A\$2.3 million associated with the ramp-up of the business, commercialisation of the company's products, and launch of PG-Seq.
- Net cash flow from investing activities improved significantly in FY17 compared with FY15 and FY16 periods, due to the absence of significant acquisitions regarding intangible assets and property, plant and equipment.
- RHS raised circa A\$1.5 million in FY2017 and FY2016 respectively to finance its operations

4.6 Share Capital Structure

As at the date of this report, RHS had the following securities on issue:

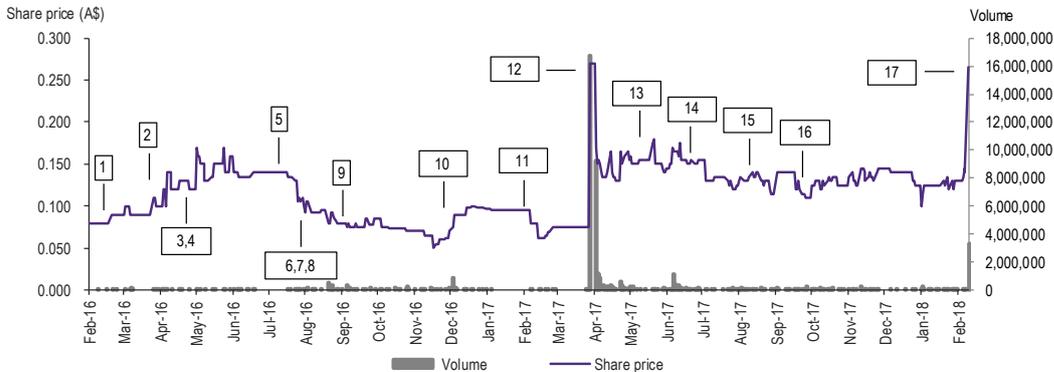
- 89,920,483 Shares.
- 7,400,000 RHS Options. The terms of the RHS Options are outlined below.

RHS options summary			
Number of options	Expiry date	Exercise price (A\$)	
2,750,000	31-May-20	0.208	
1,500,000	31-May-20	0.208	
1,500,000	31-May-20	0.248	
1,000,000	31-May-20	0.208	
250,000	31-May-20	0.200	
300,000	31-May-19	0.200	
100,000	31-May-20	0.200	

Source: Scheme implementation agreement of 26 February 2018

Our analysis of the daily movements in RHS' Share price and volume for the period from February 2016 to February 2018 is set out below:

Historical share trading prices and volume for RHS



Sources: S&P Global and GTFC analysis

Event	Date	Comment
1	Feb-16	RHS released its FY15 annual report: - Revenues, nil in FY14, now amounted to A\$73,363. - Net loss equal to A\$(1,635,179), 73% less than in FY14. - Net cash flows used in operating activities reduced by 17.4% to A\$(1,357,587) in respect to FY14.
2	Apr-16	Flinders Fertility publicised the early success of their new PGS service offered in collaboration with RHS' EmbryoCollect.
3	May-16	RHS WGA and PGS related presentations generated a great deal of interest at the Preimplantation Genetic Diagnosis International Society Congress in Italy.
4	May-16	Bioshares Newsletter released an article regarding the positive results in clinical pregnancy rates of the EmbryoCollect test.
5	Jul-16	RHS released the quarterly review of operations and accounts reporting a negative cash flow from operating activities of A\$(499K). During the quarter the Company received the second grant instalment of A\$23,000 from the Export Marketing Development Grant and incurred A\$(890K) of gross operating cash expenses. In relation to its products, RHS fixed the date for DOPlify launch to 23 August 2016 and regarding the international expansion strategy the Company reported ongoing discussions with a European clinic and 2 other overseas clients. Moreover RHS announced the possibility to finally enter the USA market due to the expiration of certain IP rights previously preventing it.
6	Aug-16	RHS responded to the ASX letter dated 9 August 2016 in regards to the quarterly report released by RHS on 29 June 2016. The ASX letter addressed the following: - Does the Company expect it will continue to have negative operating cash flows for the time being and, if not, why not? - Has the Company taken any steps, or does it propose to take any steps, to raise further cash find its operation and, if so, what are those steps and how likely does it believe that they will be successful? - Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? - Can the Company confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market? RHS announced that the Company will continue to have negative cash flow whilst undertaking the commercialisation of

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Event	Date	Comment
		its core products. The company is considering different options to address its cash balance and expects to continue its operations. The Company confirmed the compliance with the Listing Rules and specifically with Listing Rules 3.1 and 12.2.
7	Aug-16	RHS announced the launch of DOPlify on the global market.
8	Aug-16	RHS released the FY16 half year report. The Company recognised A\$20,760 in revenues from ordinary activities and a net loss of A\$(905,504), which were respectively 15.6% and 31.6% higher than the amounts in the first half FY15. The net cash flow amount from operations of A\$(816,115) was 13.6% higher than half year FY15 and was composed mainly by payments to suppliers and customers.
9	Sep-16	RHS announced a placement and a fully underwritten non-renounceable rights issue to raise A\$1.5 million. The transaction was composed of 7 million of new shares issued at 0.075 A\$ per share and a fully underwritten one for five non-renounceable rights issue at an off price of 0.075\$ per new share. The last day of acceptance of the right of issue form was 30 September 2016.
10	Dec-16	RHS raised its international profile, increased revenues and strengthened its clinical expertise. The Company announced that: - an increase in revenues over the previous quarter due to an increase in kit sales and services including the commencement of services to a third Australian IVF PGS customer. - RHS was selected to present at the ninth Annual Biotech Showcase in January in San Francisco. - DOPlify generated significant interest in the industry and it was included in independent single cell WGA benchmarking study.
11	Feb-17	RHS releases its FY16 annual report. In respect of FY16: - Revenue increased by 3.8% to A\$76,158 - Net loss increased by 10.6% to A\$(1,809,225) - Net cash flow used in operating activities amounted to A\$(1,368,672) in line with the FY15 amount of A\$(1,357,587). The cash outflow regarded almost entirely the payments to suppliers and employees equal to A\$(1,829,542) The note 25 of the annual report, to which auditors drew attention, reported material uncertainty as to whether RHS will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report in the case the Company does not achieve its forecast trading result or raise funds at a level or timing as required.
12	Apr-17	Results of Independent University of Ghent benchmarking study, announced in December 2016 released, confirming that DOPlify is internationally competitive. DOPlify was part of an independent benchmarking comparison against three other modern single cell WGA kits and it excelled with 100% accuracy for the detection of deletions and duplications from whole chromosomes down to 5Mb, matched only by Rubicon PicoPLEX DNA-seq.
13	Jun-17	RHS completed the placement to raise A\$1.5 million issuing 10.7 million of shares at A\$0.14 per share.
14	Jul-17	RHS released a business update highlighting the following: - Introduction of new complete kit for PGS (PG-Seq) at ESHRE in Geneva - Opportunity for increased EmbryoCollect sales following Illumina product decision not to supply the 24sure kit anymore. - Sales of products and services by RHS for the June quarter were consistent with forecast quarter on quarter growth.
15	Aug-17	RHS released its half year FY17 results. In respect to the half year FY17: - Revenue from ordinary activities increased significantly by 375% to A\$98,600 - Net Loss for the period reduced by 10.6% to A\$(809,254) - Net cash used in operating activities was equal to A\$(744,588), 8.8% less than in 1H FY16
16	Oct-17	RHS released an update regarding its PG-Seq kit: - Completed the extensive validation of PG-Seq as a complete Next Generation Sequencing solution for PGS - PG-Seq enters clinical validation at external sites ahead of full commercial product launch
17	Feb-18	PerkinElmer, Inc. entered into a binding scheme implementation agreement to acquire RHS limited for a cash consideration of A\$0.28 per RHS Share

The monthly share price performance of RHS since January 2017 is summarised below:

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RHS Limited	Share Price			Average
	High \$	Low \$	Close \$	weekly volume '000'
Month ended				
Jan 2017	0.100	0.095	0.095	NA
Feb 2017	0.080	0.080	0.080	NA
Mar 2017	0.075	0.062	0.075	NA
Apr 2017	0.290	0.075	0.140	NA
May 2017	0.175	0.130	0.155	NA
Jun 2017	0.180	0.140	0.155	NA
Jul 2017	0.160	0.130	0.135	233
Aug 2017	0.140	0.120	0.140	228
Sep 2017	0.140	0.115	0.140	177
Oct 2017	0.140	0.110	0.135	267
Nov 2017	0.145	0.125	0.140	268
Dec 2017	0.145	0.130	0.140	129
Jan 2018	0.140	0.100	0.125	146
Week ended				
10 Nov 2017	0.130	0.125	0.125	103
17 Nov 2017	0.135	0.125	0.135	92
24 Nov 2017	0.140	0.125	0.125	200
1 Dec 2017	0.145	0.130	0.130	614
8 Dec 2017	0.145	0.130	0.130	261
15 Dec 2017	0.145	0.135	0.145	170
22 Dec 2017	0.140	0.140	0.140	20
29 Dec 2017	0.140	0.140	0.140	5
5 Jan 2018	0.140	0.140	0.140	70
12 Jan 2018	0.130	0.125	0.125	65
19 Jan 2018	0.130	0.100	0.125	409
26 Jan 2018	0.125	0.125	0.125	73
2 Feb 2018	0.125	0.125	0.125	23
9 Feb 2018	0.135	0.120	0.120	141
16 Feb 2018	0.130	0.120	0.130	160
23 Feb 2018	0.145	0.135	0.140	230

Sources: S&P Global and GTCF analysis

4.6.1.1 Top shareholders

We have set out below the top 10 shareholders of RHS as at 31 December 2017:

Top 10 shareholders of ordinary shares as at 31 December 2017			
Rank	Name	No. of shares ('000)	Interest
1	Acorn Trust	11,961	13.30%
2	Gibson, Rodney John	11,371	12.64%
3	Dypso Pty Ltd	2,400	2.67%
4	Hyland Securities	1,978	2.20%
5	Brookes MBBS, FACRRM, FAICD, David Lionel	1,855	2.06%
6	Octifil	1,600	1.78%
7	Nurragi Investments	1,590	1.77%
8	Calama Holdings	1,521	1.69%
9	Hillboi Nominees	1,465	1.63%
10	Taycol Nominees	1,358	1.51%
Top 10 shareholders total		37,099	41.25%
Remaining shareholders		52,822	58.75%

Source: S&P Global



5 Valuation methodologies

5.1 Introduction

As discussed in Section 2, our fairness assessment involves comparing the Consideration of A\$0.28 per RHS Share to the fair market value of RHS Shares on a control and fully diluted basis.

Grant Thornton Corporate Finance has assessed the value of RHS using the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, scheme of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders on an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

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5.3 Selected valuation methods

As discussed in the Executive Summary, the valuation of RHS presents a number of challenges which have impacted the selection of the valuation methodologies for RHS.

5.3.1 FME Method

Grant Thornton Corporate Finance has selected the Revenue Multiple to assess the fair market value of RHS. We have adopted the Revenue Multiple since most of RHS' products are not profitable and are either at an early stage of commercialisation or have not been launched yet. RHS remains in the start-up phase of operations and expects to significantly grow its revenues over the next few years as its products proceed through the clinical validation phase into commercialisation.

We are of the opinion that a capitalisation of revenues approach is an appropriate valuation methodology for RHS due to following:

- Revenue multiples for companies operating in the biotechnology space are widely used and accepted relative valuation measures.
- Availability of transactional evidence and listed comparable companies for the calculation and analysis of implied revenue multiples.
- No detailed long-term forecast cash flows were prepared by Management. The start-up phase of RHS' operations and the lack of a track record of revenues from the Company's key products (PG-Seq and DOPlify), which are expected to generate the vast majority of RHS' future revenues, makes it difficult to prepare long-term forecasts based on reasonable grounds.
- The company is currently loss-making thereby removing the ability to use earnings multiples.

5.3.2 Cross check

Prior to reaching our conclusion, we have cross-checked our valuation assessment based on the trading share price of RHS prior to the announcement ("Quoted Security Price Cross Check") of the Transaction and historical capital raising ("Capital Raising Cross Check").

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6 Valuation assessment of RHS Shares

6.1 FME Method

We have assessed the fair market value of RHS Shares on a control basis using the Revenue Multiple methodology which is summarised in the table below

Valuation summary - FME Method \$'000	Section Reference	Low	High
Selected future revenue	6.1.1	2,000	5,000
Revenue multiple (times) on a control basis	6.1.2	5.5x	5.5x
Enterprise value (on a control basis)		11,000	27,500
Less: Fair market value of the RHS Options	6.1.3	(423)	(700)
Add: Pro-forma Net Cash as at 31 December 2017	6.1.4	734	734
Equity Value (on a control basis)		11,311	27,534
Number of ordinary RHS shares outstanding	6.1.5	89,920	89,920
Value per RHS Share (on a control basis) A\$/share		0.13	0.31

Source: GTCF Analysis

6.1.1 Assessed future revenue of RHS

As discussed in section 5.3, the valuation of RHS presents a number of challenges given the early stage nature of the Company and the fact that two products such as DOPlify and PG-Seq have been recently launched or in the process of being launched and RHS is yet to generate substantial revenue.

Accordingly, the future revenue adopted for the purpose of our valuation is an exercise of judgement that takes into consideration the following factors:

- Current stage of development and commercialisation of RHS' products.
- Budget and management projections to 30 June 2019 ("RHS Low Case Projections") prepared by Management to analyse RHS' underlying funding requirement for that period.
- Financial projections prepared by Management for the purpose of obtaining funding under the Export Market Development Grant program ("RHS High Case Projections" together with the RHS Low Case Projections defined as the "RHS Projections") which forms the basis for Management's expected case over the period to 30 June 2019.
- RHS' commercialisation strategy.
- Key industry risks, growth prospects and general economic outlook.
- Broker estimates for key players in the industry.

Whilst Grant Thornton Corporate Finance believes that the assumptions underlying the RHS Low/High Case Projections are appropriate to be considered for the purpose of our valuation, in accordance with the requirements of RG111, we have not disclosed them in our Report. In addition, the RHS Projections contain commercially sensitive information and they do not meet the requirements for presentation of prospective financial information as set out in RG170.

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In accordance with the requirement of RG111, we have undertaken a critical analysis of the RHS Projections before relying on them for the purpose of our valuation assessment. Specifically, we have performed the following analysis:

- Conducted high level checks of the RHS Projections, including limited procedures in relation to the mathematical accuracy.
- Performed a broad review, critical analysis and benchmarking of the RHS Projections with current trends in the industry and key competitors.
- We have held several discussions and interviews with the Management of the Company to discuss the RHS Projections.

In our assessment of the future revenue of RHS, we have considered the following key factors and information:

- *RHS Low Case Projections:* these are conservative estimates that are approved by the RHS Board and used to forecast funding requirements. The forecasts in the RHS Low Case Projections have been created using a bottom-up approach in which forecast revenues are based on sales to customers for whom pricing and volume have been provisionally agreed and are therefore likely to eventuate. Forecast revenues include customers who are purchasing PG-Seq for validation purposes, as well as purchases of DOPlify. The Company has noted a substantial increase in the number of enquiries following the publishing of the recent Ghent second study on DOPlify in December 2017.
- *RHS High Case Projections:* they represent Management's view of revenue forecasts assessed on a probability factor basis having regard to discussions with potential customers and Management's view on the likelihood of those revenues eventuating. Depending on the stage of discussions and the level of interests, Management has applied the following probabilities to revenues eventuating:

Management assumptions regarding probability of revenue eventuating - RHS Expected Case	
Stage of discussions with customer	Management assigned probability
Early discussions with customers	10%
Customer commits to evaluation	25%
Customer evaluation in progress	50%
Product passes evaluation; progress to commercial discussions	75%
Existing customer	90%

Source: RHS Management

- *Commercialisation strategy:* RHS is targeting key opinion leaders as part of its strategy to generate interest in its products and generate sales. PG-Seq was first presented at the European Society for Human Reproduction and Embryology in Geneva in July 2017. The Company has either attended or been mentioned at a number of industry conferences in recent years, including the American Society of Reproductive Medicine conference in November 2017 during which validation results for PG-Seq were released. In addition the Company presented at the 16th International Conference on Preimplantation Genetic Diagnosis in March 2017 and the Biotech Showcase in San Francisco in January 2017.
- *Global competition:* The Company competes in the global biotechnology sector against well established companies of much larger scale. Illumina, RHS' key competitor, has a c.80% to 85%

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market share of the NGS market, a market capitalisation of circa A\$45 billion and a large R&D budget.

- *Launch of new product:* PG-Seq is expected to drive RHS' forecast revenues and uplift the Company's recurring and non-recurring revenues starting from the second half of 2018. Management expects the product to gain market share on the back of lower costs, more efficient workflows and high accuracy of results.
- *DOPlify's growth opportunities in cancer:* DOPlify has potential novel applications in cancer as part of the growing liquid biopsy market. Cancer diagnosis, monitoring and recurrence detection tests require DNA from thousands of cells which typically requires invasive biopsy procedures. However, up to 100 circulating tumour cells can be found in 10ml of blood. Liquid biopsy of these CTCs may one day replace invasive biopsy procedures.
- *Industry trend:* There are significant growth opportunities arising from NGS as the cost of sequencing continues to fall and the throughput (number of bases that can be sequenced in a given time) continues to increase. As the emerging field of personalised medicine develops, the industry is expected to continue to grow at a rapid pace.
- *Falling demand for aCGH (microarray) technology:* EmbryoCollect is RHS' PGT-A product based on microarray technology. The majority of the IVF market has migrated to NGS, however, a small number of laboratories continue to rely on microarray technology. With Illumina discontinuing its 24sure microarray offering, there is a short term opportunity for EmbryoCollect to service these remaining laboratories.

Based on the above discussions and a review of the information available, we have assessed the future revenue to be between A\$2.0 million and A\$5.0 million. The low-end of our range is predominately based on revenue expected to be generated by those customers with who terms of a sale have been largely agreed and are therefore likely to eventuate. The high-end of the selected range reflects medium term growth opportunities and it incorporates greater uncertainties and risks.

In summary, whilst RHS is currently in the start-up phase of operations and accordingly Management's revenue expectations are subject to a higher degree of uncertainty than a business with an established product portfolio and customer base, we are of the opinion that the future revenue range adopted for the purpose of our valuation is consistent with the fair market value and the approach that we adopted by a pool of potential purchasers.

6.1.2 Assessment of EV/Revenue multiple

For the purpose of assessing an appropriate multiples range to value RHS, we have had regard to:

- The trading multiples of listed comparable companies.
- The multiples implied by recent transactions involving comparable companies.

Trading multiples

Summarised below are the trading multiples of the selected companies having regard to the trading prices:

Company	Market Cap' \$ million	Enterprise Value' \$ million	EV/Revenue				
			LTM	FY2018	FY2019	FY2020	FY2021
			Actual	Projected	Projected	Projected	Projected
Tier 1: Life Sciences/Biotech companies with WGA/PGT kits							
Thermo Fisher Scientific Inc.	108,019	134,755	5.0 x	4.4 x	4.2 x	4.0 x	3.8 x
Illumina, Inc.	44,343	44,547	12.3 x	10.8 x	9.8 x	8.8 x	8.1 x
Agilent Technologies, Inc.	28,103	27,888	4.6 x	4.3 x	4.1 x	3.8 x	3.6 x
PerkinElmer, Inc.	10,691	13,230	4.5 x	3.7 x	3.5 x	3.3 x	3.1 x
QIAGEN N.V.	9,818	10,917	5.9 x	5.4 x	5.1 x	4.7 x	4.4 x
Takara Bio Inc.	2,893	2,725	7.1 x	6.7 x	6.2 x	5.7 x	5.3 x
Sygnis AG	104	118	11.2 x	5.8 x	4.1 x	3.6 x	3.1 x
Average			7.2 x	5.9 x	5.3 x	4.9 x	4.5 x
Median			5.9 x	5.4 x	4.2 x	4.0 x	3.8 x
Tier 2							
Roche Holding AG	262,820	276,947	3.6 x	3.7 x	3.6 x	3.5 x	3.4 x
Merck KGaA	55,830	72,892	3.0 x	2.9 x	2.9 x	2.7 x	2.7 x
The Cooper Companies, Inc.	15,079	16,876	6.0 x	5.1 x	4.8 x	4.6 x	4.2 x
Bio-Rad Laboratories, Inc.	10,011	9,724	3.5 x	3.3 x	3.2 x	3.0 x	3.0 x
Natera, Inc.	632	607	2.3 x	1.9 x	1.5 x	1.2 x	N/A
Pacific Biosciences of California, Inc.	406	385	2.9 x	2.4 x	1.8 x	1.5 x	N/A
LabGenomics Co., Ltd.	101	103	3.6 x	N/A	N/A	N/A	N/A
Genetics Generation Advancement Corp.	29	19	1.3 x	N/A	N/A	N/A	N/A
Average			3.3 x	3.2 x	3.0 x	2.8 x	3.3 x
Median			3.2 x	3.1 x	3.0 x	2.9 x	3.2 x
Overall Average			5.1 x	4.7 x	4.2 x	3.9 x	4.1 x
Overall Median			4.5 x	4.3 x	4.1 x	3.6 x	3.6 x

Sources: S&P Global, GTCF Analysis

Notes: 1. Market Capitalisation as at 6 March 2018; 2. Revenue calculated based on annual periods ended 31 December; 3. Forecast based on consensus of broker forecasts sourced from S&P Global; 4. N/A – Not Available

In order to provide greater insights into the selected comparable companies, we have also analysed below EBITDA margins, revenue growth rates and R&D expenses as a percentage of revenue.

Company	Market Cap' \$ million	Enterprise Value' \$ million	EBITDA Margin			Revenue Growth			R&D expense as % of Revenue		
			FY2017	FY2018	FY2019	FY2017	FY2018	FY2019	FY2015	FY2016	FY2017
			Actual	Projected	Projected	Actual	Projected	Projected	Actual	Actual	Actual
Tier 1: Life Sciences/Biotech companies with WGA/PGT kits											
Thermo Fisher Scientific Inc.	108,019	134,755	25%	26%	26%	14%	13%	5%	4%	4%	4%
Illumina, Inc.	44,343	44,547	28%	30%	32%	15%	14%	11%	18%	21%	20%
Agilent Technologies, Inc.	28,103	27,888	24%	25%	25%	6%	6%	6%	8%	8%	8%
PerkinElmer, Inc.	10,691	13,230	20%	21%	22%	7%	21%	6%	5%	6%	6%
QIAGEN N.V.	9,818	10,917	33%	33%	35%	6%	10%	7%	11%	13%	11%
Takara Bio Inc.	2,893	2,725	18%	18%	20%	-1%	6%	8%	13%	14%	14%
Sygnis AG	104	118	N/A	15%	20%	N/A	94%	40%	NM	NM	NM
Average			25%	24%	26%	8%	23%	12%	10%	11%	10%
Median			25%	25%	25%	7%	13%	7%	10%	10%	9%
Tier 2											
Roche Holding AG	262,820	276,947	39%	39%	39%	6%	-1%	3%			
Merck KGaA	55,830	72,892	N/A	27%	29%	N/A	2%	3%			
The Cooper Companies, Inc.	15,079	16,876	31%	34%	35%	9%	17%	6%			
Bio-Rad Laboratories, Inc.	10,011	9,724	15%	17%	18%	4%	6%	4%			
Natera, Inc.	632	607	N/A	NM	10%	N/A	21%	22%			
Pacific Biosciences of California, Inc.	406	385	NM	NM	NM	3%	20%	30%			
LabGenomics Co., Ltd.	101	103	NM	N/A	N/A	N/A	N/A	N/A			
Genetics Generation Advancement Corp.	29	19	N/A	N/A	N/A	N/A	N/A	N/A			
Average			28%	29%	26%	6%	11%	11%			
Median			31%	31%	29%	5%	12%	5%			
Overall Average			26%	26%	26%	7%	18%	12%			
Overall Median			25%	26%	26%	6%	13%	6%			

Sources: S&P Global, GTCF Analysis

Notes: 1. Market Capitalisation as at 6 March 2018; 2. Financials based on annual periods ended 31 December; 3. Forecast based on consensus of broker forecasts sourced from S&P Global; 4. N/A – Not Available



In relation to the comparability of the above assessed multiples, we note the following key considerations:

- The EV/Revenue multiples presented above reflect the value of underlying companies on a minority basis and do not include a premium for control.
- We have selected two tiers of comparable companies. Tier 1 includes those entities that operate primarily in the Life Sciences Tools and Services industry and have developed kits for PGT or single cell WGA. Tier 2 includes companies that provide either PGT services, consumables for the NGS market or NIPT services. We note that a wide range of comparable companies have been selected for the purpose of this analysis given the lack of perfectly comparable companies. A brief description of the comparable companies is set out in Appendix B.
- Several of the comparable companies have large diversified biotech operations which limit the comparability with RHS. Whilst a component of their operations may be similar to RHS, this may represent a small percentage of the overall financial performance.
- The selected comparable companies all have substantial revenue and profitability and none of them is in a start-up/pre-revenue phase like RHS.

Tier 1 Companies

Within the Tier 1 comparable companies, we regard Illumina, Inc (“Illumina”) and Thermo Fisher Scientific Inc (“Thermo Fisher”) to be the most comparable to RHS as they have developed NGS PGT kits which are broadly comparable and compete with PG-Seq. However we note these companies are considerably larger and more diversified in operations and geography than RHS, and are profitable as outlined above.

Illumina

Illumina provides sequencing and array-based solutions for genetic analysis. Revenues relate predominantly to the sale of consumables and instruments, which accounted for 64% and 19% of FY2017 revenues respectively. Illumina’s consumables include various library preparation and sequencing kits including whole genome sequencing kits and targeted resequencing kits which the company has developed. It also sells whole genome amplification kits SurePLEX and SureMDA.

Customers use its consumables for a wide range of analyses including diverse species, disease-related mutations and genetic characteristics associated with cancer. Its NGS PGT sequencing product, VeriSeq, is a similar offering to RHS’ PG-Seq and is the current market leading NGS PGT product.

Illumina’s FY2018 revenue multiple at 10.8x is significantly higher than the median FY2018 5.4x revenue multiple for the Tier 1 comparable companies. In our opinion, this is driven by the following:

- Illumina dominates the NGS market and commands a c.80-85% market share. Its sequencers are industry-leading with regards to throughput and cost. In 2014, Illumina launched its HiSeq X Ten sequencer which it claimed was able to sequence a whole human genome for less than \$1,000 and in 2017 released the NovaSeq series sequencer, which Illumina claims will further reduce cost for consumers.
- Illumina’s R&D expenses as a percent of revenue have historically been c.2x the median of the Tier 1 comparable companies, while at the same time its EBITDA margins are higher than the median EBITDA

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margin of the Tier 1 peers. Based on the broker consensus forecasts, the market expects Illumina will continue to generate EBITDA margins which are higher than the median of our Tier 1 comparable companies.

- Illumina's revenues grew faster than all other Tier 1 peers in FY2017 and are forecast to consistently grow faster than the other Tier 1 peers, with the exception of Sygnis AG which is in a more early stage life cycle.

Thermo Fisher

Thermo Fisher operates in the life sciences tools and services industry and it is highly diversified by geography and by operations. Its Life Sciences Solutions segment provides a portfolio of reagents instruments and consumables that are used in biological and medical research, and production of new drugs and vaccines as well as diagnosis of disease. This segment, which accounted for c.27% of revenues in FY2017, includes Thermo Fisher's Biosciences, Genetic Sciences and Clinical Next-Generation Sequencing businesses which market reagents, instruments and consumables for use in the research, clinical and applied markets. Thermo Fisher's products include applications in reproductive health and oncology among many others. Its PGS ReproSeq kit is an NGS solution that provides reagents and materials for whole genome amplification and sequencing.

Agilent Technologies, Inc

Agilent Technologies, Inc ("Agilent") operates in the life sciences, diagnostics and applied chemical markets and provides laboratories worldwide with instruments, services, consumables and applications.

Revenue from products, including the sale of instruments, software and consumables accounted for 76% of revenues in FY2017 with the remainder attributable to services. Agilent's Diagnostic and Genomics segment includes arrays for DNA mutation detection and NGS target enrichment. Revenues to this segment accounted for 17% of total FY2017 revenues. Agilent's GenetiSure PGS microarray product is similar to RHS' EmbryoCollect.

PerkinElmer

PerkinElmer operates through two segments, Discovery and Analytical Solutions and Diagnostics. The Diagnostics segment, which generated 30% of total revenues in FY2017, provides early detection for genetic disorders from pregnancy to early childhood. This segment also develops technologies that enable workflows using NGS for applications in oncology, genetic testing and drug discovery.

QIAGEN N.V.

QIAGEN N.V. ("QIAGEN") operates in the life sciences tools and services industry and develops platforms, consumables and bioinformatics. Consumables accounted for 88% of sales in 2017 with automation systems and instrument sales contributing 12% of total sales.

QIAGEN has developed a number of NGS solutions including its GeneReader platform workflow and has developed a WGA product called Repli-g. The company produces products for a wide range of applications in the life sciences and biotechnology fields.

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Takara Bio Inc.

Takara Bio Inc (“Takara”) is a biotech company in Japan and internationally. The company develops research reagents and instruments and provides research services that utilise genetic and cell engineering technologies. Its Bio Industry segment accounted for 90% of total revenues for the 12 months to 31 March 2017. Takara recently completed the acquisition of Rubicon Genomics, which develops the PicoPLEX single cell WGA kit.

Sygnis AG

Sygnis AG (“Sygnis”) is a German-based biotech company that operates in the field of DNA amplification and sequencing. It develops a WGA kit called TruePrime.

Sygnis is small in comparison to the other Tier 1 comparable companies, with a market cap of \$104 million as at 6 March 2018. The company has recently expanded through a number of acquisitions.

Tier 2 Companies

Among the Tier 2 comparable companies, none have an offering in the market that is similar to PG-Seq. However, Cooper Companies provides PGT service offerings through its CooperSurgical segment, although this segment, at c.22% of FY2017 revenues, is small compared to the main business activities of the company, which comprise the development, manufacturing and sale of contact lenses.

Natera, Inc is a provider of PGT and prenatal genetic testing services in the United States. Roche and Merck are large multinational companies focussed primarily on the pharmaceuticals industry. Roche’s Diagnostic segment (c.22% of total FY2017 revenues) develops and delivers testing services to perform analysis of cell-free DNA in blood. It also sells PCR reagent kits including the KAPA reagents. Merck’s subsidiary Sigma-Aldrich provides reagents, kits and services used in scientific research, including genomic research and diagnosis of disease. It develops the GenomePlex WGA kit.

Overall, we have placed greater reliance on the Tier-1 comparable companies.

Transaction multiples

We have further considered multiples implied by historical transactions involving companies comparable to RHS. The table below summarises our comparable transaction analysis.

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Comparable transaction multiples			Enterprise Value	Revenue		
Date	Target	Acquirer	(A\$m)	(A\$m)	EV/Revenue	
Tier 1: PGS, Prenatal testing and WGA kit developers						
Jan-17	Rubicon Genomics, Inc	Takara Bio USA Holdings, Inc.	100%	99.5	16.9	5.9x
Aug-16	Bioo Scientific Corporation	PerkinElmer, Inc	100%	83.2	12.9	6.4x
Jul-16	Sequenom, Inc	LabCorp	100%	484.6	157.4	3.1x
Feb-16	ThromboDx BV	Illumina, Inc.	100%	109.1	na	na
Jan-16	Vanadis Diagnostics, AB	PerkinElmer, Inc	100%	131.3	na	na
Dec-14	Ariosa Diagnostics, Inc.	Roche Holding AG	100%	488.8	65.1	7.5x
Sep-14	Sigma-Aldrich Corporation	Merck KGaA	100%	18,628.0	3,035.0	6.1x
Sep-13	Silicon Biosystems, S.p.A.	The Menarini Group	100%	na	na	na
Sep-12	BlueGnome Limited	Illumina, Inc.	100%	91.2	17.4	5.2x
Median					6.0x	
Average					5.7x	
Tier 2: Biotech consumables and reproductive genomics services						
May-17	Oxford Gene Technology IP Limited	Sysmex Corporation	100%	92.0	38.0	2.4x
Aug-16	iGenomix	Amadeus Capital Partners	100%	na	na	na
May-16	WaferGen Bio-systems, Inc.	Takara Bio USA Holdings, Inc.	100%	44.0	14.3	3.1x
Apr-16	Exiqon A/S	QIAGEN N.V.	100%	133.9	32.5	4.1x
Aug-15	Kapa Biosystems, Inc.	Roche Holding AG	100%	603.8	na	na
Median					3.1x	
Average					3.2x	
Overall Median					5.2x	
Overall Average					4.9x	

Sources: S&P Global, Mergermarket and GTCF Analysis

The comparable transactions observed took place during the period between September 2012 and May 2017. These transactions involve the acquisitions of controlling interests and the EV/Revenue multiple has been determined having regard to the historical financial performance. An overview of the most comparable transactions is outlined below:

Acquisition of BlueGnome Limited by Illumina

In September 2012, Illumina announced the acquisition of BlueGnome Limited (“BlueGnome”), which develops array-based cytogenetic and IVF screening tests. The acquisition included BlueGnome’s 24sure test, a PGT assay for counting the chromosomes in a single human cell. 24sure is a similar offering to EmbryoCollect and at the time of the acquisition BlueGnome was the leader in the IVF market and was known for their software and workflows.

Illumina noted that the rationale behind the acquisition of BlueGnome was to support Illumina’s goal to be the leader in genomic-based diagnostics and enhance the company’s ability to establish solutions in reproductive health and cancer.

We note that in 2011, the last full financial year before the acquisition, BlueGnome generated revenues of c.A\$17.4¹⁵ million compared c. A\$200k for RHS in FY2017.

Acquisition of Rubicon Genomics, Inc by Takara Bio USA Holdings, Inc

Takara Bio USA Holdings, Inc (“Takara”) announced the acquisition of Rubicon Genomics, Inc (“Rubicon”) in January 2017. Rubicon develops library preparation kits and products for sample analysis. Its amplification solutions include PicoPLEX, a single cell WGA kit for use in array and PCR analysis.

¹⁵ Based on an average AUD to USD exchange rate of 0.97 over the period 1 January 2011 to 31 December 2011



PicoPLEX is the current market leading product for single cell WGA and is included in the VeriSeq product for PGT-A. RHS uses its in-house developed product DOPlify in PG-Seq and EmbryoCollect for WGA.

The deal rationale behind Takara's acquisition of Rubicon was to expand Takara's NGS and genetic analysis capabilities and create new opportunities for Takara to serve customers in IVF and other clinical markets.

We note that Rubicon Genomics generated sales and operating income of A\$16.9¹⁶ million and A\$2.9 million respectively in the year ended 31 December 2016 and the deal was announced in January 2017.

Acquisition of Sequenom, Inc by LabCorp

In July 2016, LabCorp announced the acquisition of Sequenom, Inc ("Sequenom"), a developer of NIPT and genetic testing products. Sequenom develops, validates and exclusively performs most of its test offerings in its laboratories.

However, we note the revenue multiple of 3.1x is lower than the median of the tier 1 comparable transaction companies. We attribute this mostly to the reduction in Sequenom's test sales prior to the acquisition by LabCorp, which seems to indicate limited growth prospects for the product. We note that Q1 2016 revenues were US\$27.6 million versus US\$37.8 million a year earlier, a reduction of 27%.

Accordingly, we are of the opinion that the acquisition of Sequenom by LabCorp was opportunistic following the company's poor performance in 2016 and associated share price drop over the 14 months prior to the acquisition in July 2016 and reflected limited growth prospects for the product.

EV/Revenue multiples - Conclusion

Based on the analysis of listed comparable companies and comparable transactions, Grant Thornton Corporate Finance has assessed an EV/Revenue multiple for the valuation of RHS to be 5.5x on a control basis.

In our selection of the EV/Revenue multiple, we have mainly considered the following:

- The risk attached to the assessed future revenue between A\$2 million and A\$5 million considering that RHS only generated revenue of \$0.2 million in 2017.
- The EV/Revenue transactions multiples implied in the acquisitions of BlueGnome and Rubicon Genomics of 5.2x and 5.9x respectively on a control basis which we consider the most comparable to RHS.
- The average FY19 EV/Revenue trading multiples for the Tier 1 peers of 5.3x on a minority basis. Although we note the comparable companies are significantly larger, more diversified and have more stable operations than RHS.

6.1.3 Fair market value of the RHS Options

In our assessment of the fair market value of the RHS Options, we have adopted the binomial option pricing methodology at the low-end of our range given that the selected underlying share price is

¹⁶ Based on an average AUD to USD exchange rate of 1.35 over the period 1 January 2016 to 31 December 2016

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substantially in line with the trading prices before the announcement of the Scheme. At the high-end of the range, we have only assessed the fair market value of the RHS Options based on the intrinsic value as the underlying share price is assumed in excess of the exercise price of the RHS Options and accordingly, under the fair market value principle, a potential purchaser will not be prepared to pay for the time value of the RHS Options.

We have summarised below the assumptions adopted in our binomial model:

- *Risk-free rate*: Between 2.0% and 2.13% depending on the term to maturity of the options.
- *Exercise price*: Between A\$0.200 and A\$0.248 depending on exercise price as detailed in the terms of the options.
- *Spot price*: Based on the low end and high end of our valuation assessment of RHS.
- *Maturity*: 31 May 2019 or 31 May 2020 depending on the expiry date of the option.
- *Volatility*: Volatility of 100% based on benchmarking against comparable companies and RHS' own historical volatility and expectations about future volatility.

Based on the above, we have concluded a valuation range of between A\$423k and A\$700k for the RHS options.

6.1.4 Net debt

Based on the cash balance and interest bearing liabilities as at 31 December 2017. We note that as at 28 February 2018, RHS was yet to draw down on the Interim Funding Facility.

6.1.5 Shares on issue

We have considered total shares on issue of 89,920,483 RHS Shares.

6.2 Valuation cross check – Quoted Security Pricing Method

Before reaching our conclusion on the fair market value of RHS, we have also considered the trading prices of RHS on the ASX before the announcement of the Scheme on 26 February 2018 and the control premium paid by PerkinElmer compared with similar transactions.

The adopted value of RHS based on the trading prices is an exercise of professional judgement that takes into consideration the depth of the market for listed securities, volatility of the market price, and whether or not the market value is likely to represent the underlying value of RHS. The following sections detail the analysis undertaken in selecting the share price range.

6.2.1 Trading price assessment

In accordance with the requirements of RG111, before relying on the trading prices in our valuation assessment, we have analysed the liquidity of RHS Shares by considering the monthly trading volume of RHS Shares from February 2017 to January 2018 as a percentage of the total shares outstanding as well as free float shares outstanding¹⁷, as outlined in the table below:

¹⁷ Free float Shares exclude those owned by Company employees, individual insiders, related parties and other strategic investors.



Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of free float shares	Cumulative volume traded as % of free float shares	Volume traded as % of total shares	Cumulative volume traded as % of total shares
Feb-2017	50	0.08	4.00	0.1%	0.1%	0.1%	0.1%
Mar-2017	204.34	0.07	14.65	0.5%	0.7%	0.3%	0.3%
Apr-2017	30465.94	0.21	6,283.30	81.4%	82.1%	38.5%	38.8%
May-2017	3114.84	0.15	473.65	8.3%	90.4%	3.9%	42.7%
Jun-2017	3147.41	0.16	489.66	8.4%	98.8%	4.0%	46.7%
Jul-2017	978.45	0.15	148.41	2.3%	101.1%	1.1%	47.8%
Aug-2017	1050.65	0.13	136.04	2.5%	103.6%	1.2%	48.9%
Sep-2017	743.75	0.13	97.01	1.8%	105.3%	0.8%	49.8%
Oct-2017	1175.88	0.12	146.09	2.8%	108.1%	1.3%	51.1%
Nov-2017	1180.31	0.14	161.07	2.8%	110.9%	1.3%	52.4%
Dec-2017	542.06	0.14	74.67	1.3%	112.2%	0.6%	53.0%
Jan-2018	640.49	0.13	81.74	1.5%	113.7%	0.7%	53.7%
Min				0.1%		0.1%	
Average				9.5%		4.5%	
Median				2.4%		1.1%	
Max				81.4%		38.5%	

Sources: S&P Global and GTCF analysis

With regard to the above analysis, we note that:

- From February 2017 to January 2018, c. 113.7% of the free float shares was traded with an average monthly volume of 9.5%.
- Significant volumes were traded in April 2017 in conjunction with the release of the independent benchmark studies performed by the University of Ghent highlighting the international competitiveness and quality of DOPlify. If these trading volumes are excluded from the analysis, from May 2017 to January 2018, c. 31.6% of the free float shares was traded with an average monthly volume of 3.5%.
- In the absence of a takeover or alternative transactions, the trading prices represent the value at which minority shareholders could realise their portfolio investment.
- RHS complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of RHS.

Overall, we are of the opinion there is limited liquidity in the trading of RHS Shares. However, we acknowledge that this is not uncommon for the early stage biotech companies until the product potential is established and production/proof of concept is validated.

In addition, for the purpose of our valuation assessment, we have also considered the capital raising announced on 5 June 2017 ("2017 Capital Raising"), since it is the most recent capital raising that involves the sale of a material stake in the business. A summary of the terms of the capital raising is set out below:

Announcement date	Details of issue	Amount raised (A\$'000)	Number of share issued	Share issue price (cents per share)	RHS trading price (cent per share)	% of share (post issue)
05-Jun-17	Institutional placement under ASX Listing Rule 7.1 and 7.1A	1,500	10,714,285	14	18	11.9%

Sources: ASX announcement, S&P Global

In relation to the 2017 Capital Raising we note the following:

- It was completed after the release of the positive results of the University of Ghent studies regarding DOPlify.
- The capital raised was to fund working capital and R&D expenses of the business.



- The RHS Shares issued represented c. 12% of the issued share capital of RHS (post-completion of the capital raising).
- 2017 Capital Raising was priced at a 8.1% discount to the volume weighted average price in the last 15 days during which trades occurred.
- Between the 2017 Capital Raising and the Scheme, RHS Shares have traded substantially in line with the 2017 Capital Raising issue price.

Based on the above, notwithstanding the limited liquidity of RHS share price, we believe that it is not unreasonable to adopt the Quoted Share Price security method as a cross check valuation assessment.

Set out below is the summary of the VWAP of RHS' Shares before the PerkinElmer offer:

VWAP A\$ per share	Low	High	VWAP
Prior to 26 Feb 2018 (Announcement of proposed transaction)			
5 day	0.14	0.15	0.14
10 day	0.12	0.15	0.14
1 month prior	0.12	0.15	0.13
2 months prior	0.10	0.15	0.13
3 months prior	0.10	0.15	0.13
4 months prior	0.10	0.15	0.13
5 months prior	0.10	0.15	0.13
6 months prior	0.10	0.15	0.13
9 months prior	0.10	0.18	0.14

Source: S&P Global

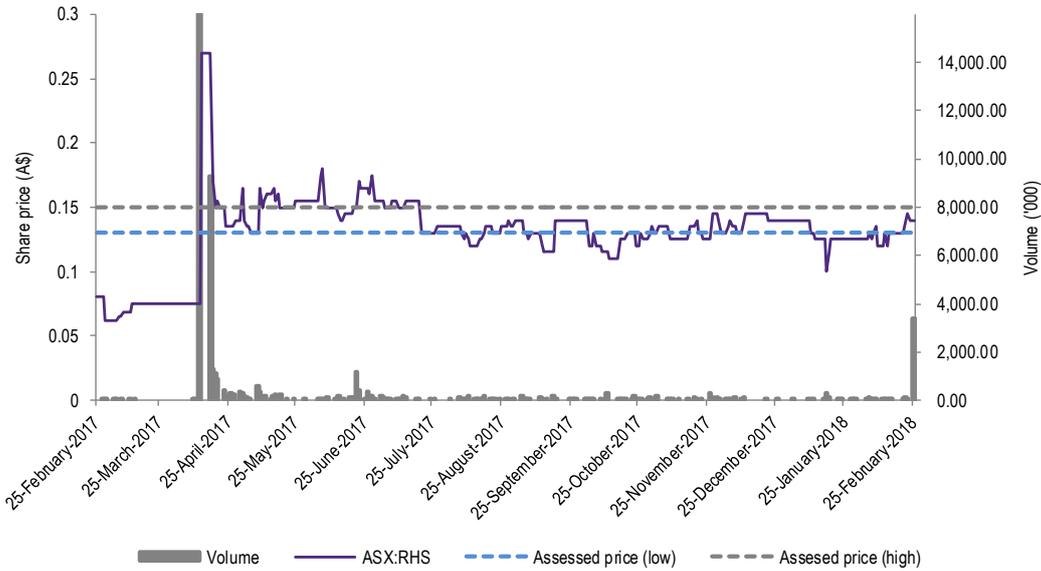
Based on the analysis above, we have assessed the fair market value of RHS Shares based on a trading price between A\$0.13 and A\$0.15 per share (on a minority basis). The mid-point of the selected range is in line with the price paid by institutional investors in the 2017 Capital Raising.

The following chart sets out the recent historical share price of RHS Shares and our assessed price range of between A\$0.13 and A\$0.15 per share. Our valuation assessment is in line with the price at which RHS shares have traded since the April 2017 DOPlify study results publication.

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RHS: Historical share price



Source: S&P Global, GTCF analysis

6.2.2 Control premium

We note that share market trading prices or share issue prices for a minority stake do not reflect the market value for control of a company as they are for portfolio holdings. A control value is typically higher than the equivalent value for a minority stake in a company as a premium for control is applicable. A controlling shareholding would give rise to benefits typically absent in a minority shareholding such as:

- The ability to make or materially influence strategic decisions.
- The ability to make dividend payment decisions.
- The ability to realise synergistic benefits.
- Access to cash flows.
- Access to tax benefits.
- Control of the board of directors of the company.

We performed an analysis in relation to the control premium paid in transactions involving the acquisition of biotech companies in the past three years. In our analysis, we have focused on companies with a market capitalisation of up to \$100 million as we believe these companies are more relevant for the purpose of our analysis of RHS and in a similar stage of development.

The following table illustrates the premium computed based on the VWAP over 5 days and 1 month VWAP from the first undisturbed trading day:

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Control premium biotech companies - last 3 years				Market Cap
Target	Premium over ¹ 5 days VWAP	Premium over ¹ 1 month VWAP		A\$m
Glory Biotech	6%	7%		9.90
Epicore BioNetworks	32%	39%		27.87
VBI Vaccines	40%	33%		76.23
Exiqon	41%	47%		92.95
Repros Therapeutics	39%	50%		24.66
GenVec	100%	106%		10.06
Nexvet	69%	71%		63.51
Nanosphere Health Sciences	81%	74%		13.05
Ceres	39%	50%		5.67
Telecta therapeutics	104%	143%		21.54
Dimension Therapeutics	384%	354%		37.96
Minimum	6%	7%		5.67
Average	85%	88%		34.86
Median	41%	50%		24.66
Maximum	384%	354%		92.95

Sources: S&P Global. GTCF analysis

Note: 1. The VWAP has been computed from the first undisturbed day before the announcement of the transaction.

6.2.3 Conclusion

Based on the trading price analysis and adopting a premium for control of between 80% and 90%, we have assessed the fair value per RHS Share based on the Quoted Securities Method between A\$0.23 and A\$0.29.

We acknowledge that adopting a control premium based on the average of the historical premiums paid for our selected comparable transactions will be affected by outliers most noticeably at the high end, however, we are of the view that this is not unreasonable given the potential upside for RHS which we explain further below.

We believe that the timing of the proposed acquisition by PerkinElmer is somewhat opportunistic as the underlying value of RHS Shares could increase materially in the short to medium term given that the development of PG-Seq is almost complete and RHS is on the cusp of product launch with the first external clinical validation study finished and the second underway and expected to be completed in the second quarter of 2018.

In addition, DOPlify has shown suitability for liquid biopsy applications as confirmed by a University of Ghent study which compared four of the best performing single cell WGA kits. Liquid biopsy tests based CTCs have enormous potential as CTCs have been found for all cancers (except brain) and may aid in cancer diagnosis, treatment monitoring and general population screening for early detection and may one day replace invasive and more expensive biopsy procedures. As noted in section 3.2, the liquid biopsy market in the US is estimated to reach US\$32.6 billion within the next 5 years.

Based on the above and given that if the Scheme is implemented, RHS Shareholders will give-up any exposure to the growth potential of RHS, we are of the opinion that it is more suitable to adopt the average premium for control of the selected transactions. We are of the opinion that the median does not reflect in full the likelihood that RHS would attract a higher control premium due to the factors outlined above.

Our valuation summary based on the Quoted Securities Method is outlined in the table below:

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Valuation summary - Quoted Share Price Method	Section		
A\$ per share	Reference	Low	High
Assessed value per RHS based on trading prices (on minority basis)	6.2.1	0.13	0.15
Control premium	6.2.2	80%	90%
Assessed value per RHS Share based on trading prices (on control basis)		0.23	0.29

Sources: S&P Global, GTFC analysis

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7 Sources of information, disclaimer and consents

7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Scheme Booklet.
- Annual and Semi-annual reports/ consolidated accounts of RHS for FY14 to FY17.
- Management Projections.
- Customers agreements summary
- Intellectual property agreements summary
- Slide decks relating to commercialisation and growth strategies
- Press releases and announcements by RHS on the ASX.
- S&P Global.
- IBISWorld.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of RHS and its advisers.

7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Directors of RHS in advising the RHS Shareholders in relation to the Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interests of RHS Shareholders.

RHS has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising

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out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred

7.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to the RHS Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

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Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Comparable companies

Company	Description
Illumina, Inc.	Illumina, Inc. provides sequencing and array-based solutions for genetic analysis. The company operates in two segments, Core Illumina and Consolidated VIEs. It offers sequencing by synthesis technology that provides researchers with various applications and the ability to sequence mammalian genomes; and arrays for a range of deoxyribonucleic acid and RNA analysis applications, including single nucleotide polymorphism genotyping, copy number variations analysis, gene expression analysis, and methylation analysis, as well as allow the detection of known genetic markers on a single array. The company also provides various library preparation and sequencing kits to simplify workflows and accelerate analysis; and genome sequencing, genotyping, and noninvasive prenatal testing, as well as products support services. It serves genomic research centers, academic institutions, government laboratories, and hospitals; and pharmaceutical, biotechnology, agrigenomics, and commercial molecular diagnostic laboratories, as well as consumer genomics companies. The company markets and distributes its products directly to customers, as well as through life-science distributors. It operates in North America, Europe, Latin America, the Asia-Pacific region, the Middle East, and South Africa. Illumina, Inc. was founded in 1998 and is headquartered in San Diego, California.
Sygnis AG	SYGNIS AG, a biotech company, focuses on the development and marketing of molecular-diagnostic technologies in the field of DNA amplification and sequencing in Europe, the United States, and Asia. It offers a series of products under the TruePrime brand that are used for the amplification of various DNA or RNA species for various applications; and COVCheck, a ready to use quality control tool for whole genome amplification coverage that determines the quality and integrity of the amplified DNA. It also provides SunScript branded kits that are based on a new retro transcriptase technology, which are used in molecular biology to convert genetic information from RNA molecules back to DNA; SensiPhi/QualiPhi, a DNA polymerase for use in amplifying very small amounts of DNA; and Double Switch, a technology for the detection of interactions between proteins. In addition, it offers range of electrophoresis systems, DNA mutation detection systems, and DNA workstations for use in DNA amplification; and proteomics products, as well as licenses and distributes Caco-2 cell lines. The company was formerly known as SYGNIS Pharma AG and changed its name to Sygnis AG in October 2013. SYGNIS AG is based in Heidelberg, Germany.
Roche Holding AG	Roche Holding AG diagnostics and pharmaceuticals businesses in Switzerland, Germany, and rest of Europe. It offers pharmaceutical products for anaemia, anticoagulation therapy, bone, cancer, cardiovascular, central nervous system, chlamydia, coagulation, dermatology, diabetes, gonorrhea, gout, hemostasis disorders, hepatitis B and C, HIV/AIDS, HPV, infectious diseases, inflammatory and autoimmune, intensive care medicine, kidney and urogenital tract, leukemia, lipid disorders, liver, lymphoma, metabolic disorders, obesity, occult blood testing, ophthalmology, osteoporosis, pancreatitis, respiratory disorders, rheumatoid arthritis, sepsis, sexually transmitted infections, skin cancer, transplantation, tuberculosis, urinary tract infections, and West Nile virus diseases. The company provides diagnostic solutions, such as blood gas analysis; blood screening; cancer screening/monitoring; cardiac markers; cardiovascular testing; cholesterol monitoring; coagulation monitoring; coagulation routine and specialty testing; data management; diabetes monitoring; diabetes therapy; electrolytes analysis; emergency medicine; hemostasis; heterogeneous immunochemistry; homogeneous immuno assays; immunology; infectious diseases; intensive care testing; monitoring anti platelet therapy; neonatal intensive care units; nucleic acid purification; PCR clinical diagnostics; physical fitness testing; platelet function testing; quality control service; real-time PCR diagnostic systems; serum work area; urinalysis; and workflow solutions. Roche Holding AG has a strategic alliance with Wisconsin Diagnostic Laboratories. The company was founded in 1896 and is headquartered in Basel, Switzerland.
Thermo Fisher Scientific Inc.	Thermo Fisher Scientific Inc. provides analytical instruments, equipment, reagents and consumables, software, and services for research, manufacturing, analysis, discovery, and diagnostics under the Thermo Scientific, Applied Biosystems, Invitrogen, Fisher Scientific, and Unity Lab Services brands worldwide. Its Life Sciences Solutions segment offers reagents, instruments, and consumables for biological and medical research, discovery, and production of new drugs and vaccines, as well as diagnosis of diseases to pharmaceutical, biotechnology, agricultural, clinical, academic, and government markets. Its Analytical Instruments segment offers instruments, consumables, software, and services for use in laboratory, on production line, and in field for pharmaceutical, biotechnology, academic, government, environmental, and research and industrial markets, as well as clinical laboratories. Its Specialty Diagnostics segment offers liquid, ready-to-use, and lyophilized immunodiagnostic reagent kits, as well as calibrators, controls, and calibration verification fluids; blood-test systems; dehydrated and prepared culture media, collection and transport systems, instrumentation, and consumables; products for cancer diagnosis and medical research in histology, cytology, and hematology; human leukocyte antigen typing and testing for organ transplant market; and healthcare market channel products. This segment serves healthcare, clinical, pharmaceutical, industrial, and food safety laboratories. Its Laboratory Products and Services segment offers laboratory refrigerators and freezers, ultralow-temperature freezers and cryopreservation storage tanks, temperature control, sample preparation and preservation, centrifugation, and biological safety cabinet products; water analysis and laboratory equipment; laboratory plastics; laboratory chemicals; research and safety market channel; and pharma services. The company was founded in 1956 and is headquartered in Waltham, Massachusetts.
QIAGEN N.V.	QIAGEN N.V. provides sample to insight solutions that transform biological materials into molecular insights worldwide. The company offers sample technologies for plasmid deoxyribonucleic acid (DNA) purification, ribonucleic acid purification and stabilization, genomic and viral nucleic acid purification, DNA cleanup after polymerase chain reaction (PCR) and sequencing, target enrichment, and library preparation for sequencing applications; and assay technology solutions. It also provides Ingenuity Variant Analysis, a cloud-based platform that interprets data from next-generation sequencing (NGS) analysis; QIAGEN Clinical Insight, an evidence-based decision support solution; CLC Genomics Workbench for the analysis and visualization of data from various NGS platforms; and GeneGlobe, a Web-based portal that enables researchers to search and select gene-and pathway-specific solutions from pre-designed and custom PCR assay kits, NGS assay panels, and other products. In addition, the company offers instrumentation systems for laboratories. Its automation platforms include QIASymphony, a modular system; GeneReader NGS System, a sample to insight NGS solution for laboratories to deliver actionable results; QIACube robotic workstations, which provides versatile solutions for automated sample processing; QIAxcel for nucleic acid separation; QIAgility, a benchtop instrument for PCR setup; and ESEQant instruments that enable optical measurement for point of need molecular testing in physician practices, emergency rooms, remote areas, and other applications. It serves molecular diagnostics, applied testing, pharma, and academia customers. QIAGEN N.V. has a collaboration with Bristol-Myers Squibb to develop gene expression profiles for immuno-oncology therapies. The company was founded in 1986 and is headquartered in Venlo, the Netherlands.
Pacific Biosciences of California, Inc.	Pacific Biosciences of California, Inc. designs, develops, and manufactures sequencing systems to resolve genetically complex problems. The company's single molecule real-time (SMRT) sequencing technology enables single molecule real-time

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Company	Description
	detection of biological processes. It offers PacBio RS II and Sequel Systems that conducts, monitors, and analyzes single molecule biochemical reactions in real time. The company also provides consumable products, including SMRT cells, as well as various reagent kits, such as template preparation, binding, and sequencing kits. Its customers include research institutions; commercial laboratories; genome centers; clinical, government, and academic institutions; genomics service providers; pharmaceutical companies; and agricultural companies. The company markets its products through a direct sales force in North America and Europe, as well as primarily through distribution partners in Asia, the Middle East, and Latin America. The company was formerly known as Nanofluidics, Inc. Pacific Biosciences of California, Inc. was founded in 2000 and is headquartered in Menlo Park, California.
Agilent Technologies, Inc.	Agilent Technologies, Inc. provides application focused solutions to the life sciences, diagnostics, and applied chemical markets worldwide. It operates in three segments: Life Sciences and Applied Markets, Diagnostics and Genomics, and Agilent CrossLab. The Life Sciences and Applied Markets segment offers liquid chromatography systems and components; liquid chromatography mass spectrometry systems; gas chromatography systems and components; gas chromatography mass spectrometry systems; inductively coupled plasma mass spectrometry instruments; atomic absorption instruments; microwave plasma-atomic emission spectrometry instruments; inductively coupled plasma optical emission spectrometry instruments; raman spectroscopy; microfluidics based automated electrophoresis products; cell analysis plate based assays; laboratory software and informatics systems; laboratory automation; dissolution testing; vacuum pumps; and measurement technologies. The Diagnostics and Genomics segment provides reagents, instruments, software, and consumables; arrays for DNA mutation detection, genotyping, gene copy number determination, identification of gene rearrangements, DNA methylation profiling, and gene expression profiling, as well as sequencing target enrichment services; and equipment focused on production of synthesized oligonucleotides for use as active pharmaceutical ingredients. The Agilent CrossLab segment offers GC and LC columns, sample preparation products, custom chemistries, and various laboratory instrument supplies; and startup, operational, training, and compliance support, as well as asset management and consultation services. The company markets its products through direct sales, electronic commerce, resellers, manufacturers' representatives, and distributors. It has collaboration with the University of Southern California Michelson Center for Convergent Bioscience. Agilent Technologies, Inc. was founded in 1999 and is headquartered in Santa Clara, California.
Bio-Rad Laboratories, Inc.	Bio-Rad Laboratories, Inc. manufactures and supplies products and systems to separate complex chemical and biological materials, as well as to identify, analyze, and purify components for life science research, healthcare, analytical chemistry, and other markets. The company operates through two segments, Life Science and Clinical Diagnostics. The Life Science segment develops, manufactures, and markets a range of reagents, apparatus, and laboratory instruments that are used in research techniques, biopharmaceutical production processes, and food testing regimes. It focuses on selected segments of the life sciences market in proteomics, genomics, biopharmaceutical production, cell biology, and food safety. This segment serves universities and medical schools, industrial research organizations, government agencies, pharmaceutical manufacturers, biotechnology researchers, food producers, and food testing laboratories. The Clinical Diagnostics segment designs, manufactures, sells, and supports test systems, informatics systems, test kits, and specialized quality controls that serve clinical laboratories in the diagnostics market. Its products include reagents, instruments, and software which address specific niches within the in vitro diagnostics (IVD) test market. This segment sells its products to reference laboratories, hospital laboratories, state newborn screening facilities, physicians' office laboratories, transfusion laboratories, and insurance and forensic testing laboratories. The company offers its products through its direct sales force, as well as through distributors, agents, brokers, and resellers. It operates in Europe, Pacific Rim, the United States, and internationally. Bio-Rad Laboratories, Inc. was founded in 1952 and is headquartered in Hercules, California.
LabGenomics Co., Ltd.	LabGenomics Co., Ltd., a healthcare company, engages in the development and supply of molecular diagnostics products and services. It offers DNA chips, PCR kits, and POCT; MomGuard, cancer panel, predisposition panel, and PGS; genome sequencing, exome and targeted sequencing, RNA sequencing, epigenome and metagenome, and molecule services; and esoteric tests, such as cancer genetics, genetic disorders, and prenatal screening. The company's medical devices include STDetect chip kits that enable detection and identification of the microbial pathogens of the sexually transmitted diseases; HPVView Chip, which detects and identifies human papilloma virus; LabGun PCR kits for detection and identification of infectious diseases; LabGscan PCR kits for detection and identification of human genetic diseases; MyPCR device; MyGelDoc that is designed to use personally for documenting the gel electrophoresis images; and LabGenius, which is an automatic and portable in vitro diagnostic medical device. The company was founded in 2002 and is based in Seongnam, South Korea. LabGenomics Co., Ltd. is a subsidiary of VO Industrial Co., Ltd.
Genomic Health, Inc.	Genomic Health, Inc. provides actionable genomic information to personalize cancer treatment decisions worldwide. It develops and commercializes genomic-based clinical laboratory services that analyze the underlying biology of cancer, allowing physicians and patients to make individualized treatment decisions. The company offers the Oncotype DX invasive breast cancer test that is used for early stage invasive breast cancer patients to predict the breast cancer recurrence and chemotherapy benefit. It also provides the Oncotype DX colon cancer test, which is used to predict the likelihood of colon cancer recurrence in patients with stage II disease, as well as for use in patients with stage III disease treated with oxaliplatin-containing adjuvant therapy. In addition, the company provides the Oncotype DX tests for patients with ductal carcinoma in situ, a pre-invasive form of breast cancer; the Oncotype DX prostate cancer test, which provides a genomic prostate score to predict disease aggressiveness in men with low risk disease, as well as used to enhance treatment decisions for prostate cancer patients in conjunction with the Gleason score or tumor grading; and Oncotype SEQ Liquid Select test, a non-invasive liquid biopsy test, which uses next-generation sequencing to identify and select actionable genomic alterations to quantify the presence and burden of cancer, as well as helps to predict the sensitivity or resistance to specific drugs for patients with certain late-stage cancers, such as lung, breast, colon, melanoma, ovarian, or gastrointestinal cancers. Its development stage pipeline products include Oncotype TRACK products for non-invasive tumor monitoring. The company offers its products through a network of distributors. Genomic Health, Inc. has collaboration agreements with Epic Sciences, Inc. and BiocartisGroup NV; and a research collaboration agreement with Janssen Pharmaceuticals. The company was founded in 2000 and is based in Redwood City, California.
PerkinElmer, Inc.	PerkinElmer, Inc. provides products, services, and solutions to the diagnostics, research, environmental, industrial, food, and laboratory services markets worldwide. The company operates through two segments, Discovery and Analytical Solutions and Diagnostics. The Discovery and Analytical Solutions segment develops and provides analytical technologies, solutions, and services that enable its customers to understand the characterization and health of various aspects, including air, water, and soil. It also provides solutions to farmers and food producers; an analytical instrumentation for the industrial market, which includes the chemical, electronics, energy, food, lubricant, petrochemical, and polymer industries; and laboratory services. This



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Company	Description
	segment's offers a suite of solutions, including reagents, liquid handling systems, and detection and imaging technologies that enable scientists to enhance life sciences research and drug discovery processes. Its research portfolio includes a range of systems consisting of imaging, detection, and extraction instrumentation for use on in vitro, ex vivo, and in vivo models, analysis hardware, and software; and a range of consumable products, including drug discovery and research reagents. The Diagnostics segment provides early detection for genetic disorders from pregnancy to early childhood, as well as flat panel X-ray detectors and infectious disease testing for the diagnostics market. This segment also develops technologies that enable and support sample-to-sequencer workflow using next-generation DNA sequencing for applications in oncology, genetic testing, and drug discovery. The company serves pharmaceutical and biotechnology companies, laboratories, academic and research institutions, public health authorities, private healthcare organizations, doctors, and government agencies. PerkinElmer, Inc. was founded in 1931 and is headquartered in Waltham, Massachusetts.
Genetics Generation Advancement Corp.	Genetics Generation Advancement Corp. provides genetic testing, molecular diagnostic, biotechnology, healthcare, and bio-informatics and scientific informatics services in Taiwan, Asia, Europe, and the Americas. The company offers pre-implantation services, including ultra-preimplantation genetic diagnosis (PGD) and pre-implantation genetic screening services; and prenatal stage services, such as spinal muscular atrophy carrier and fragile X syndrome testing, down syndrome screening testing, and preeclampsia risk screening services, as well as chromosomal microarray analysis array for prenatal and products of conception test, and NIPT; and postnatal stage services comprising pediatric cytochrome P450 testing services. It also offers adult healthcare services consisting of health management genetic testing services; cancer pharmacogenetics testing, such as pharmacogenetics testing and companion diagnostics services; and genetic testing for auto-inflammatory diseases and hepatitis C virus. The company was formerly known as Genesis Genetics Asia Corp. and changed its name to Genetics Generation Advancement Corp. in February 2016. Genetics Generation Advancement Corp. was founded in 2008 and is based in Taipei City, Taiwan.
Natera, Inc.	Natera, Inc., a diagnostics company, provides preconception and prenatal genetic testing services. It primarily offers Panorama, a non-invasive prenatal test that screens for chromosomal abnormalities of a fetus typically with a blood draw from the mother; Horizon carrier screening to determine carrier status for various genetic diseases that could be passed on to the carrier's children; and Spectrum pre-implantation genetic screening and Spectrum pre-implantation genetic diagnosis to analyze chromosomal anomalies or inherited genetic conditions during an in vitro fertilization cycle. The company also provides products of conception testing under the Anora brand to analyze fetal chromosomes to understand the cause of miscarriage; non-invasive paternity testing products to determine paternity by analyzing the fragments of fetal deoxyribonucleic acid in a pregnant mother's blood and a blood sample from the alleged father. In addition, it offers Constellation, a cloud-based software product that allows laboratory customers to gain access through the cloud to the company's algorithms and bioinformatics in order to validate and launch tests. The company offers products through its direct sales force, as well as through a network of approximately 70 laboratory and distribution partners in the United States and internationally. The company has research collaborations with oncology centers, such as Stanford University, Columbia University, Vanderbilt University, UCSF/I-SPY, and Cancer Research UK. The company was formerly known as Gene Security Network, Inc. and changed its name to Natera, Inc. in 2012. Natera, Inc. was founded in 2003 and is headquartered in San Carlos, California.
Takara Bio Inc.	Takara Bio Inc. operates as a biotechnology company in Japan and internationally. It operates through Bio Industry, Gene Therapy, and AgriBio segments. The company develops original research reagents and scientific instruments; and provides contracted research services that utilize new genetic and cell engineering technologies, which support biotechnology research and bioindustry in fields that range from basic research to drug discovery and development. Its contracted research and production services cover technical support services for cancer immunotherapy and biopharmaceutical development support services. In addition, the company engages in the development of various gene therapies, including HF10 anti-cancer therapy that is in Phase II clinical trials targeting malignant melanoma; siTCR gene therapy, which is in Phase I/III clinical trials for the treatment of esophageal cancer, synovial sarcoma, etc.; and MazF gene therapy, which is in Phase I clinical trials for patients infected with the human immunodeficiency virus. Further, it researches on functional properties derived from traditional Japanese food ingredients; and provides functional food ingredients as raw materials. Additionally, the company provides functional foods, such as Fucoidan from Gagome kombu, Isosamidin from herbs, Chalcone from Ashitaba, Agar-oligosaccharide from Agar, Yamsgenin from the lesser yam, and Terpene from a mushroom. It also cultivates, produces, and markets various mushroom types, such as Honshimeji, Hatakeshimeji, and Bunashimeji, as well as licenses mushroom production technology. The company was founded in 2002 and is headquartered in Kusatsu, Japan. Takara Bio Inc. is a subsidiary of Takara Holdings Inc.
The Cooper Companies, Inc.	The Cooper Companies, Inc. operates as a medical device company worldwide. It operates through CooperVision and CooperSurgical business units. The company develops, manufactures, and markets a range of contact lenses, including spherical lenses, and toric and multifocal lenses that correct near- and farsightedness, as well as addresses various complex visual defects, such as astigmatism and presbyopia. It also provides range of products and services focusing on women's health, including medical devices, fertility, genomics, and diagnostics and contraception for hospitals and surgical centers, obstetricians' and gynecologists' (ob/gyns) medical offices, and fertility clinics. In addition, the company offers carrier screening, preimplantation genetic screening, and preimplantation genetic diagnosis used in IVF process; IVF medical devices, systems, and equipment; and PARAGARD, a non-hormonal, copper intrauterine device for birth control. Further, The Cooper Companies, Inc. offers its products under Biofinity, clarity 1day, MyDay, and Proclear 1 Day brand name. The company markets its products through a network of field sales representatives, independent agents, and distributors. The Cooper Companies, Inc. was founded in 1980 and is headquartered in Pleasanton, California.
MERCK Kommanditgesellschaft auf Aktien	MERCK Kommanditgesellschaft auf Aktien, a science and technology company, operates in the healthcare, life science, and performance materials sectors worldwide. The company offers prescription medicines to treat infertility, growth hormone deficiencies, type 2 diabetes, cardiovascular and thyroid diseases, multiple sclerosis, colorectal cancer, as well as carcinoma of the head and neck; diagnostics and prescription drugs for allergen immunotherapy; and fertility treatments. It also provides over-the-counter and food supplement products under the Neurobion, Bion3, Seven Seas, Nasivin, Femibion, Dolo-Neurobion, Vivera/Floratil, Sangobion, Vigantoletten, Apaisyl, and Kytta brands. In addition, the company offers life science products and services for use in the discovery, development, and manufacture of biotechnological drugs, as well as in research and application laboratories; and specialty chemicals and functional materials for applications consumer electronics, lighting, coatings, printing technology, paints, plastics, and cosmetics. It has strategic alliances with Pfizer Inc. and Baylor College of Medicine; an agreement with Bristol-Myers Squibb Company for the co-commercialization of Glucophage, an antidiabetic agent in China; a strategic collaboration and license agreement with Intrexon Corporation to develop and commercialize chimeric antigen receptor T-cell cancer therapies; and collaborations with F-star Delta Ltd. The company was founded in 1668 and is



Company	Description
	headquartered in Darmstadt, Germany. MERCK Kommanditgesellschaft auf Aktien is a subsidiary of E. Merck Kommanditgesellschaft.

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Appendix C – Comparable transactions

Target	Description
BlueGnome Limited	BlueGnome Limited develops genetic diagnostic solutions for the screening of chromosomal abnormalities in cytogenetics and IVF. The company offers solutions for the investigation of copy number imbalance in the human genome and the main application areas include analysis of pre- and post-natal samples to identify genetic abnormalities related to developmental delay, investigation of cancer samples, and aneuploidy screening of single cells in IVF. Its products include 24sure, a solution that includes whole genome amplification, optimized consumables, data analysis and management software, and a range of laboratory hardware; CytoChip Cancer that combines the precision of FISH with high resolution screening of copy number imbalance in the whole cancer genome; and CytoChip international standard cytogenetic array (ISCA) that enables laboratories to implement arrayCGH using the industry standard ISCA design. The company offers CytoChip Focus for applications where the amount of starting material falls below that required for the CytoChip ISCA; and BlueFish probes. The company exports its products to major laboratories around the world. The company was incorporated in 2001 and is based in Cambridge, United Kingdom. As of September 19, 2012, BlueGnome Limited operates as a subsidiary of Illumina Inc.
Rubicon Genomics, Inc.	Rubicon Genomics, Inc. develops nucleic acid library preparation and companion products that enable highly sensitive analysis of clinical research samples around the world. It offers ThruPLEX DNA-seq Kit, a high sensitivity ligation-based amplification solution; ThruPLEX Tag-seq Kit, a high sensitivity ligation-based amplification with molecular tags; ThruPLEX Plasma-seq Kit, a high sensitivity ligation-based amplification solution; PicoPLEX DNA-seq Kit, a quasi-random primed linear amplification solution; PicoPLEX WGA Kit, a quasi-random primed linear amplification solution; and TransPLEX CWTA Kit, a quasi-random primed amplification solution. The company sells its products through distributors, a Webstore, and an international orders page. Rubicon Genomics, Inc. was incorporated in 1998 and is based in Ann Arbor, Michigan. As of January 17, 2017, Rubicon Genomics, Inc. operates as a subsidiary of Takara Bio USA Holdings, Inc.
Vanadis Diagnostics, AB	Vanadis Diagnostics, AB develops a solution for non-invasive prenatal testing (NIPT) based on digital analysis of cell-free DNA. The company develops Vanadis Smart NIPT, a non-invasive prenatal testing platform to simplify screening for trisomies 21, 18, and 13 by eliminating the need for complex DNA amplification and analysis. It enables pregnant women to receive reliable and accurate cell-free DNA based screenings through a method for healthcare providers. The company is based in Sollentuna, Sweden. Vanadis Diagnostics, AB operates as a subsidiary of Perten Instruments AB.
Sequenom Inc.	Sequenom, Inc., a life sciences company, develops and commercializes molecular diagnostics testing services for the women's health and oncology markets in the United States and internationally. The company provides molecular based laboratory developed tests (LDTs) comprising MaterniT21 PLUS LDT, a noninvasive prenatal test (NIPT) to detect fetal chromosomal abnormalities; and VisibiliT LDT, a NIPT to detect fetal chromosomal abnormalities by determining the relative amount of chromosomal material present in circulating cell-free DNA in a maternal blood sample. It also offers MaterniT21 GENOME test to detect genome-wide genomic deletions or duplications; HerediT cystic fibrosis (CF) LDT, a carrier screen test to identify individuals with CF or genetic mutations; and SensiGene fetal Rhesus D (RhD) LDT, a NIPT to determine the presence or absence of RhD factor by direct detection of the fetal RhD genotype in RhD negative mothers from a maternal blood sample. In addition, the company provides a microarray test that uses fetal samples obtained by amniocentesis or chorionic villus sampling under the NextView brand; and additional carrier screening tests for Ashkenazi Jewish disorders, spinal muscular atrophy, and fragile X syndrome under the HerediT brand. It serves physicians and client laboratories. The company has collaboration with the Recombine Inc. Sequenom, Inc. was founded in 1994 and is headquartered in San Diego, California. As of September 7, 2016, Sequenom Inc. operates as a subsidiary of Laboratory Corp. of America Holdings.
Ariosa Diagnostics, Inc.	Ariosa Diagnostics, Inc., a molecular diagnostics company, develops and delivers testing services to perform directed analysis of cell free DNA in blood. It develops Harmony Prenatal Test, a blood screening test for pregnant women for evaluating cell free DNA found in maternal blood, as well as for measuring the fetal fraction of DNA. The company's test assesses the risk of trisomy 21 (Down syndrome), 18, and 13 in the fetus. It serves healthcare professionals and expecting parents worldwide. The company offers its testing services through its laboratory. Ariosa Diagnostics, Inc. was formerly known as Aria Diagnostics, Inc. and changed its name to Ariosa Diagnostics, Inc. in March 2012. The company was founded in 2008 and is headquartered in San Jose, California. As per the transaction announced on December 2, 2014, Ariosa Diagnostics, Inc. operates as a subsidiary of Roche Molecular Systems Inc.
Sigma-Aldrich Corporation	Sigma-Aldrich Corporation, a life science and high technology company, develops, manufactures, purchases, and distributes various chemicals, biochemicals, and equipment products worldwide. The company provides chemical products, reagents, and kits and services are used in scientific research, including genomic and proteomic research, biotechnology, pharmaceutical development, and diagnosis of disease; and as key components in pharmaceutical, diagnostics, and high technology manufacturing. It offers media and critical raw materials for industrial cell culture, contract manufacturing services, pharmaceutical safety testing services, and organometallic precursors for semiconductor manufacturing. The company also manufactures meglumine, an amino sugar derived from glucose and a component of medical imaging contrast media. It sells its products to pharmaceutical companies, universities, commercial laboratories, industrial companies, biotechnology companies, non-profit organizations, governmental institutions, diagnostic, chemical and electronics companies, and hospitals. Sigma-Aldrich Corporation was founded in 1951 and is based in St. Louis, Missouri.
Silicon Biosystems, S.p.A.	Silicon Biosystems, S.p.A., a biomedical company, develops and provides technology for the identification and recovery of individual rare cells for molecular analysis and cell culture. It offers Ampli1 whole genome amplification (WGA) kit for amplification of DNA content of a single cell; and DEPArray technology that helps to trap cells in dielectrophoresis (DEP) cages by creating an electric field above a subset of electrodes in an array. The company also provides DEPArray system, an automated instrument that helps to identify, quantify, and recover individual rare cells; and CellBrowser, a software solution that enables image-based selection and recovery of specific cells and cell populations in a sample. Its products are used for applications, such as oncology research, fetal cell biology, stem cell research, cell-cell interactions, and drug response. The company markets and sells its products directly, as well as through its subsidiary and distributors in Italy and internationally. The company was founded in 1999 and is headquartered in Bologna, Italy. As of September 11, 2013, Silicon Biosystems, S.p.A. operates as a subsidiary of A. Menarini Industrie Farmaceutiche Riunite Srl.
Oxford Gene Technology IP Limited	Oxford Gene Technology IP Limited provides genetics research and biomarker solutions to clinical and academic research institutions worldwide. Its products include Cytocell fluorescence in situ hybridisation probes for the detection of gene rearrangements related to inherited genetic disease and cancer; ovarian cancer, myeloid, and solid tumor panels;

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Target	Description
	microarray and next generation sequencing library preparation kits; constitutional v3 and constitutional v3+LOH, medical research exome, autism research, NMD research, cardiomyopathy research, eye disease research, disease-focused research, and embryo screen arrays; and CytoSure international standards for cytogenomic arrays. It offers solutions for application in cancer research, clinical genetics research, cytogenetics research, molecular genetics research, and pre-implantation genetic screening. Oxford Gene Technology IP Limited was founded in 1995 and is based in Begbroke, United Kingdom.
IGENOMIX, S.L.	IGENOMIX, S.L. provides reproductive genetic diagnosis services for reproductive medicine professionals worldwide. It offers pre-implantation genetic diagnosis for single gene disorders; pre-implantation genetic screening for aneuploidy; and ERA, a technique that enables the evaluation, from a molecular point of view, of the status of endometrial receptivity. The company also provides non-invasive prenatal tests; sperm aneuploidy tests; products of conception tests; carrier genetic test for single gene disorders; and MitoScore, a mitochondrial biomarker. The company was founded in 1996 and is headquartered in Paterna, Spain. It has labs in Torrance, California; Jersey City, New Jersey; Miami, Florida; Mexico City, Mexico; Valencia, Spain; Sao Paulo, Brazil; Dubai, United Arab Emirates; and New Delhi, India.
WaferGen Bio-systems, Inc.	WaferGen Bio-systems, Inc. develops, manufactures, and sells systems for single-cell analysis and clinical research in the United States, Canada, Europe, and the Asia Pacific. It offers SmartChip Real-Time polymerase chain reaction (PCR) system, which provides a suite of gene expression and genome analysis technologies enabling biomarker discovery and validation on a single platform with the sensitivity and accuracy of PCR. The company's SmartChip Real-Time PCR system consists of two instrumentation components comprising a SmartChip MultiSample NanoDispenser for applying sample, assay, and reaction mix to the SmartChip Panels; and a SmartChip Cycler for thermal cycling and collecting data from the real-time PCR assays. It also provides SmartChip Single-Cell Isolation System, which isolates thousands of single cells and processes specific cells for analysis; SmartChip Target Enrichment system that amplifies the targets of interest through PCR; and Apollo 324TM library preparation System, a walk-away automation platform that offers DNA, RNA-Seq, and ChIP-Seq library preparation kits for analysis on NGS platforms. The company focuses on providing its products to researchers who perform genetic analysis and cell biology, primarily at pharmaceutical and biotech companies; academic and private research centers; and diagnostics companies involved in biomarker research. WaferGen Bio-systems, Inc. was founded in 2002 and is headquartered in Fremont, California. As of February 28, 2017, WaferGen Bio-systems, Inc. operates as a subsidiary of Takara Bio USA Holdings, Inc.
Exiqon A/S	Exiqon A/S provides life science research products worldwide. It operates through two segments, Life Sciences and Diagnostics. The company's products serve as a platform for the development of molecular diagnostic tests. It develops molecular diagnostic tests in collaboration with pharmaceutical and diagnostic companies. The company's products include miRCURY RNA isolation kits; microRNA Array system, a system for global microRNA expression profiling; microRNA qPCR system, which enables microRNA expression profiling; microRNA detection probes that are used for the ultra-sensitive, and detection of microRNAs by Northern blot analysis and in situ hybridization; and microRNA inhibitor and target site blockers for functional analysis. It offers microarrays capture probes for expression analysis of splice variants, small RNAs, and mRNA; qPCR assays for mRNA and ncRNA; RNA detection probes for in situ hybridization and Northern blot; and longRNA GapmeRs, which are antisense oligonucleotides used for the inhibition of mRNA and lncRNA function. In addition, the company provides oligonucleotides and microarray capture probes to detect single nucleotide polymorphism; FISH probes to detect chromosomal DNA sequences; custom LNA oligonucleotides; LNA phosphoramidites for the synthesis of LNA containing oligonucleotides; and A2-quencher phosphoramidite, a dark quencher for real-time PCR probes. Further, it offers RNA isolation services for the sample types, including exosome isolation, blood derived serum, plasma and other bio-fluids, clinical FFPE and fresh frozen tissues, and cell lines; MicroRNA array and profiling services; microRNA and small RNA sequencing services; microRNA in situ hybridization screening services; and custom pharma services. The company markets its research products through direct sales, distributors, and the Web. Exiqon A/S was founded in 1995 and is headquartered in Vedbæk, Denmark. As of June 22, 2016, Exiqon A/S operates as a subsidiary of Qiagen NV.
Kapa Biosystems, Inc.	Kapa Biosystems, Inc. develops, manufactures, and supplies life science reagents for DNA and RNA amplification, sequencing, molecular diagnostics, and applied testing applications. It offers next generation sequencing platforms for whole genomes, RNA sequencing, targeted sequencing, ChIP sequencing, methyl sequencing, and automated solutions. The company also provides qPCR products for gene expression and genotyping; and polymerase chain reaction products, such as colony, high-fidelity, Sanger sequencing, single-protocol, genotyping, cloning, crude sample, GC-rich, mutagenesis, long-range, direct blood, and multiplex. It offers its products through distributors worldwide. Kapa Biosystems, Inc. was founded in 2006 and is based in Wilmington, Massachusetts with a research, development, and manufacturing facility in Cape Town, South Africa. As of November 30, 2015, Kapa Biosystems, Inc. operates as a subsidiary of Roche Holding AG.

Source: S&P Global

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Appendix D – Glossary

\$ or A\$	Australian Dollar
2017 Capital Raising	June 2017 RHS placement to raise A\$1.5 million issuing 10.7 million of shares at A\$0.14 per share
ACCC	Australian Competition and Consumer Commission
aCGH	array Comparative Genomic Hybridisation Approach
Agilent	Agilent Technologies Inc
APES	Accounting Professional and Ethical Standards
APES 225	APES professional standard “Valuation Services”
APES110	Code of ethics for Professional Accounting
ASIC	Australian Securities Investment Commission
ASX	Australian Stock Exchange
BlueGnome	BlueGnome Limited
CAGR	Compound annual growth rate
CAPM	Capital Asset Pricing Model
cfDNA	Cell-free DNA
Consideration	A\$0.28 cash per each RHS’ share to be paid by PerkinElmer
Corporations Act	Corporations Act 2001
CTC	Circulating tumour cell
DCF Method	Discounted Cash Flow
Directors	the Directors of RHS
DNA	Deoxyribonucleic acid
ESHRE	European Society for Human Reproduction and Embryology
EV	Enterprise Value
FME Method	Valuation method: application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
FSG	Financial Services Guide
FY	Financial year ended 31 December
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
IER	Independent Expert’s Report
Illumina	Illumina Inc.
IVF	in-vitro fertilisation
KOL	Key opinion leaders
Monash IVF	Monash IVF Group Ltd
NAV Method	Valuation method: amount available for distribution to security holders on an orderly realisation of assets
NGS	Next Generation Sequencing
NIPGT-A	Non-invasive PGT-A
NIPT	Non-invasive pre-natal testing
PCR	Polymerase chain reaction techniques
PerkinElmer	PerkinElmer Inc.
PerkinElmer Holdings	PerkinElmer Holdings Pty Ltd
PGS	Pre-implantation Genetic Screening
PGT	Pre-implantation Genetic Testing
PGT-A	Pre-implantation Genetic Testing for aneuploidy
PGT-M	Pre-implantation Genetic Testing for monogenic diseases
QIAGEN	QIAGEN N.V.
Quoted Price Security Method	Valuation method: quoted price for listed securities, when there is a liquid and active market
Revenue Multiple	Revenue Capitalisation Approach

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RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of Experts"
RG60	Regulatory Guide 60 Scheme of Arrangement
RHS Board Projections	RHS' budget and management projections to 30 June 2019
RHS Expected Case Projections	Financial projections prepared by Management for the purpose of obtaining funding under the Expert Market Development Grant Program
RHS Options	7.4 million options on issue by RHS
RHS or the Company	RHS Limited
RHS Share	1 outstanding ordinary share in RHS
RHS Shareholders	An individual/ entity beneficially holding RHS Share(s)
Rubicon	Rubicon Genomics Inc.
Scheme	Scheme of arrangement
Sequenom	Sequenom Inc.
SIA	Scheme Implementation Agreement
SNP	Single nucleotide polymorphism
SOP	Sum of the parts valuation approach
Sygnis	Sygnis AG
Takara	Takara Bio
Thermo Fisher	Thermo Fisher Scientific, Inc.
VWAP	Volume Weighted Average Price
WGA	Whole Genome Amplification

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Appendix 2 – Scheme Implementation Agreement

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RHS LIMITED

PerkinElmer Inc.

SCHEME IMPLEMENTATION AGREEMENT

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SCHEME IMPLEMENTATION AGREEMENT

Date

24 February 2018

Parties

1 RHS LIMITED (ACN 010 126 708) (Target)

Address: c/- BioSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031

Email: Michelle.Fraser@rhsc.com.au

Contact: Dr Michelle Fraser

2 PERKINELMER INC. (Bidder)

Address: 940 Winter Street, Waltham, MA 02451, USA

Email: Beth.Potthoff@perkinelmer.com

Contact: Beth Potthoff

Recitals

- A** Target and Bidder have agreed that Target will propose a scheme of arrangement under Part 5.1 of the Corporations Act between Target and its shareholders, pursuant to which Bidder (or its nominee) will acquire all of the shares in Target.
- B** Target and Bidder have agreed to implement the Scheme upon and subject to the terms and conditions of this Agreement.
- C** Target and Bidder have agreed certain other matters in connection with the Scheme as set out in this Agreement.

Operative part

1 Definitions and interpretation

1.1 Definitions

In this Agreement, unless a contrary intention appears:

Agreed Announcement means the public announcement to be issued by Target in the form set out in Annexure 4.

Agreement means this document including any schedule or annexure.

ASIC means the Australian Securities and Investments Commission.

ASIC Review Period means the period from the date on which a draft of the Scheme Booklet is submitted by Target to ASIC to the date on which ASIC confirms that it has no objection to the form of the Scheme Booklet.

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

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of ASX.

Bidder Group means Bidder and each Related Body Corporate of Bidder.

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Bidder Indemnified Parties means each member of the Bidder Group and their respective Officers.

Bidder Prescribed Event means Bidder liquidates or dissolves, files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any arrangement, composition, readjustment or similar relief for itself under the present or any future bankruptcy act or any other present or future applicable statute or law relative to bankruptcy, insolvency or other relief for debtors, provided that a Bidder Prescribed Event shall not include any action or transaction in relation to which Target has expressly consented in writing, such consent not to be unreasonably withheld.

Bidder Released Person has the meaning given to that term in clause 17.4.

Bidder Scheme Booklet Information means all information regarding Bidder or the Bidder Group as is required to be included in the Scheme Booklet by:

- (a) the Corporations Act and the Corporations Regulations 2001 (Cth); and
- (b) ASIC policy (including Regulatory Guide 60),

to the extent such information is within Bidder's knowledge, but excluding the Independent Expert's Report, the Target Scheme Booklet Information and opinion or statement regarding the tax impacts of the Scheme.

Bidder Warranty means each representation, warranty or undertaking set out in clause 9.2.

Bidder's Nominee has the meaning given in clause 3.4.

Board means, in respect of a party, the board of directors of that party in place from time to time.

Business Day has the meaning given in the ASX Listing Rules.

Competing Proposal means any inquiry, offer, expression of interest, proposed or possible transaction or arrangement:

- (a) pursuant to which, if ultimately completed, any person or persons (other than a member of the Bidder Group) could:
 - (i) acquire or have a right to acquire (directly or indirectly, whether alone or together with its Associates):
 - (A) an interest in all or a substantial part of the assets or business of Target or the Target Group;
 - (B) an economic interest in 50% or more of the issued share capital of Target or any member of Target Group; or
 - (C) a Relevant Interest in 15% or more of the voting shares of Target or of the share capital of any Related Body Corporate of the Target; or
 - (ii) enter into, or increase, any cash settled equity swap or other derivative contract arrangement in respect of 15% or more of the share capital of Target; or
 - (ii) acquire (directly or indirectly) control (as determined in accordance with section 50AA of the Corporations Act) of Target or any member of the Target Group; or

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- (iii) otherwise acquire or have a right to acquire (directly or indirectly) or merge (directly or indirectly) with, or otherwise acquire an economic interest in, Target (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company or similar structure capital reconstruction or any other transaction or arrangement) or in all or substantially all of the business, assets, or undertaking of Target Group; or
- (b) which is conditional, or may only progress, upon Target failing to proceed with the Transaction or terminating this Agreement.

Condition Precedent means a condition precedent set out in clause 2.1.

Consultation Period has the meaning given in clause 2.4(c).

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

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as agreed by the parties.

Deed Poll means a deed poll substantially in the form of Annexure 3 (or in such other form as is agreed between Target and Bidder) under which Bidder covenants in favour of the Scheme Shareholders to perform its obligations under the Scheme.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date upon which the Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement or contractual right of set-off, whether registered or unregistered, including any Security Interest, but does not include a Permitted Encumbrance.

End Date means 31 July 2018, or such later date as Target and Bidder may agree in writing.

Exclusivity Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the termination of this Agreement in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

First Court Hearing means the hearing by the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme Meeting.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in any jurisdiction. It includes ASIC, ASX (and any other stock exchange) and the Australian Takeovers Panel and any self-regulatory organisation established under statute.

Implementation means the implementation of the Scheme in accordance with its terms following it becoming Effective.

Implementation Date means the fifth Business Day following the Record Date or such other date agreed by the parties in writing, ordered by the Court or as may be required by ASX.

Indemnified Target Officers means each director of Target as at the date of this Agreement, the Target Chief Financial Officer and Company Secretary, and Simon O'Loughlin, Donald Stephens and Fabian Dwyer.

Independent Expert means such person as Target appoints to prepare the Independent Expert's Report in accordance with clause 4.1(b).

Independent Expert's Report means the report of the Independent Expert to be prepared in accordance with the Corporations Act and ASIC policy and practice, for inclusion in the Scheme Booklet stating whether or not in its opinion the Scheme and, if the Option Scheme is required in accordance with clause 7.1(b), the Option Scheme is fair and reasonable and in the best interests of Target Shareholders or Target Optionholders (as applicable), and setting out reasons for that opinion, and includes any update to that report.

Insolvency Event means, for a person:

- (a) having a liquidator, provisional liquidator, administrator or similar officer of the entity appointed to it;
- (b) having a controller (as that person is defined in the Corporations Act), trustee, receiver, or a receiver and manager, being appointed in relation to the person, or a substantial part of the property of the person,
- (c) an application being made to a court (not withdrawn, dismissed or set aside within 14 days) to appoint a person referred to in paragraphs (a) and (b) or any action is taken to appoint any such person;
- (d) the holder of a Security Interest, or any agent on its behalf, appointing a controller or taking possession of any of the person's property;
- (e) an application being made to a court (not withdrawn, dismissed or set aside within 14 days) for an order for its winding up (or such an order being made) other than where such winding up is undertaken voluntarily for the purposes of a solvent restructure;
- (f) being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (g) being unable to pay its debts when they fall due or otherwise insolvent;
- (h) becoming an insolvent under administration, or entering into a compromise or arrangement with, or assignment for the benefit of, any of its creditors; or
- (i) anything analogous to any of the foregoing events any jurisdiction other than Australia.

Mutual Confidentiality Deed means the mutual confidentiality deed dated 12 January 2018 between Bidder and Target.

Officer means, in relation to an entity, any person who is a director, company secretary or employee of that entity.

Option Cancellation Deed means the deed (substantially in the form agreed by Target and Bidder on or before the date of this Agreement) to be entered into between each Target Optionholder, the Target and the Bidder (or its nominee) in respect of the proposed acquisition and cancellation of each Target Option held by them for a cash amount equal to

the difference between the Scheme Consideration and the exercise price of the Target Option.

Option Scheme has the meaning given to that term in clause 7.1(b).

Option Scheme Announcement has the meaning given to that term in clause 7.2(a).

Permitted Encumbrance means:

- (a) a charge or lien arising in favour of a Governmental Agency by operation of statute unless there is default in payment of money secured by that charge or lien;
- (b) any charge or lien arising in the ordinary course of business (unless there is a default in payment of money secured by that charge or lien that is not being contested in good faith); or
- (c) any retention of title arrangement undertaken in the ordinary course of day-to-day trading.

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

Public Registers means the following publicly searchable (whether or not on payment of a fee) files and registers in the name of Target Group:

- (a) ASX for the 18 months prior to 20 February 2018;
- (b) the High Court, Federal Court, the Supreme Courts and the District Courts (or courts of similar jurisdiction) in each State and Territory of Australia as at 1 February 2018;
- (c) the Personal Property Securities Register of Australia as at 16 February 2018; and
- (d) IP Australia and Intellectual Property Office of New Zealand as at 15 January 2018.

Record Date means 6.30pm (Adelaide time) on the fifth Business Day following the Effective Date or such date as agreed between the parties or required by ASX.

Register means the register of members of Target.

Regulator's Draft means the draft of the Scheme Booklet provided, or to be provided, to ASIC pursuant to section 411(2) of the Corporations Act.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Governmental Agency has the meaning in clause 2.5(a) but excludes the Court.

Relevant Interest has the same meaning as given by sections 608 and 609 of the Corporations Act.

Representative means, in relation to a party:

- (a) a Related Body Corporate of the party; or
- (b) an Officer of the party or any of the party's Related Bodies Corporate; or
- (c) an adviser, consultant, agent or representative of the party or any of the party's Related Bodies Corporate.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act to be made between Target and the Scheme Shareholders substantially in the form of Annexure 2,

subject to any alterations or conditions (whether proposed by a party or required by the Court) which are agreed in writing by each party.

Scheme Booklet means an explanatory memorandum to be approved by the Court and despatched to Target Shareholders which includes the Scheme, an explanatory statement under section 412 of the Corporations Act, the Independent Expert's Report and relevant notices of meeting and proxy forms.

Scheme Consideration means the consideration to be provided by Bidder in consideration for the transfer of Target Shares held by Scheme Shareholders to Bidder, as described in clause 4.3 of the Scheme, being \$0.28 cash for each Target Share.

Scheme Meeting means the meeting of Target Shareholders to be ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.

Scheme Resolution means the resolution to be put to Target Shareholders to approve the Scheme.

Scheme Shareholder means a person who is a Target Shareholder on the Record Date.

Second Court Date means the first day on which the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is, or is to be, heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Security Interest means a "security interest" as defined in section 51A of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal in respect of Target received by Target, which the Board of Target determines, acting in good faith and in order to satisfy what the Board of Target consider to be their fiduciary or statutory duties (and after consulting with Target's financial advisers and having taken written advice from Target's legal advisers):

- (a) is capable of being valued and consummated; and
- (b) would, if consummated, result in a transaction more favourable to Target Shareholders (as a whole) than the Transaction,

taking into account all aspects of the Competing Proposal, including the terms and conditions, the identity of the person making the proposal, consideration, conditionality, funding, certainty and timing of the proposal provided that a Competing Proposal cannot be a Superior Proposal if it is subject to a due diligence or financing condition.

Target Due Diligence Information means the information disclosed to Bidder in the online data room hosted by Ansararda.com.

Target ESOP means the RHS Employee Share Option Plan.

Target Group means Target and its Related Bodies Corporate.

Target Indemnified Parties means each member of the Target Group and their respective Officers.

Target Indemnified Person has the meaning given to that term in clause 17.1.

Target Interim Funding Agreement means the agreement entitled 'Interim Funding Agreement' between Target and The Very Company Pty Ltd ACN 103 904 196 dated on or about the date of this Agreement.

Target Material Adverse Change means any event, change or circumstance or announcement or disclosure of any event, change or circumstance (or, in the case of any pre-existing event, change or circumstances, any worsening thereof) which has occurred or becomes known to Bidder on or after the date of this Agreement that, individually or in the aggregate with other such events, changes or circumstances, would, or would, with the lapse of time, be reasonably likely to have a material adverse effect on the business, assets, liabilities, financial position, financial performance, prospects or profitability of the Target Group taken as a whole, except any such event, change or circumstance:

- (a) resulting from or arising in connection with:
 - (i) any change in or event generally affecting equity, debt, financial or commodity markets, prices or indices or exchange or interest rates;
 - (ii) any general disruption to the financial markets or economic conditions of Australia, the United Kingdom, the European Union, the United States of America, Japan, Hong Kong or China; or
 - (iii) any adoption, implementation or change in applicable law or any interpretation of applicable law by any Governmental Agency after the date of this Agreement;
- (b) resulting from the performance of this Agreement or the implementation of the Scheme or the consummation of any transaction contemplated by this Agreement or the Scheme;
- (c) fairly disclosed in any Public Register or in the Target Due Diligence Information; or
- (d) in relation to which Bidder has expressly consented in writing.

Target Option means an option to acquire a Target Share, being an option described in clause 9.1(n)(ii).

Target Optionholder means a holder of a Target Option.

Target Prescribed Event means any of the following:

- (a) Target converts all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Target Group resolves to reduce its share capital in any way or reclassifies, splits, combines, redeems or repurchases directly or indirectly any of its shares;
- (c) any member of the Target Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any member of the Target Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than in accordance with the terms of any Target Option;
- (e) any member of the Target Group issues, or agrees to issue, convertible notes or other debt securities or enters into any new debt facility other than the Target Interim Funding Agreement, or amends, waives (or requests or permits the waiver of) or extends the terms of any existing debt facility or the Target Interim Funding Agreement;

- (f) any member of the Target Group acquires or disposes of, or agrees to acquire or dispose of, the whole or a substantial part of its business or property;
- (g) any member of the Target Group creates an Encumbrance over the whole, or a substantial part, of its business or property;
- (h) any member of the Target Group resolves to be wound up;
- (i) an Insolvency Event occurs in relation to Target or any member of the Target Group;
- (j) any member of the Target Group proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;
- (k) Target agrees to pay or declares any dividend or pays, makes or incurs any liability to pay any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets to its members;
- (l) the constitution or similar constituent document of Target or any other member of the Target Group is amended, repealed or replaced or any member of the Target Group states its intention to or makes any change to its constitution;
- (m) any member of the Target Group undertakes any action or transaction similar to any action or transaction referred to in any of the preceding paragraphs under the law of its place of incorporation; or
- (n) any member of the Target Group authorises, commits or agrees to do any of the matters set out above,

provided that a Target Prescribed Event shall not include:

- (o) in respect of paragraphs (b), (d) or (k) only, any wholly intra group transaction between members of the Target Group;
- (p) any action or transaction:
 - (i) resulting from the performance of this Agreement or under the Scheme;
 - (ii) which any member of the Target Group is permitted to undertake, or not to undertake, under this Agreement;
 - (iii) fairly disclosed in any Public Register or the Target Due Diligence Information; or
 - (iv) in relation to which Bidder has expressly consented in writing; and
- (q) any member of the Target Group creating an Encumbrance with the prior written consent of Bidder.

Target Released Person has the meaning given to that term in clause 17.3.

Target Scheme Booklet Information means information included in the Scheme Booklet (or in any update to the Scheme Booklet released by Target) other than:

- (a) the Bidder Scheme Booklet Information;
- (b) the Independent Expert's Report; and

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- (c) any statement of the tax consequences of the Scheme and associated matters for Target Shareholders on the letterhead of Target's tax advisers as may be included in the Scheme Booklet.

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

Target Shareholder means a person who is recorded in the Register as the holder of Target Shares.

Target Warranty means each representation, warranty or undertaking set out in clause 9.1.

Timetable means the indicative timetable set out in Annexure 1, subject to any modifications as the parties may agree in writing.

Transaction means:

- (a) the Scheme; and
- (b) the Option Cancellation Deeds or other arrangements elected by Bidder pursuant to clause 7.1(b).

Transaction Documents means:

- (a) this Agreement;
- (b) the Scheme;
- (c) the Deed Poll;
- (d) Option Cancellation Deeds; and
- (e) any other document in final agreed form which Bidder and Target agree is necessary or desirable to be entered into for the purposes of the Scheme.

Unsolicited Competing Proposal means any bona fide approach by a third party in respect of a Competing Proposal not solicited in breach of clause 12.1.

Warranty Claim means any claim by a party arising out of a breach of an Target Warranty or Bidder Warranty (as applicable).

Working Hours means, for the purpose of clause 19.4(b), 9.00am to 5.00pm on a day that is not a Saturday, Sunday or public holiday in the place to which the notice is sent.

1.2 **Interpretation**

In this Agreement, unless a contrary intention appears:

- (a) words or expressions importing the singular include the plural and vice versa;
- (b) words or expressions importing a gender include any gender;
- (c) words or expressions denoting individuals include corporations, firms, unincorporated bodies, government authorities and instrumentalities;
- (d) a reference to a party to a document includes that party's successors and permitted assigns;
- (e) where a word or expression is defined or given meaning, another grammatical form of that word or expression has a corresponding meaning;

- (f) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Agreement;
- (g) a provision of this Agreement shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Agreement or that provision;
- (h) a reference to this Agreement includes this Agreement as amended, varied, novated, supplemented or replaced from time to time;
- (i) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Agreement;
- (j) any recitals, schedule or annexure form part of this Agreement and have effect as if set out in full in the body of this Agreement;
- (k) a reference to legislation or a provision of legislation includes:
- (i) all regulations, orders or instruments issued under the legislation or provision; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (l) references to “include”, “including” or any variation thereof are to be construed without limitation;
- (m) a reference to “\$” or “dollar” is to Australian currency;
- (n) a matter has been “fairly disclosed” only if it was disclosed in writing:
- (i) in the case of the Target Due Diligence Information, at least 3 Business Days prior to the date of this Agreement; or
 - (ii) in the case of a Public Register, at the time specified for the relevant file or register in the definition of ‘Public Register’,
- and in each case in sufficient detail so as to enable a reasonable person experienced in operating or advising a business similar to the business conducted by Target to identify the nature, import and scope of the relevant matter;
- (o) where the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day; and
- (p) a reference to any time is a reference to that time in Adelaide, Australia.

2 Conditions Precedent

2.1 Conditions Precedent

Subject to this clause 2, the obligations of the parties to proceed to Implementation of the Scheme do not become binding, and the Scheme will not become Effective, unless each of the following conditions precedent is satisfied or is waived in accordance with clause 2.2:

- (a) **Independent Expert:** the Independent Expert issues the Independent Expert’s Report before the date the Scheme Booklet is registered with ASIC which concludes that the Scheme is in the best interests of Target Shareholders and the Independent Expert does not withdraw that conclusion or conclude that the Scheme is not in the best interests before 8.00am on the Second Court Date;

- (b) **Shareholder Approval of Scheme:** before 8.00am on the Second Court Date, the Scheme Resolution is duly approved by Target Shareholders at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act;
- (c) **Court Approval:** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme either unconditionally or on such conditions acceptable to the parties (such acceptance not to be unreasonably withheld);
- (d) **ASIC and ASX:** by no later than 8.00am on the Second Court Date, ASIC and ASX have issued or provided such consents, confirmations or approvals or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction, and such consents, confirmations, approvals or other acts have not been revoked;
- (e) **No restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing, or could reasonably be expected to prevent, any aspect of the Transaction is in effect as at 8.00am on the Second Court Date;
- (f) **No Target Prescribed Events:** no Target Prescribed Event occurs between the date of this Agreement and 8.00am on the Second Court Date;
- (g) **No Target Material Adverse Change:** no Target Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Bidder between the date of this Agreement and 8.00am on the Second Court Date;
- (h) **Target Representations, Warranties and Undertakings:** the representations and warranties of Target set out in clause 9.1 of this Agreement are true and correct in all material respects as at the date of this Agreement and as at 8.00am on the Second Court Date and the undertakings in that clause have been complied with in all material respects as at 8.00am on the Second Court Date;
- (i) **No Bidder Prescribed Events:** no Bidder Prescribed Event occurs between the date of this Agreement and 8.00am on the Second Court Date;
- (j) **Bidder Representations, Warranties and Undertakings:** the representations and warranties of Bidder set out in clause 9.2 of this Agreement are true and correct in all material respects as at the date of this Agreement and as at 8.00am on the Second Court Date and the undertakings in clause 9.2 have been complied with in all material respects as at 8.00am on the Second Court Date; and
- (k) **Target Options:** All Target Options are:
- (i) the subject of binding Option Cancellation Deeds or alternate binding arrangements under which the Target Options will be cancelled, vested or acquired by Bidder on terms satisfactory to Bidder (including pursuant to clause 7.1(b)); and
 - (ii) such arrangements are unconditional, other than in respect of the Scheme becoming Effective.

2.2 **Benefit and waiver of Conditions Precedent**

- (a) The Conditions Precedent in clauses 2.1(a) (Independent Expert), 2.1(d) (ASIC and ASX) and 2.1(e) (Restraints) are for the benefit of each party, and any breach

or non-fulfilment of any of those Conditions Precedent may only be waived with the written consent of each of the parties.

- (b) The Conditions Precedent in clauses 2.1(f) (No Target Prescribed Events), 2.1(g) (No Target Material Adverse Change), 2.1(h) (Target Representations, Warranties and Undertakings) and 2.1(k) (Target Options) are for the sole benefit of Bidder, and any breach or non-fulfilment of any of those Conditions Precedent may only be waived by Bidder giving its written consent.
- (c) The Conditions Precedent in clauses 2.1(i) (No Bidder Prescribed Events) and 2.1(j) (Bidder Representations, Warranties and Undertakings) are for the sole benefit of Target, and any breach or non-fulfilment of any of those Conditions Precedent may only be waived by Target giving its written consent.
- (d) The Conditions Precedent in clauses 2.1(b) (Shareholder Approval of Scheme) and 2.1(c) (Court Approval) are for the benefit of both parties but cannot be waived.
- (e) A party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to this clause 2.2 may do so in its absolute discretion and, subject to the other party agreeing to abide by the conditions, may do so subject to conditions.
- (f) If a party waives the breach or non-fulfilment of a Condition Precedent in accordance with clause 2.2, that waiver will preclude it from suing the other party for any breach of this Agreement constituted by the same event which gave rise to the breach or non-fulfilment of the Condition Precedent.
- (g) A waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other events or circumstances.

2.3 Reasonable endeavours and notification

- (a) Without prejudice to any other obligations of the parties under this Agreement, but subject to the other provisions of this Agreement:
 - (i) each of the parties must use their reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 2.1(b) (Shareholder Approval of Scheme), 2.1(c) (Court Approval), 2.1(d) (ASIC and ASX), and 2.1(e) (Restraints);
 - (ii) Target must use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 2.1(a) (Independent Expert), 2.1(f) (No Target Prescribed Event), 2.1(g) (No Target Material Adverse Change), 2.1(h) (Target Representations, Warranties and Undertakings) and 2.1(k) (Target Options); and
 - (iii) Bidder must use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 2.1(i) (No Bidder Prescribed Events) and 2.1(j) (Bidder Representations, Warranties and Undertakings),

as soon as practicable after the date of this Agreement and in any event with a view to the Effective Date occurring in accordance with the Timetable and in any

event on or before the End Date to the extent that it is within their respective control.

- (b) Each party must:
- (i) promptly inform the other of a failure to satisfy a Condition Precedent or of any circumstance which may result in any of the Conditions Precedent not being satisfied or capable of being satisfied;
 - (ii) promptly advise the other party in writing of the satisfaction of a Condition Precedent; and
 - (iii) give the Court on the Second Court Date a certificate confirming (in respect of matters within its own knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 2.1(c)) have been satisfied or waived.

2.4 Condition Precedent not satisfied or waived

- (a) If:
- (i) any Condition Precedent has not been fulfilled or waived in accordance with clause 2.2 by the time or date specified in clause 2.1 for satisfaction of the Condition Precedent; or
 - (ii) there is an act, omission, event, occurrence or circumstance which will prevent a Condition Precedent from being satisfied by the time or date specified in clause 2.1 for its satisfaction or, if no time or date is specified, by the End Date (and the non-fulfilment of the Condition Precedent which would otherwise occur has not already been waived),
- either Bidder or Target may serve notice on the other of them and then Target and Bidder will consult in good faith with a view to determining whether:
- (iii) the Scheme may proceed by way of alternative means or methods;
 - (iv) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (v) to change the date of the application to be made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties and, if required, approved by the Court (being a date no later than 5 Business Days before the End Date); and/or
 - (vi) to extend the End Date.
- (b) If Target and Bidder are unable to reach agreement under clause 2.4(a) within the Consultation Period (as defined below) either of them may, provided that it has complied with its obligations (if any) under clause 2.3 in respect of that Condition Precedent and the relevant Condition Precedent is for its benefit (whether solely or jointly with the other party) or cannot be waived under clause 2.2(d), terminate this Agreement by notice in writing to the other party.
- (c) For the purposes of clause 2.4(b), the **Consultation Period** is the shorter of:
- (i) five Business Days following the date of a notice given in accordance with clause 2.4(a); and

- (ii) the period commencing on the date of a notice given in accordance with clause 2.4(a) and ending at 8.00am on the Second Court Date.

2.5 Communications regarding regulatory approvals

To the extent permitted by law and each party's respective legal obligations and without limitation to clause 2.3:

- (a) as soon as practicable after the date of this Agreement, the parties must cooperate in good faith to develop a plan for communications with Governmental Agencies that are required to be approached for the purpose of procuring the satisfaction of any Condition Precedent (each a **Relevant Governmental Agency**);
- (b) each party must provide any Relevant Governmental Agency with all information reasonably required by the Relevant Governmental Agency in connection with the Transaction;
- (c) each party:
 - (i) subject to the requirements of the Relevant Governmental Agency, shall have the right to be present and make submissions at or in relation to any proposed meeting by the other party or its advisers with a Relevant Governmental Agency in relation to the Transaction (except to the extent that such meeting involves the discussion of commercially sensitive information); and
 - (ii) must promptly provide copies to the other party of any written communication sent to or received from a Relevant Governmental Agency in connection with the Transaction (except to the extent that such written communication contains commercially sensitive information of the party in correspondence with the Relevant Governmental Agency); and
- (d) notwithstanding any other provision of this Agreement, for the purposes of obtaining any approval of a Relevant Governmental Agency, neither Bidder nor Target is required to agree to any conditions or to provide or to agree to provide any written undertakings to a Relevant Governmental Agency which are not reasonably acceptable to Bidder or Target (as the case requires).

3 Scheme

3.1 Outline of Scheme

Subject to the terms and conditions of this Agreement, Target must propose and implement the Scheme, under which on the Implementation Date all of the Target Shares held by Scheme Shareholders will be transferred to Bidder and the Scheme Shareholders will be entitled to receive for each Target Share the Scheme Consideration.

3.2 No amendment to the Scheme without consent

Target must not consent to any material modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder, such consent not to be unreasonably withheld.

3.3 Scheme Consideration

Subject to the Scheme becoming Effective, Bidder undertakes to Target that in consideration of the transfer of each of the Target Shares held by Scheme Shareholders to Bidder under

the Scheme it will provide or procure the provision of the Scheme Consideration in accordance with the Scheme.

3.4 **Appointment of nominee and guarantee**

- (a) Bidder may by written notice, no later than 15 Business Days after the date of this Agreement, nominate any wholly-owned subsidiary of Bidder (**Bidder's Nominee**) to acquire all of the Target Shares held by Scheme Shareholders instead of Bidder. If any such nomination is made and unless the context otherwise requires, all references in this Agreement to Bidder acquiring all of the Target Shares held by Scheme Shareholders or taking any other action under or in respect of the Scheme are to be read as references to Bidder's Nominee doing so.
- (b) Bidder irrevocably and unconditionally guarantees to Target the due and punctual performance by Bidder's Nominee of all of its obligations under or in connection with each Transaction Document. If Bidder's Nominee commits any default or breach of any Transaction Document, Bidder will, on demand by Target, perform all obligations (if any) of Bidder's Nominee in accordance with the provisions of the relevant Transaction Document.
- (c) As a separate and independent obligation from that contained in clause 3.4(b), Bidder must pay to Target on demand all losses, costs, damages, expenses and other liabilities suffered or incurred by Target as a result of any failure of Bidder's Nominee to perform any obligation under any Transaction Document by the required date or time.
- (d) Bidder acknowledges and agrees that each of its obligations under clauses 3.4(b) 3.4(c):
- (i) is a principal and continuing obligation and will not be affected by any principle of law or equity which might otherwise reduce or limit in any way the liability of Bidder under clause 3.4(b) or 3.4(c); and
 - (ii) continues notwithstanding any amendment of any Transaction Document or any waiver, consent or notice given under any Transaction Document by any party to another.
- (e) Bidder must not exercise any right of indemnity or subrogation which it might otherwise be entitled to claim and enforce against or in respect of Bidder's Nominee under or in connection with clause 3.4(b) or 3.4(c) and irrevocably waives all those rights of indemnity or subrogation it may have.

4 **Target's obligations in respect of the Scheme**

4.1 **Steps to be taken**

Target must take all necessary steps to propose and implement the Scheme as soon as is reasonably practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **Agreed Announcement:** make its Agreed Announcement in accordance with clause 15.1;
- (b) **Independent Expert:** procure the finalisation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable it to finalise the Independent Expert's Report on a timely basis;

- (c) **Preparation of Scheme Booklet:** prepare the Scheme Booklet in accordance with clause 6;
- (d) **Approval of Regulator's Draft:** as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the Target Board is convened to approve that draft as being in a form appropriate for provision to ASIC for review;
- (e) **Lodgement of draft Scheme Booklet with ASIC:** provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act and to Bidder, and liaise with ASIC during the ASIC Review Period;
- (f) **ASIC Review Period:** during the ASIC Review Period:
- (i) keep Bidder promptly informed of any matters raised by ASIC in relation to the Scheme Booklet (and any resolution of those matters), and use reasonable endeavours, with the co-operation of Bidder, to resolve any such matters; and
 - (ii) at Bidder's request, allow Bidder to attend such portions of any meetings and discussions with ASIC which are relevant to the Bidder Scheme Booklet Information;
- (g) **Court documents:** promptly prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide Bidder with drafts of those documents for review and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from Bidder and its Representatives on those drafts;
- (h) **Approval of Scheme Booklet:** as soon as practicable after the end of the ASIC Review Period, procure that a meeting of the Board of Target is convened to approve the Scheme Booklet in the form approved by ASIC and also to approve an application to the Court for an order that the Scheme Meeting be convened by the despatch of the Scheme Booklet to Target Shareholders;
- (i) **Court direction:** promptly after, and provided that, the approvals and orders in clauses 4.1(h) are given, apply to the Court for an order under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting;
- (j) **Despatch Scheme Booklet:** promptly after, and provided that, the approvals and orders in clauses 4.1(h) and 4.1(i) have been received, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act and then despatch a copy of the Scheme Booklet to each Target Shareholder and to all other persons entitled to receive notice of the Scheme Meeting;
- (k) **Update the Scheme Booklet:** if applicable, update the Scheme Booklet in accordance with clause 9.1(i);
- (l) **Scheme Meeting:** convene the Scheme Meeting in accordance with the Court order, and put the Scheme Resolution to Target Shareholders at the Scheme Meeting;
- (m) **Section 411(17)(b) statement:** apply to ASIC for the production of:

- (i) an indication of intent letter stating that it does not intend to appear before the Court at the First Court Hearing; and
- (ii) a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (n) **Registration of explanatory statement:** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (o) **Court approval:** if the Scheme Resolution is passed by the requisite majorities, promptly apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and, if applicable, 411(6) of the Corporations Act;
- (p) **Lodge copy of Court order, etc:** if the Court approves the Scheme in accordance with sections 411(4)(b) and, if applicable, 411(6) of the Corporations Act:
- (i) as soon as practicable after such time and in any event by no later than 4pm on the first Business Day after the date on which the Court makes the order, lodge with ASIC an office copy of the order approving the Scheme in accordance with section 411(10) of the Corporations Act;
- (ii) use reasonable endeavours to ensure that ASX suspends trading in Target Shares with effect from the close of trading on the Effective Date;
- (iii) close the Register as at the Record Date to determine who are Scheme Shareholders and their entitlements to the Scheme Consideration as at the Record Date;
- (iv) promptly execute proper instruments of transfer of, and register all transfers of, Target Shares to Bidder on the Implementation Date; and
- (v) promptly do all other things contemplated by or necessary to lawfully give effect to the Scheme and the orders of the Court approving the Scheme;
- (q) **Share register:** promptly provide to Bidder a copy of the Register as requested by Bidder from time to time;
- (r) **ASX listing:**
- (i) use its reasonable endeavours to ensure that the Target Shares continue to be quoted on ASX until the close of business on the Implementation Date; and
- (ii) use its reasonable endeavours to ensure that Target remains on the official list of ASX until the Implementation Date and in accordance with the directions of Bidder;
- (s) **Consultation and co-operation:** Target will co-operate with Bidder in its efforts to promote the merits of the Scheme, including, where agreed to be appropriate, the parties acting reasonably:
- (i) through communications with Target Shareholders; or
- (ii) holding meetings between Representatives of Target and key Target Shareholders at the reasonable request of Bidder;
- (t) **Target ESOP:** suspend the operation of the Target ESOP and any other equity incentive plan (subject to any rights or options already issued or agreed to be

issued as at the date of this Agreement provided that any dealings or issues are not made without the prior consent of Bidder, such consent not to be unreasonably withheld);

- (u) **Director changes:** upon Implementation of the Scheme:
 - (i) appoint the nominees of Bidder as directors of Target and each subsidiary of Target (subject to appropriate consents having been given), and cause the resignation or removal as directors of Target and each subsidiary of Target of such persons as are nominated by Bidder, subject to ensuring that the minimum number of directors required by law is maintained at all times; and
 - (ii) ensure that each such resigning or removed director provides written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against the Target Group (without any payment from, or cost to, the Target Group or the Bidder Group); and
- (v) **Other:** do all things lawfully within its power that are reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

4.2 Target Board recommendations and intentions

- (a) Target must authorise and issue the Agreed Announcement immediately following execution of this Agreement which will include (on the basis of confirmations made to Target by each of its directors) a statement to the effect that each director of Target:
 - (i) considers the Scheme to be in the best interests of Target Shareholders and recommends to Target Shareholders that the Scheme be approved; and
 - (ii) who has a Relevant Interest in Target Shares intends to vote those Target Shares, or procure that those Target Shares are voted, in favour of the Scheme,

subject to there being no superior proposal in respect of Target and the Independent Expert concluding that the Scheme is in the best interests of Target Shareholders.
- (b) Subject to clause 4.2(c), Target must use reasonable endeavours to ensure that, and must use reasonable endeavours to procure that the Target Board and each director of Target does not:
 - (i) change or withdraw the statements set out in the Agreed Announcement; or
 - (ii) make any public statement to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended as provided in the Agreed Announcement.
- (c) Despite clauses 2.3 and 4.2(b), the Target Board and each director of Target may change or withdraw their recommendation if:
 - (i) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Target Shareholders;

- (ii) Target receives a Competing Proposal that constitutes a Superior Proposal to the Scheme, Target has complied with its obligations under clause 12 and either Bidder decides not to exercise its matching right in accordance with clause 12.6 or Bidder has exercised its matching right in accordance with clause 12.6 and Target has complied with its obligations under clause 12.6; or
- (iii) this Agreement is terminated.

5 Bidder's obligations in respect of the Scheme

Subject to the terms and conditions of this Agreement, Bidder must take all reasonably necessary steps to assist Target to propose and implement the Scheme as soon as is reasonably practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **Preparation of Scheme Booklet:** provide assistance with the preparation of the Scheme Booklet in accordance with clause 6;
- (b) **Independent Expert information:** provide all assistance and information reasonably requested by Target or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) **Regulator's Draft:** as soon as reasonably practicable after receipt from Target of the proposed Regulator's Draft, either:
 - (i) confirm in writing to Target that the Bidder Scheme Booklet Information in the form and context in which it appears in the proposed Regulator's Draft is in a form appropriate for provision for ASIC to review; or
 - (ii) provide Target with the textual changes to the Bidder Scheme Booklet Information required to ensure that the proposed Regulator's Draft is in a form appropriate for provision for ASIC to review;
- (d) **ASIC Review Period:** provide reasonable assistance to Target in connection with resolving any matter raised by ASIC regarding the Scheme Booklet or the Scheme during the ASIC Review Period;
- (e) **Approval of Scheme Booklet:** as soon as practicable after the end of the ASIC Review Period:
 - (i) procure that a meeting of its Board is convened to approve those sections of the Scheme Booklet that comprise the Bidder Scheme Booklet Information as being in a form appropriate for despatch to Target Shareholders; and
 - (ii) provide to Target, Bidder's written consent to the inclusion of the Bidder Scheme Booklet Information in the Scheme Booklet.
- (f) **Deed Poll:** prior to the Business Day which is immediately before the date of the First Court Hearing, execute the Deed Poll;
- (g) **Court representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of sections 411(1), 411(4)(b) and 411(6) of the Corporations Act, at which, through its counsel, it will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be

reasonably necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme;

- (h) **Scheme Consideration:** if the Scheme becomes Effective, provide the Scheme Consideration in accordance with the Deed Poll and the Transaction Documents on the Implementation Date; and
- (i) **Other:** do all things lawfully within its power that are reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

6 Preparation of Scheme Booklet

- (a) Target must prepare the Scheme Booklet as soon as is reasonably practicable after the date of this Agreement and use all reasonable endeavours to do so in accordance with the Timetable.
- (b) Target must ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, except in respect of the Bidder Scheme Booklet Information, and will ensure that the Target Scheme Booklet Information, and all information provided by or on its behalf to the Independent Expert, is not misleading or deceptive to the knowledge of Target in any material respect (whether by omission or otherwise) as at the date the Scheme Booklet is despatched to Target Shareholders.
- (c) Target must, until the date of the Scheme Meeting, continue to supplement the information contained in the Scheme Booklet (whether by way of issuing a supplementary scheme booklet, ASX announcement or media announcement as appropriate) with all such further or new information which may arise or become known to Target after the Scheme Booklet has been despatched, and which is necessary to ensure that the Scheme Booklet complies with the standards referred to in paragraph 6(b).
- (d) Target must make available to Bidder drafts of the Scheme Booklet (including any draft of a report by the Independent Expert but excluding those sections containing the Independent Expert's opinions or conclusions) within a reasonable time before the Regulator's Draft is finalised and consult with Bidder in relation to the content of those drafts, and consider in good faith, for the purpose of amending those drafts, comments from Bidder and its advisers on those drafts received on a timely basis.
- (e) Bidder must:
 - (i) provide to Target such information regarding Bidder and the Bidder Group as is required to ensure that the Bidder Scheme Booklet Information complies with the requirements of the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, including all the information that would be required under sections 636(1)(c), (f), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in a bidder's statement if Bidder were offering the Scheme Consideration as consideration under a takeover bid (Bidder acknowledging that Target will rely on such information to prepare the Scheme Booklet and agreeing that the Bidder Scheme Booklet Information will be provided in good faith); and

- (ii) provide to Target such assistance as Target may reasonably require in order to adapt such information for inclusion in the Scheme Booklet, as soon as reasonably practicable after the date of this Agreement (and must use all reasonable endeavours to do so in accordance with the Timetable).
- (f) Target must:
- (i) only use the Bidder Scheme Booklet Information (to the extent that it is confidential) with the prior written consent of Bidder (not to be unreasonably withheld or delayed); and
- (ii) from the date of the First Court Hearing until the Implementation Date, promptly inform Bidder if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or that contains a material omission.
- (g) The parties acknowledge that the Scheme Booklet will contain statements to the effect that:
- (i) Target is responsible for the contents of the Scheme Booklet other than, to the maximum extent permitted by law, the Bidder Scheme Booklet Information, the Independent Expert's Report, any statement of the tax consequences of the Scheme and associated matters for Target Shareholders on the letterhead of Target's tax advisers as may be included in the Scheme Booklet. Bidder and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of any such Target information, the Independent Expert's Report or any statement of the tax consequences of the Scheme; and
- (ii) Bidder is responsible for the Bidder Scheme Booklet Information. Target and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the Bidder Scheme Booklet Information. Bidder must consent to the form and content of the Bidder Scheme Booklet Information (which consent must not be unreasonably withheld or delayed).
- (h) If the parties disagree on the form or content of the Scheme Booklet (including any update to the Scheme Booklet to be made in accordance with clause 4.1(k)) they must consult in good faith to try to settle an agreed form of the Scheme Booklet (or an agreed form of the update to the Scheme Booklet, as applicable) and failing agreement within five Business Days the final form and content of the Scheme Booklet (or the form and content of the update to the Scheme Booklet, as applicable):
- (i) the Target Scheme Booklet Information shall be determined by Target, acting reasonably; and
- (ii) the Bidder Scheme Booklet Information shall be determined by Bidder, acting reasonably.
- (i) Target must undertake appropriate verification procedures in relation to the Target Scheme Booklet Information and Bidder must undertake appropriate verification procedures in relation to the Bidder Scheme Booklet Information.
- (j) Target and Bidder each agree to use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of

external professional advisers) to comply with their respective obligations in this clause 6 and to produce the Scheme Booklet in accordance with the Timetable.

7 Target Options

7.1 Target Options

- (a) Target must:
- (i) execute, and take all reasonable steps to procure the execution by each of the Target Optionholders of, the Option Cancellation Deeds on or before the date that is 5 Business Days before the draft Scheme Booklet is lodged with ASIC for review in accordance with Timetable (**Cancellation Deed Execution Date**);
 - (ii) both:
 - (A) not, without Bidder's prior written approval, amend, vary or waive any right under any Option Cancellation Deed after it is entered into; and
 - (B) perform its obligations under each Option Cancellation Deed entered into and otherwise enforce its rights under those documents;
 - (iii) without limiting any paragraph of the definition of Target Prescribed Event, procure that the Target Board does not exercise any discretion, including under the Target Options, which has the effect of accelerating the vesting of the Target Options or causing them to vest where they would otherwise not vest but for the exercise of that discretion, for any reason, including, but not limited to, the Transaction;
 - (iv) keep Bidder fully informed of all communications with Target Optionholders and other parties under this clause 7, and provide to Bidder copies of all pro forma documents and correspondence to Target Optionholders, and where applicable, all material individual written communication with such persons.
- (b) If binding Option Cancellation Deeds are not entered into prior to the Cancellation Deed Execution Date, Target must, if Bidder requires, propose to Target Optionholders one or more additional schemes of arrangement (to be undertaken in conjunction with, and conditional upon Implementation of, the Scheme) under which all of the Target Options will be cancelled or transferred to Bidder or its nominee on the Implementation Date in consideration for a cash amount equal to the difference between the Scheme Consideration and the exercise price of the Target Options and on terms and conditions acceptable to Bidder (**Option Scheme**).

7.2 Target Board recommendations and intentions in relation to Option Scheme

- (a) If Bidder requires Target to propose an Option Scheme, Target must ensure that the public announcement to be issued by Target on ASX announcing the Option Scheme (**Option Scheme Announcement**) will include (on the basis of confirmations made to Target by each of its directors) a statement to the effect that each director of Target:

- (i) considers the Option Scheme to be in the best interests of Target Optionholders and recommends to Target Optionholders that the Option Scheme be approved; and
- (ii) who has a Relevant Interest in Target Options intends to vote those Target Options, or procure that those Target Options are voted, in favour of the Option Scheme,

subject to there being no superior proposal in respect of Target and the Independent Expert concluding that the Scheme is in the best interests of Target Shareholders and the Option Scheme is in the best interests of Target Optionholders.

- (b) Subject to clause 7.2(c), Target must use reasonable endeavours to ensure that, and must use reasonable endeavours to procure that the Target Board and each director of Target does not:
 - (i) change or withdraw the statements set out in the Option Scheme Announcement; or
 - (ii) make any public statement to the effect, or take any other action that suggests, that the Option Scheme is no longer so considered or recommended as provided in the Option Scheme Announcement.
- (c) Despite clause 7.2(b), the Target Board and each director of Target may change or withdraw their recommendation if:
 - (i) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Target Shareholders or the Option Scheme is not in the best interests of Target Optionholders;
 - (ii) Target receives a Competing Proposal that constitutes a Superior Proposal to the Scheme, Target has complied with its obligations under clause 12 and either Bidder decides not to exercise its matching right in accordance with clause 12.6 or Bidder has exercised its matching right in accordance with clause 12.6 and Target has complied with its obligations under clause 12.6; or
 - (iii) this Agreement is terminated.

8 Pre-implementation Obligations

8.1 Conduct of business

From the date of this Agreement up to and including the Implementation Date, Target must conduct its business, and procure that each member of the Target Group conducts its business, in the ordinary course, in substantially the same manner, and at the same locations, as previously conducted and use reasonable endeavours to:

- (a) preserve intact its current business organisation including keeping available the services of its officers and employees;
- (b) preserve its relationships with customers, suppliers, licensors, licensees and others having business dealings with it; and

- (c) maintain the condition of its business and assets, including maintaining at least its current level of insurance (provided such level of insurance continues to be generally available).

8.2 Certain Target Group actions requiring the consent of Bidder

Without limiting clause 8.1, from the date of this Agreement up to and including the Implementation Date, Target must not and must ensure that each other member of the Target Group does not:

- (a) dispose or agree or offer to dispose of or lease or agree or offer to lease any one or more assets, businesses or entities or any one or more items of real property, plant or equipment (or any interest in any of the foregoing), the value or aggregate value of which exceeds \$250,000, to any person other than a member of the Target Group;
- (b) acquire or agree or offer to acquire any one or more assets, businesses or entities or any one or more items of real property, plant or equipment (or any interest in any of the foregoing), the value or aggregate value of which exceeds \$250,000, from any person other than a member of the Target Group;
- (c) either:
 - (i) enter into an employment or engagement contract with a potential employee or contractor (other than to replace on substantially similar terms (including as to remuneration and benefits) an employee or contractor (as applicable) who has ceased to be an employee of the Target Group); or
 - (ii) enter into a new employment or engagement contract with, or amend an employment or engagement contract of, an existing employee, contractor, executive or director of a member of the Target Group (other than any increase in remuneration or benefits consistent with past practice),

in respect of which the total annual employment costs (inclusive of the value of any share or other equity participation or other benefit received) of that existing or potential employee, contractor, executive or director are in excess of \$150,000;
- (d) settle any legal proceedings, claim, investigation, arbitration or other like proceeding where the amount claimed by or against a member of the Target Group exceeds \$100,000;
- (e) enter, or propose to enter, into (other than the Target Interim Funding Agreement) or amend, or propose to amend, in any material respect any joint venture, partnership or other agreement with any person other than a member of the Target Group involving or reasonably likely to involve expenditure or other commitment on the part of a member of the Target Group in excess of \$250,000;
- (f) incur any financial indebtedness or issue any debt securities, other than:
 - (i) in respect of the Target Interim Funding Agreement;
 - (ii) any financial indebtedness incurred within existing limits of any existing debt facility or debt securities;
 - (iii) trade credit incurred in the ordinary course of business; or

- (iv) indebtedness to a member of the Target Group;
- (g) enter into (other than the Target Interim Funding Agreement), terminate, extend, renew or vary any commitment (including any non-contractual commitment or undertaking) which has a value or involves a liability or expenditure, as the case may be, of \$250,000 or more, or any commitment which, when aggregated with related transactions, is in aggregate \$250,000 or more;
- (h) exercise a contractual right or other option to renew or extend, or otherwise renewing or extending, an existing agreement (including under any lease) which has a value or involves a liability or expenditure, as the case may be, of \$250,000 or more, or any number of which, when aggregated with related transactions, is in aggregate \$250,000 or more;
- (i) pay or agree to pay any bonus to any of its directors or executives or any other employees other than any bonus already accrued as at the date of this Agreement and notified in writing by Target to Bidder before the date of this Agreement;
- (j) pay or agree to pay a director or executive a termination payment (including a "golden parachute");
- (k) enter into any guarantee or indemnity on behalf of any person or provide security for the obligations of any person;
- (l) pay any retirement allowance or superannuation benefit to any director or employee, except for any payment required by law or under an existing contractual obligation fairly disclosed to Bidder in the Target Due Diligence Information;
- (m) enter into any new employee incentive or benefit plan or program;
- (n) take any action that gives rise, or is likely to give rise, to a Target Prescribed Event; or
- (o) authorise, commit or agree to do any of the matters set out above.

8.3 Exceptions

Nothing in clause 8.1 or clause 8.2 restricts:

- (a) anything which a party is required to do, permitted to do or is permitted not to do under any provision any Transaction Document or which is otherwise contemplated by a Transaction Document;
- (b) anything which is consented to by Bidder;
- (c) any transaction, expenditure or other action fairly disclosed:
 - (i) in any public filing with the ASX in the 18 months prior to 20 February 2018: or
 - (ii) in writing in the Target Due Diligence Information.

9 Representations, Warranties and Undertakings

9.1 Representations, warranties and undertakings by Target

Subject to clause 9.3, Target represents and warrants (and, where applicable, undertakes) to Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) that:

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- (a) Target and each of its Related Bodies Corporate is a corporation duly incorporated, validly existing and limited by shares under the laws of its place of incorporation;
- (b) it has full legal capacity and power to own its own property and to carry on its business;
- (c) the execution, delivery and performance of the Transaction Documents by Target has been properly authorised by all necessary corporate action and Target has full corporate power to execute, deliver and perform its obligations under the Transaction Documents;
- (d) the Transaction Documents constitute legal, valid and binding obligations on Target (subject to laws generally affecting creditors' rights and the principles of equity);
- (e) neither it nor any other member of the Target Group is affected by an Insolvency Event, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict its ability to fulfil its obligations under the Transaction Documents;
- (f) all information provided by or on behalf of Target to the Independent Expert to enable their report to be prepared has been, and will be, provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing their report for inclusion in the Scheme Booklet;
- (g) the Target Scheme Booklet Information:
- (i) will be prepared and included in the Scheme Booklet in good faith and on the understanding that Bidder and its directors will rely on that information for the purpose of considering and approving the Bidder Scheme Booklet Information; and
 - (ii) will comply in all material respects with the requirements of the Corporations Act, the ASX Listing Rules and relevant ASIC regulatory guides and the terms of this Agreement as they apply to such information;
- (h) as at the First Court Hearing and the date the Scheme Booklet is despatched to Target Shareholders, the Scheme Booklet (excluding the Bidder Scheme Booklet Information, the Independent Expert's Report, and any statement of the tax consequences of the Scheme and associated matters for Target Shareholders on the letterhead of Target's tax advisers as may be included in the Scheme Booklet) will not be misleading or deceptive to the knowledge of Target in any material respect (whether by omission or otherwise);
- (i) Target will (but in respect of the Bidder Scheme Booklet Information, subject to Bidder complying with its obligations under clause 9.2(h)) update the Scheme Booklet as soon as reasonably practicable with all such further or new information which may arise after the Scheme Booklet has been despatched until the Scheme Meeting which is either necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect (whether by omission or otherwise) or which is otherwise material for disclosure to Target Shareholders or that is required to be disclosed to Target Shareholders under any applicable law;
- (j) Target is not in breach of its continuous disclosure obligations under the ASX Listing Rules and, other than in respect of the Scheme, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public

disclosure and it is not aware of any non-public information relating to any member of the Target Group or their respective businesses or operations that has or could reasonably be expected to give rise to a Target Material Adverse Change;

- (k) so far as Target is aware, as at the date of this Agreement, neither the business of Target, nor any member of Target Group, nor any of the products, services or technology used, sold, offered for sale or licensed by Target Group infringes any intellectual property rights of any person that would cause a material loss or expense to Target Group;
- (l) Target's financial statements for the financial year ended 31 December 2016 give a true and fair view of the financial position of Target as at 31 December 2016 and of its financial performance for the financial year ended on that date;
- (m) Target's financial statements for the 6 months ended 30 June 2017 give a true and fair view of the financial position of Target as at 30 June 2017 and of its financial performance for the 6 months ended on that date;
- (n) as at the date of this Agreement:
- (i) the total issued capital of Target is 89,920,483 Target Shares;
 - (ii) Target has on issue:
 - (A) 2,750,000 Target options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 1 of the Target notice of annual general meeting dated 20 April 2016;
 - (B) 1,500,000 Target options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 2 of the Target notice of annual general meeting dated 20 April 2016;
 - (C) 1,500,000 Target options with an exercise price of \$0.248 and an expiry date of 31 May 2020 issued on the terms set out in Annexure 2 of the Target notice of annual general meeting dated 20 April 2016;
 - (D) 1,000,000 Target options with an exercise price of \$0.208 and an expiry date of 31 May 2020 issued under the Target ESOP;
 - (E) 250,000 Target options with an exercise price of \$0.20 and an expiry date of 31 May 2020 issued under the Target ESOP;
 - (F) 300,000 Target options with an exercise price of \$0.20 and an expiry date of 31 May 2019 issued on the terms set out in the Annexure to the Target notice of annual general meeting dated 20 April 2017; and
 - (G) 100,000 Target options with an exercise price of \$0.20 and an expiry date of 31 May 2020 issued on otherwise the terms set out in the Annexure to the Target notice of annual general meeting dated 20 April 2017,

all of which were issued under documentation which has been fairly disclosed in the Target Due Diligence Information;

- (iii) there are no other shares, options, performance rights or convertible instruments, equity incentive arrangements or other securities or financial products granted or on issue by Target (or offers or agreements to issue any of the foregoing);
- (o) all of the shares of the subsidiaries of Target and other members of the Target Group are legally and beneficially owned by Target (whether directly or indirectly) and those shares have been validly issued and fully paid up;
- (p) there is no Encumbrance, option, right of pre-emption, right of first or last refusal or other third party right over any of the shares in any member of the Target Group (other than Target) and to the knowledge of Target there is no Encumbrance, option, right of pre-emption, right of first or last refusal or other third party right over any of the shares in Target other than those disclosed to Bidder in writing;
- (q) no member of the Target Group (aside from Target) has in place any plans or schemes relating to the provision of shares, options or other equity entitlements to officers or employees of that member;
- (r) no member of the Target Group has given a commitment to any Officer of that member in relation to the change of ownership of Target;
- (s) other than as disclosed to Bidder in writing prior to the date of this Agreement, no member of the Target Group has any arrangement with any corporate, financial or other adviser or any third party under which Target has agreed to pay or is obliged to pay a fee or expense to that adviser or third party if the Scheme does, or if the Scheme does not, become Effective or otherwise in connection with the Scheme;
- (t) so far as Target is aware and subject to clause 11.2, the Target Due Diligence Information (other than in respect of the Target Interim Funding Agreement):
- (i) are true and accurate in all material respects as at the date of this Agreement;
 - (ii) are not misleading or deceptive (including by omission) in any material respect when taken as a whole as at the date of this Agreement;
- (u) so far as Target is aware, all information relating to Target Group as at the date of this Agreement which might reasonably affect the willingness of Bidder to enter into and complete the Transaction has been fairly disclosed in the Target Due Diligence Information (other than in respect of the Target Interim Funding Agreement);
- (v) so far as the Target is aware, each member of the Target Group has complied in all material respects with all applicable laws and regulations which would, if breached, have a material adverse effect on:
- (i) the financial position of the Target Group as a whole; or
 - (ii) the implementation of the Transaction;
- (w) as at the date of this Agreement, no party to the Manufacture and Supply Agreement between Reproductive Health Science Limited and Kapa Biosystems Pty Ltd effective 24 March 2017 has terminated, or given any notice terminating, or purporting to or advising of an intention to, terminate, any of those contracts;
- (x) it will use reasonable endeavours to procure that no Target Prescribed Event or Target Material Adverse Change occurs;

- (y) as at the date of this Agreement, it is not involved in or aware of any negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any expression of interest, offer, proposal or discussion in relation to a Competing Proposal, whether direct or indirect, solicited or unsolicited and in writing or otherwise; and
- (z) this Agreement does not conflict with or result in the breach of or default under:
- (i) any provision of Target's constitution; or
 - (ii) any:
 - (A) material term or provision of any agreement to which it or a another member of the Target Group is a party; or
 - (B) writ, order or injunction, judgment, law, rule or regulation to which it or another member of the Target Group is subject or by which it or they are bound,
- and which would prevent Target from performing its obligations under the Transaction Documents or is otherwise material in the context of the Target Group taken as a whole, except as fairly disclosed in the Target Due Diligence Information.

9.2 **Representations, warranties and undertakings by Bidder**

Subject to clause 9.4, Bidder represents and warrants (and, where applicable, undertakes) to Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that:

- (a) Bidder is a company duly incorporated and validly existing under the laws of the jurisdiction of its incorporation;
- (b) the execution, delivery and performance of this Agreement by Bidder has been properly authorised by all necessary corporate action and Bidder has full corporate power to execute, deliver and perform this Agreement;
- (c) this Agreement constitutes legal, valid and binding obligations on Bidder (subject to laws generally affecting creditors' rights and the principles of equity);
- (d) neither it nor any other member of the Bidder Group is affected by an Insolvency Event;
- (e) all information provided by or on behalf of Bidder to the Independent Expert to enable their report to be prepared has been, and will be, provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing their report for inclusion in the Scheme Booklet;
- (f) the Bidder Scheme Booklet Information (to the extent that Bidder has consented to inclusion of that information in accordance with clause 6(g)(ii)):
 - (i) will be prepared in good faith and on the understanding that Target and each of its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme; and
 - (ii) will comply in all material respects with the requirements of the Corporations Act, the ASX Listing Rules and relevant ASIC regulatory

guides and the terms of this Agreement as they relate to such information;

- (g) as at the First Court Hearing and the date the Scheme Booklet is despatched to Target Shareholders, the Bidder Scheme Booklet Information will not be misleading or deceptive to the knowledge of Bidder in any material respect (whether by omission or otherwise);
- (h) Bidder will provide to Target all such further or new material information that arises after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Bidder Scheme Booklet Information, in the form and context in which that information appears in the version of the Scheme Booklet sent to Target Shareholders is not misleading or deceptive in any material respect (whether by omission or otherwise), and if it becomes aware that the Bidder Scheme Booklet Information contains a misleading or deceptive statement or is subject to a material omission, or has become misleading or deceptive or subject to a material omission, provide such further or new information as is required to correct the defect;
- (i) this Agreement does not conflict with or result in the breach of or default under:
 - (i) any provision of Bidder's constitution or by-laws; or
 - (ii) any:
 - (A) material term or provision of any agreement to which it or a another member of the Bidder Group is a party; or
 - (B) writ, order or injunction, judgment, law, rule or regulation to which it or another member of the Bidder Group is subject or by which it or they are bound,

and which could have a material adverse effect on Target;
- (j) it will use reasonable endeavours to procure that no Bidder Prescribed Event occurs; and
- (k) as at the date of this Agreement, neither it nor any of its Associates:
 - (i) has a Relevant Interest in any Target Shares; or
 - (ii) is a party to any agreement, arrangement or understanding involving the conferring of rights on it the economic effect of which is equivalent, substantially equivalent, or similar to it acquiring, holding or disposing of Target Shares (whether combined with a financing arrangement or not).

9.3 Target limitation of liability

- (a) Target is not liable in respect of a Warranty Claim in relation to a Target Warranty if the fact, matter, circumstance or act giving rise to the Warranty Claim:
 - (i) was expressly required to be done by Target under the Transaction Documents; or
 - (ii) was approved by Bidder in writing (prior to the fact, matter, circumstance or act occurring);

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- (iii) has been fairly disclosed in writing by Target to Bidder in the Target Due Diligence Information, except in relation to the Target Warranty in clause 9.1(n) which is not subject to this paragraph (iii).
- (b) The Target Warranties are qualified by, and are given subject to, the facts, matters, circumstances and acts referred to in clause 9.3(a).

9.4 Bidder limitation of liability

- (a) Bidder is not liable in respect of a Warranty Claim in relation to an Bidder Warranty if the fact, matter, circumstance or act giving rise to the Warranty Claim:
 - (i) was expressly required to be done by Bidder under the Transaction Documents; or
 - (ii) was approved by Target in writing (prior to the fact, matter, circumstance or act occurring); or
 - (iii) has been fairly disclosed in writing by Bidder to Target.
- (b) The Bidder Warranties are qualified by, and are given subject to, the facts, matters, circumstances and acts referred to in clause 9.4(a).

9.5 Reliance

- (a) Each party acknowledges that the other has entered into this Agreement in reliance on the representations, warranties and undertakings that are given by the party in this clause 9.
- (b) The parties have not relied on any representation or warranty in deciding whether to enter into this Agreement, other than as expressly set out in this clause 9.

9.6 Nature of provisions

- (a) Each of the representations and warranties in this clause 9 shall be deemed to be given as at the date of this Agreement until (and including) 8.00am on the Second Court Date at each date by reference to the circumstances then existing.
- (b) Each of the representations, warranties and undertakings given by a party in this clause 9 must be construed as a separate and independent provision and will not be limited or restricted by reference to the terms of any other representation, warranty or undertaking in this clause 9 or any other term of this Agreement.
- (c) Each of the representations and warranties in this clause 9:
 - (i) will survive the completion of the transactions contemplated by this Agreement or the termination of this Agreement; and
 - (ii) is given with the intent that liability under it will not be confined to breaches which are discovered prior to the completion of the transactions contemplated by this Agreement or the date of termination of this Agreement.

9.7 Notification

A party must promptly advise the other in writing of any representation or warranty provided in this clause 9 by the party being false or misleading in any material respect when given or a breach of any undertaking in this clause 9 by the party.

10 Indemnities

10.1 *Indemnity from Target*

Target agrees with Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) to indemnify and keep indemnified Bidder and the other Bidder Indemnified Parties from and against all third-party claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 9.1.

10.2 *Indemnity from Bidder*

Bidder agrees with Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) to indemnify and keep indemnified Target and the other Target Indemnified Parties from and against all third-party claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Target Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties given by it in clause 9.2.

10.3 *Nature of indemnities*

Each indemnity in clauses 10.1 and 10.2 is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination or completion of this Agreement. It is not necessary for a person to incur expense or make any payment before enforcing a right of indemnity in this clause 10. The making of a claim by a person under an indemnity in this clause 10 in respect of a particular event does not preclude that person from subsequently making further claims under that indemnity in respect of any further loss arising out of the same event for which it has not previously been indemnified.

11 No reliance on Due Diligence Information

11.1 *Due diligence investigations*

Bidder acknowledges and agrees, both on its own behalf and on behalf of each of the other Bidder Indemnified Persons that:

- (a) prior to entry into this Agreement, it and its Representatives have undertaken their own due diligence investigations in relation to the Target Group, including access to data rooms, management presentations, interviews and discussions;
- (b) in the course of those investigations, and the negotiations and discussions in relation thereto, Target and its Representatives have fairly disclosed to Bidder and its Representatives the Target Due Diligence Information; and
- (c) as at the date of this Agreement it is not aware, as a consequence of obtaining the Target Due Diligence Information (each being fairly disclosed), of any information or matter that would give it a right to terminate this Agreement or would constitute a breach of any Target Warranty.

11.2 *No assurance regarding forecasts*

Bidder acknowledges and agrees, both on its own behalf and on behalf of each of the other Bidder Indemnified Persons, that none of Target and its Representatives, to the maximum extent permitted by law makes any representation or warranty as to the reasonableness of any forecast or other forward looking statement contained or referred to in the Target Due

Diligence Information, or any assumption upon which any such forecast or other forward looking statement is based.

11.3 Benefit

The acknowledgements, confirmations and agreements in clauses 11.1 and 11.2 are given to Target on its own behalf and separately as trustee for each of the Target Indemnified Parties.

12 Exclusivity

12.1 Solicited proposals

Subject to clauses 12.4(b) and 12.5, during the Exclusivity Period, Target must not and must ensure that each of its Representatives does not:

- (a) directly or indirectly solicit, invite or encourage; or
- (b) initiate any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining,

any offer, expression of interest or proposal from any person in relation to, or that may reasonably be expected to encourage or lead to the making of, a Competing Proposal.

12.2 No talk obligation and no due diligence

Subject to clauses 12.4 and 12.5:

- (a) during the Exclusivity Period, Target must not and must ensure that each of its Representatives does not enter into, continue or participate in negotiations or discussions with, any person regarding or in connection with a Competing Proposal (or potential Competing Proposal); and
- (b) without limiting clause 12.2(a), during the Exclusivity Period, Target must not, and must ensure that its Representatives do not:
 - (i) solicit, initiate, facilitate or encourage any party (other than Bidder or its Representatives) to undertake due diligence on Target or its Related Bodies Corporate; or
 - (ii) make available to any person (other than Bidder or its Representatives) or permit such person to receive any non-public information relating to Target or its Related Bodies Corporate or any of their businesses and operations.

12.3 Notification

- (a) If Target or, so far as it is aware, any of its Representatives is approached (directly or indirectly) during the Exclusivity Period, Target must promptly inform Bidder in writing of:
 - (i) any approach, inquiry or proposal made by any person to Target or any of its Representatives, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
 - (ii) any request made by any person (other than Bidder and its Representatives) to Target or any of its Representatives, for any non-

public information relating to Target, its Related Bodies Corporate, or any of their businesses and operations.

- (b) A notice provided under clause 12.3(a) must contain:
 - (i) the fact of that approach and the identity of the person who made the approach; and
 - (ii) details of the expression of interest and/or proposal or proposed Competing Proposal made by the person making the approach and details of any discussions between such persons and Target (or its Representatives).

12.4 Fiduciary carve out

- (a) Nothing in clause 12.2 prevents or requires any action by or on behalf of Target in relation to any Unsolicited Competing Proposal if, after consultation with Target's financial advisers and receiving written legal advice from external legal advisers, the Board of Target has determined in good faith that:
 - (i) the Unsolicited Competing Proposal is or, if it was proposed, is reasonably capable of becoming a Superior Proposal; and
 - (ii) failure to take such action (where such action would otherwise be prevented by this Agreement) would involve, or would be likely to involve, a breach of the fiduciary or statutory duties of the directors of Target.
- (b) Any action permitted by clause 12.4(a) will not be regarded as a breach of clause 12.1.

12.5 Normal provision of information

Nothing in this clause 12 prevents Target from:

- (a) providing information to rating agencies or any Governmental Agency in response to a request;
- (b) providing information to its auditors, advisers, financiers, customers, joint venturers, distributors, franchisees, business partners and suppliers acting in that capacity in the ordinary course of business; or
- (c) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

12.6 Matching right

- (a) During the Exclusivity Period, Target must not recommend a Competing Proposal, or enter into any agreement, arrangement or understanding to undertake or facilitate a Competing Proposal, and must ensure that each member of the Target Board does not change its recommendation or voting intention as a consequence of receiving a Competing Proposal, unless it has first:
 - (i) notified Bidder in writing of the material terms of the Competing Proposal and the person or persons proposing the Competing Proposal; and
 - (ii) given Bidder at least 5 Business Days after provision of that information in which to provide a matching or superior deal to the relevant Competing Proposal (**Bidder Counter Proposal**).

- (b) Target must use its reasonable endeavours to procure that the directors of Target consider any Bidder Counter Proposal in good faith and, if the directors of Target determine that the terms and conditions of the Bidder Counter Proposal taken as a whole are no less favourable than those of the relevant Competing Proposal, Target and Bidder must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Bidder Counter Proposal as soon as reasonably practicable, and Target must use its reasonable endeavours to procure that each directors of Target makes a public statement to the Target Shareholders recommending the Bidder Counter Proposal to the Target Shareholders (subject to qualifications consistent with those provided in clause 4.2(a) of this Agreement).
- (c) For the purposes of this clause 12.6, each successive material modification of a Competing Proposal will constitute a new Competing Proposal in respect of which Target must comply with this clause 12.6.

12.7 Acknowledgements and undertaking

- (a) Bidder has required Target to agree to the obligations set out in this clause 12 in consideration of Bidder proceeding with the Scheme and incurring significant costs in doing so. In the absence of obtaining these obligations, Bidder would not have entered into this Agreement.
- (b) Target undertakes that, other than the discussions with Bidder in respect of the Scheme, neither it nor any of its Representatives are in any negotiations or discussions in respect of any possible Competing Proposal with any person as at the date of this Agreement.

13 Termination

13.1 Target Termination Events

Target may terminate this Agreement by notice in writing to Bidder:

- (a) in accordance with clause 2.4(b);
- (b) before 8.00am on the Second Court Date, if Bidder is in breach of any provision of this Agreement (including a breach of a representation or warranty under clause 9) and:
 - (i) that breach is material;
 - (ii) Target has given prompt written notice to Bidder setting out the breach; and
 - (iii) if the breach is capable of remedy, the breach is not remedied by Bidder within 5 Business Days (or such shorter period ending at 11.59pm on the Business Day before the Second Court Date) of it receiving notice under sub-paragraph (ii);
- (c) before 8.00am on the Second Court Date, if the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme is not in the best interests of Target Shareholders;
- (d) before 8.00am on the Second Court Date, if:
 - (i) only as permitted to do so under this Agreement, one or more of the Directors of Target withdraws or adversely varies their:

- (A) statement that they consider the Scheme or, if the Option Scheme is required in accordance with clause 7.1(b), the Option Scheme to be in the best interests of Target Shareholders or Target Optionholders (as applicable); or
- (B) recommendation that Target Shareholders or Target Optionholders vote in favour of the Scheme or the Option Scheme (as applicable); and
- (ii) due to that withdrawal or variation, fewer than a majority of the Directors of Target continue to:
 - (A) consider the Scheme or the Option Scheme to be in the best interests of Target Shareholders or Target Optionholders (as applicable); or
 - (B) recommend that Target Shareholders or Target Optionholders vote in favour of the Scheme or the Option Scheme (as applicable);
- (e) before 5.00pm on the Business Day before the Second Court Date, if at the Scheme Meeting or any adjournment or postponement of it at which the Scheme is voted on, the Scheme is not approved by the requisite majority of Target Shareholders required under the Corporations Act; or
- (f) if the Scheme has not been Implemented by the End Date, or becomes incapable, for any reason, of being Implemented by the End Date.

13.2 Bidder Termination Events

Bidder may terminate this Agreement by notice in writing to Target:

- (a) in accordance with clause 2.4(b);
- (b) before 8.00am on the Second Court Date, if Target is in breach of any provision of this Agreement (including a breach of a representation or warranty under clause 9) and:
 - (i) that breach is material;
 - (ii) Bidder has given prompt written notice to Target setting out the breach; and
 - (iii) if the breach is capable of remedy, the breach is not remedied by Target within 5 Business Days (or such shorter period ending at 11.59pm on the Business Day before the Second Court Date) of it receiving notice under sub-paragraph (ii);
- (c) before 8.00am on the Second Court Date, if the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme is not in the best interests of Target Shareholders;
- (d) before 8.00am on the Second Court Date, if:
 - (i) one or more of the Directors of Target withdraws or adversely varies their:
 - (A) statement that they consider the Scheme or, if the Option Scheme is required in accordance with clause 7.1(b), the

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- Option Scheme to be in the best interests of Target Shareholders or Target Optionholders (as applicable); or
- (B) recommendation that Target Shareholders or Target Optionholders vote in favour of the Scheme or the Option Scheme (as applicable); and
- (ii) due to that withdrawal or variation, fewer than a majority of the Directors of Target continue to:
 - (A) consider the Scheme or the Option Scheme to be in the best interests of Target Shareholders or Target Optionholders (as applicable); or
 - (B) recommend that Target Shareholders or Target Optionholders vote in favour of the Scheme or Option Scheme (as applicable);
- (e) before 8.00am on the Second Court Date, if one or more directors have a Relevant Interest in Target Shares or, if the Option Scheme is required in accordance with clause 7.1(b), Target Options, adversely varies their statement of intention to vote those Target Shares or Target Options, or procure that those Target Shares or Target Options are voted, in favour of the Scheme or Option Scheme (as applicable),
 - (f) before 8.00am on the Second Court Date, if the Board of Target recommends, promotes or otherwise endorses a Competing Proposal;
 - (g) before 5.00pm on the Business Day before the Second Court Date, if at the Scheme Meeting or any adjournment or postponement of it at which the Scheme is voted on, the Scheme is not approved by the requisite majority of Target Shareholders required under the Corporations Act; or
 - (h) if the Scheme has not been Implemented by the End Date, or becomes incapable, for any reason, of being Implemented by the End Date.

13.3 Effect of termination

If a party terminates this Agreement in accordance with this clause 13, this Agreement will have no further force or effect and the rights and obligations of the parties under this Agreement will cease, save that:

- (a) clauses 1, 9, 10, 11, 13, 14, 16, 17.3, 17.4, 18 and 19 will survive termination; and
- (b) termination will be without prejudice to rights and liabilities of a party which have accrued before termination.

14 Break Fee

14.1 Background

- (a) Target believes the Transaction will provide significant benefits to Target and its shareholders and acknowledges that Bidder will incur significant costs in connection with performing its obligations under this Agreement and the Scheme.
- (b) In these circumstances:

- (i) Bidder has requested that provision be made in this Agreement for the payment set out in clause 14.2, without which it would not have entered into this Agreement; and
 - (ii) Target believes that it is appropriate to agree to the payment which it agrees to make under this clause 14 in order to secure the participation of Bidder in the Scheme.
- (c) Target acknowledges that the amount it has agreed to pay under this clause 14 is an amount which represents a reasonable estimate of Bidder's external and internal costs and opportunity costs in connection with the Transaction.

14.2 Payment by Target to Bidder

- (a) Target must pay Bidder \$251,777 (exclusive of GST) if:
- (i) Target is in material breach of any provision of this Agreement (including a material breach of a Target Warranty) and this Agreement is terminated in accordance with clause 13;
 - (ii) any member of the Target Board:
 - (A) adversely changes, or withdraws, their recommendation that the Scheme or, if the Option Scheme is required in accordance with clause 7.1(b), the Option Scheme is in the best interests of Target Shareholders or Target Optionholders (as applicable) or makes any public statement that they have adversely changed, or withdrawn, their recommendation that the Scheme or the Option Scheme is in the best interests of Target Shareholders or the Target Optionholders (as applicable);
 - (B) makes an announcement in support of a Competing Proposal or any other transaction or arrangement that would be likely to substantially reduce the likelihood of success of the Scheme or the Option Scheme; or
 - (C) does not vote any Target Shares or Target Options in which they have a Relevant Interest in favour of the Scheme or the Option Scheme (as applicable); or
 - (D) announces an intention to do any of the above acts,
other than in circumstances:
 - (E) where the Scheme or the Option Scheme:
 - (1) is not Implemented by the End Date; or
 - (2) becomes incapable, for any reason, of being Implemented by the End Date because a Condition Precedent has not been satisfied or becomes incapable of being satisfied (other than as a result of a breach by Target of any obligation it may have in this Agreement);
 - (F) where Target validly terminates this Agreement in accordance with clause 13.1(b); or

- (G) where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme or the Option Scheme is not in the best interests of Target Shareholders or Target Optionholders (as applicable) other than because of the existence of a Competing Proposal; or
- (iii) Target enters into a binding agreement to effect a Competing Proposal (whether or not subject to conditions) before the date on which this Agreement is validly terminated;
- (iv) a Competing Proposal is announced or made before the date on which this Agreement is terminated and, within 12 months after that announcement or proposal is made, the person who announced or made the Competing Proposal or any Associate of that person completes or implements that Competing Proposal in all material respects or acquires a Relevant Interest in at least 50% of Target Shares, or enters into a binding agreement to complete or implement such proposal other than in circumstances:
- (A) where Target validly terminates this Agreement in accordance with clause 13.1(b); or
- (B) where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme or, if the Option Scheme is required in accordance with clause 7.1(b), the Option Scheme is not in the best interests of Target Shareholders or Target Optionholders (as applicable) other than because of the existence of a Competing Proposal; or
- (v) Bidder validly terminates this Agreement under clause 13.2(a) as a consequence that condition precedent in clause 2.1(f) (No Target Prescribed Event) is not satisfied or waived and as a consequence the Scheme is not, or is not capable of being, Implemented other than in circumstances where the Independent Expert concludes (whether in its original or any subsequent opinion) that the Scheme or the Option Scheme is not in the best interests of Target Shareholders or Target Optionholders (as applicable) other than because of the existence of a Competing Proposal,

provided that no amount shall be payable under this clause 14.2 if the Scheme (or a transaction the subject of clause 12.6) is implemented with Bidder.

- (b) For the avoidance of doubt, in no circumstances will more than one amount be payable by Target to Bidder under clause 14.2(a).
- (c) If an amount is payable under clause 14.2(a), Target must pay Bidder the amount referred to in clause 14.2(a) without deduction or set off within 30 Business Days of receipt by Target from Bidder of a demand for payment, failing which, the due amount shall be subject to interest payable by Target to Bidder at a rate of 3% above the Reserve Bank of Australia's published overnight cash rate, from the 30th Business Day after Bidder's demand was made, until payment of the amount referred to in 14.2(a) (plus interest payable under this clause) has been received by Bidder. The demand may only be made after the occurrence of an event referred to in clause 14.2(a).

14.3 Exclusive remedy

Bidder agrees that if an amount is paid by Target under clause 14.2 in respect of an act or event referred to therein, that payment constitutes its sole and exclusive remedy for any liability arising under or in connection with this Agreement in respect of that act or event.

14.4 Compliance

A payment under this clause 14 is not required to be made or, if already made, is refundable, to the extent that such payment is determined by a court to be unlawful or is determined by the Takeovers Panel to constitute unacceptable circumstances within the meaning of that phrase in the Corporations Act.

15 Public Announcements**15.1 Agreed Announcement**

Immediately following the execution of this Agreement, Target must release the Agreed Announcement, which has attached to it a summary of the key terms of this Agreement, or a copy of this Agreement (minus the annexure containing the Agreed Announcement itself).

15.2 Restriction on other announcements

- (a) Neither party may make any press release or announcement or make any other public disclosure relating to the Transaction or make public or otherwise publicly disclose the Transaction or any of its terms unless the release, announcement, publication or other public disclosure:
- (i) is required by the Transaction Documents, or is required to give effect to the Transaction Documents and is in a form approved by each party (acting reasonably);
 - (ii) is required to be made under any applicable law or the rules of any recognised stock exchange;
 - (iii) is required by a Governmental Agency to be made by the party;
 - (iv) repeats information or statements already in the public domain; or
 - (v) has the prior approval of the other party (such approval not to be unreasonably withheld or delayed).
- (b) Nothing in clause 15.2(a) prohibits:
- (i) Target from making any announcement or public disclosure if, in the reasonable opinion of the Target Board, failure to disclose at that time the information proposed to be contained in the announcement or public disclosure would reasonably be expected to be inconsistent with the proper exercise of the duties of the directors of that party; and
 - (ii) Bidder from making any announcement or public disclosure if, in the reasonable opinion of the Bidder Board, failure to disclose at that time the information proposed to be contained in the announcement or public disclosure would reasonably be expected to be inconsistent with the proper exercise of the duties of the directors of that party.

15.3 Notification

If a party is required by law, the rules of any stock exchange or any Governmental Agency to do any of the things referred to in clause 15.2, or if clause 15.2(b) otherwise applies, it must give the other party, to the extent lawful, at least one Business Day's notice of the announcement or public disclosure, or such lesser period required by law, and must also take all reasonable steps to consult with the other party and its legal advisers and take into account all reasonable comments received from the other party.

15.4 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue an agreed statement or statements in respect of any termination provided for in this Agreement and will make no statements or disclosure in respect of the termination of this Agreement except in accordance with this clause 15.

16 Confidentiality and Standstill**16.1 Confidentiality**

- (a) Each of Target and Bidder acknowledges and agrees that it remains bound by the Mutual Confidentiality Deed, provided that it agrees that the terms of this Agreement will prevail over the Mutual Confidentiality Deed to the extent of any inconsistency.
- (b) Bidder undertakes in favour of Target that any information concerning the Target Group which it acquires pursuant to this Agreement or the Scheme will be held and used by it on the same terms as contained in the Mutual Confidentiality Deed, to the extent those terms are not inconsistent with any provision of this Agreement.
- (c) Target undertakes in favour of Bidder that any information concerning the Bidder Group which it acquires pursuant to this Agreement or the Scheme will be held and used by it on the same terms as contained in the Mutual Confidentiality Deed, to the extent those terms are not inconsistent with any provision of this Agreement.
- (d) For the purposes of the Mutual Confidentiality Deed and the terms referred to in paragraph (b) and (c), each party consents to the use of, and the disclosure on a confidential basis to a Relevant Government Agency of, its confidential information for the purposes of satisfying any Condition Precedent and the implementation of the transactions contemplated by this Agreement.

16.2 Standstill

If this Agreement is terminated by Target in accordance with clause 13.1(b), the reference in clause 9.2 of the Mutual Confidentiality Deed to '6 months from the date of this document' will be deemed to be a reference to the date that is 6 months after the date of termination of this Agreement.

16.3 Survival of obligations

The:

- (a) rights and obligations of Target and Bidder under the Mutual Confidentiality Deed;
- (b) the obligations of Bidder under clause 16.1(b) and 16.2; and
- (c) the obligations of Target under clause 16.1(c),

survive termination of this Agreement.

17 Indemnity, insurance and release

17.1 *D&O Insurance*

- (a) Bidder agrees that, prior to the Implementation Date, Target will take out run-off insurance cover with a reputable insurer, on terms that are no less advantageous to each of the Indemnified Target Officers and each other person who is a director of Target or any of its Related Bodies Corporate at the Implementation Date (together, the **Target Indemnified Persons**) than the coverage provided under the existing D&O policies of the Target Group, insuring each Target Indemnified Person for a period of seven years after the Implementation Date, to the maximum extent permitted by law, against all liabilities incurred by the Target Indemnified Person in the course of his or her service as a director or Officer of any member of the Target Group prior to Implementation.
- (b) Target agrees to consult in good faith with Bidder regarding to cost of the insurance cover referred to in clause 17.1(a) in advance of taking out such insurance cover.
- (c) If, for any reason, the insurance cover referred to in clause 17.1(a) is not taken out by Target by the Implementation Date, or ceases to be in place or available for any reason during the period of seven years after the Implementation Date, then subject to Implementation occurring, Bidder must procure that Target takes out and maintains for a period of seven years after the Implementation Date, to the maximum extent permitted by law, insurance cover with a reputable insurer, and on terms that are no less advantageous to each of the Target Indemnified Persons than the coverage provided under the D&O policies of the Bidder Group from time to time, insuring each Target Indemnified Person against all liabilities incurred by the Target Indemnified Person in the course of his or her service as a director or Officer of any member of the Target Group prior to Implementation.
- (d) Bidder must use its reasonable endeavours to not do anything, and must use its reasonable endeavours to procure that no other member of the Bidder Group or Target Group following the Implementation Date does anything, which prejudices any insurance cover taken out under clause 17.1(a) or 17.1(c), as applicable.

17.2 *No limitation*

The rights of the Target Indemnified Persons under this clause 17 are in addition to and without prejudice to any rights to indemnification or insurance coverage which a Target Indemnified Person may have under the constitution of, or in any deed or other agreement with, any member of the Target Group.

17.3 *Release by Bidder*

To the maximum extent permitted by law, Bidder releases its rights against each Officer and Representative of Target (including each Target Indemnified Person) (**Target Released Person**) and undertakes that it will not make any claim or demand of any nature (howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any Target Released Person in connection with any breach of any representations, covenants or warranties of Target in this Agreement or any disclosures in connection with this Agreement except where the Target Released Person has not acted in good faith or has engaged in wilful misconduct or fraud.

17.4 Release by Target

To the maximum extent permitted by law, Target releases its rights against each Officer and Representative of Bidder (**Bidder Released Person**) and undertakes that it will not make any claim or demand of any nature (howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any Bidder Released Person in connection with any breach of any representations, covenants or warranties of Bidder in this Agreement or any disclosures in connection with this Agreement except where the Bidder Released Person has not acted in good faith or has engaged in wilful misconduct or fraud.

17.5 Benefit

- (a) The undertakings of Bidder in this clause 17 are given to and held by Target as trustee for each of the Target Released Persons.
- (b) The undertakings of Target in this clause 17 are given to and held by Bidder as trustee for each of the Bidder Released Persons.

18 Miscellaneous

18.1 No waiver

- (a) A party waives a right under this Agreement only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Agreement.

18.2 Severance

If a provision of this Agreement would, but for this clause, be unenforceable or illegal:

- (a) the provision must be read down to the extent necessary to avoid that result; and
- (b) if the provision cannot be read down to that extent, it must be severed without affecting the validity and enforceability of the remainder of this Agreement.

18.3 About this Agreement

- (a) The Transaction Documents and the Mutual Confidentiality Deed record the entire agreement between the parties as to their subject matter. Together they supersede all prior contracts, obligations, representations, conduct and understandings. No party is liable to any other party in respect of those matters. This Agreement is immediately enforceable, subject to its own express terms.
- (b) This Agreement may be amended only by written agreement of both parties.
- (c) This Agreement may be executed in any number of counterparts, and by the parties in separate counterparts, but is not effective until each party has executed at least one counterpart. Each counterpart of this Agreement constitutes an original of this Agreement but the counterparts together constitute one and the same instrument.

18.4 Governing law and jurisdiction

- (a) The laws of South Australia, Australia govern this Agreement.
- (b) Each party submits to the jurisdiction of the courts exercising jurisdiction in South Australia, Australia and any court that may hear appeals from any of those courts, for any proceedings in connection with this Agreement.
- (c) Each party irrevocably waives any right it may have to claim that the courts referred to in paragraph (b) are an inconvenient forum.

18.5 Costs

- (a) Except where expressly provided otherwise, each party must bear its own legal and other costs in relation to the negotiation, preparation, execution and performance of this Agreement and any further document required.
- (b) Bidder must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this Agreement, the Scheme, the Deed Poll or the steps to be taken under this Agreement, the Scheme or the Deed Poll.

18.6 Further Acts

Each party must promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other party to give effect to this Agreement or the Scheme.

18.7 Assignment

A party may not assign, novate, transfer or otherwise deal with any of its rights or obligations under this Agreement except with the prior written consent of the other party.

18.8 No merger

The rights and obligations of the parties under this Agreement will not merge on completion of any transaction pursuant to this Agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

18.9 GST

- (a) Unless otherwise expressly stated, all amounts payable under this Agreement are expressed to be exclusive of GST. If GST is payable on a taxable supply made under or in connection with this Agreement, the recipient of the supply must pay the supplier an additional amount equal to the GST payable on that supply provided that the supplier first issues a tax invoice for that supply.
- (b) Without limiting clause 18.9(a), if an amount payable under this Agreement is calculated by reference to a liability incurred by a party, then the amount of the liability must be reduced by the amount of any input tax credit to which that party or the representative member of the GST group of which that party is a member, is entitled in respect of the acquisition of the supply to which that liability relates. A party will be assumed to be entitled to a full Input Tax Credit unless it demonstrates that its entitlement is otherwise prior to the date on which payment must be made.
- (c) Words and expressions used in this clause 18.9 have the same meaning as in *A New Tax System (Goods and Services) Tax Act 1999* (Cth).

18.10 Clauses benefiting third parties

If a provision of this Agreement is expressed to be for the benefit of a person that is not a party to this Agreement, the party to this Agreement that receives that promise (the **promisee**):

- (a) does so not only in its own capacity but also as trustee for the third party;
- (b) must permit the third party to enforce the provision in the promisee's name on giving full indemnity and any reasonable security the promisee requires; and
- (c) assumes no other duty or liability whatever to the third party such as to inform the third party of anything, to supervise, to monitor or to claim anything.

18.11 Rights cumulative

Except as expressly stated otherwise in this Agreement, the rights of a party under this Agreement are cumulative and are in addition to any other rights of that party.

18.12 Consents

Except as expressly stated otherwise in this Agreement, a party may conditionally or unconditionally give or withhold any consent to be given under this Agreement and is not obliged to give its reasons for doing so.

18.13 Specific performance

The parties acknowledge that damages may not be an adequate remedy for breaches of obligations under this Agreement and that it may be appropriate for a court to grant specific performance of those obligations.

18.14 Relationship of parties

This Agreement is not intended to create a partnership, joint venture or agency relationship between the parties.

19 Notices**19.1 How to give notices**

A notice in connection with this Agreement must be:

- (a) in writing;
- (b) signed by the party or its agent; and
- (c) given to the recipient either by hand delivery, pre-paid airmail, facsimile transmission or email, in each case addressed in the manner relevantly set out in the Parties section of this Agreement.

19.2 Communications sent by email

A notice sent by email must:

- (a) state the first and last name of the sender; and
- (b) be in plain text format or, if attached to an email, must be an Adobe Portable Document Format (pdf) file.

Communications sent by email are taken to be signed by the named sender.

19.3 Change of Details

- (a) A party may at any time change any of the details for receipt of communications in the party details set out in the Parties section of this Agreement by not less than 5 Business Days notice to the other party.
- (b) If details are so changed, this clause applies as if those changed details were set out in the Parties section of this Agreement.

19.4 Proof of Notices

- (a) Any notice given in accordance with clause 19.1, in the absence of earlier receipt, shall be deemed to have been duly given as follows:
 - (i) if delivered personally, on delivery;
 - (ii) if sent by pre-paid mail, on the Business Day after posting;
 - (iii) if sent by facsimile, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety; and
 - (iv) if sent by email, the first to occur of:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) one hour after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.
- (b) Any notice given outside Working Hours shall be deemed not to have been given until the start of the next period of Working Hours.

Execution

EXECUTED as an agreement

EXECUTED by **RHS Limited** in)
accordance with section 127 of the)
Corporations Act by:)

David Brookes

Director

M. A.

Director/Secretary

DAVID BROOKES.....

Name
(BLOCK LETTERS)

Michelle Fraser.....

Name
(BLOCK LETTERS)

EXECUTED by **PerkinElmer Inc.** by its)
authorised signatory in the presence of:)
)

Signature of witness

Signature of authorised signatory

.....
Name
(BLOCK LETTERS)

.....
Name
(BLOCK LETTERS)

For personal use only

Execution

EXECUTED as an agreement

EXECUTED by **RHS Limited** in)
accordance with section 127 of the)
Corporations Act by:)

Director

Director/Secretary

.....
Name
(BLOCK LETTERS)

.....
Name
(BLOCK LETTERS)

EXECUTED by **PerkinElmer Inc.** by its)
authorised signatory in the presence of:)
)



Signature of witness



Signature of authorised signatory

.....
Jonathan Levin
Name
(BLOCK LETTERS)

.....
JOEL S. GOLDBERG
Name
(BLOCK LETTERS)

For personal use only

Appendix 3 – Scheme of Arrangement

For personal use only

For personal use only

RHS LIMITED

**Each person registered as a holder of Target Shares as at the
Record Date**

SCHEME OF ARRANGEMENT

JOHNSON WINTER & SLATTERY
L A W Y E R S

Level 9, 211 Victoria Square
ADELAIDE SA 5000
T +61 8 8239 7111 | F +61 8 8239 7100
www.jws.com.au
SYDNEY | PERTH | MELBOURNE | BRISBANE | ADELAIDE
Liability limited by a scheme approved under Professional Standards Legislation

SCHEME OF ARRANGEMENT

Pursuant to section 411 of the *Corporations Act 2001* (Cth)

Date

Parties

- 1 **RHS Limited** (ACN 010 126 708) of c/- BioSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 (**Target**)
 - 2 **Each person registered as a holder of Target Shares as at the Record Date.**
-

1 Definitions and interpretation

1.1 Definitions

In this Scheme:

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of the ASX.

Bidder means PerkinElmer Inc. of 940 Winter Street, Waltham, MA 02451, USA.

Bidder's Nominee has the meaning given in clause 2(c).

Business Day has the meaning given in the ASX Listing Rules.

CHESS means the Clearing House Electronic Subregister System for electronic transfers of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as agreed by the parties.

Deed Poll means the deed poll dated 10 April 2018 under which Bidder and Bidder's Nominee covenant in favour of the Scheme Shareholders to perform their obligations under this Scheme.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date upon which Scheme becomes Effective.

End Date means 31 July 2018 or such date Target and Bidder may agree in writing.

Implementation Date means the fifth Business Day following the Record Date or such other date agreed by the parties in writing, or ordered by the Court or as may be required by ASX.

Record Date means 6.30pm (Adelaide time) on the fifth Business Day following the Effective Date.

Registered Address means in relation to a Scheme Shareholder, their address as shown in the Target Register as at the Record Date.

Related Body Corporate has the meaning given in the Corporations Act.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and Scheme Shareholders, subject to any alterations or conditions (whether proposed by a party or required by the Court) which are agreed in writing by Target and Bidder.

Scheme Booklet means the explanatory statement to be approved by the Court and despatched by Target to holders of Target Shares, and which includes, amongst other things, this Scheme and an explanatory statement under section 412 of the Corporations Act.

Scheme Consideration means the consideration to be provided by Bidder to Scheme Shareholders in consideration for the transfer of the Scheme Shares held by Scheme Shareholders to Bidder being \$0.28 in respect of each Scheme Share.

Scheme Implementation Agreement means the scheme implementation agreement dated 24 February 2018 between Target and Bidder, as amended, substituted or replaced from time to time.

Scheme Share means a Target Share on issue as at the Record Date.

Scheme Shareholder means a person who is registered in the Target Register as the holder of Target Shares at the Record Date.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Scheme Shares.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is, or is to be, heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard, or is to be heard.

Target Options means an option to acquire a Target Share, being an option described in clause 9.1(n)(ii) of the Scheme Implementation Agreement.

Target Register means the register of members of Target.

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

1.2 Interpretation

In this Scheme, unless a contrary intention appears:

- (a) words or expressions importing the singular include the plural and vice versa;
- (b) words or expressions importing a gender include any gender;
- (c) words or expressions denoting individuals include corporations, firms, unincorporated bodies, government authorities and instrumentalities;
- (d) a reference to a party to a document includes that party's successors and permitted assigns;
- (e) where a word or expression is defined or given meaning, another grammatical form of that word or expression has a corresponding meaning;
- (f) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Scheme;

- For personal use only
- (g) a provision of this Scheme shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Scheme or that provision;
 - (h) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Scheme;
 - (i) any recital, schedule or annexure forms part of this document and has effect as if set out in full in the body of this document;
 - (j) a reference to legislation or a provision of legislation includes:
 - (i) all regulations, orders or instruments issued under the legislation or provision; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
 - (k) references to “include”, “including” or any variation thereof are to be construed without limitation;
 - (l) a reference to “\$” or “dollar” is a reference to Australian currency;
 - (m) where the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day; and
 - (n) a reference to time is to that time in Adelaide, Australia.
-

2 Preliminary

- (a) Target is a public company limited by shares, incorporated in Australia and registered in Queensland. Target is admitted to the official list of the ASX and Target Shares are officially quoted on the ASX.
- (b) As at the date of the Scheme Booklet, Target had the following securities on issue:
 - (i) 89,920,483 Target Shares; and
 - (ii) 7,400,000 Target Options.
- (c) Bidder is a company incorporated in the United States. Pursuant to clause 3.4 of the Scheme Implementation Agreement, Bidder may nominate a wholly-owned subsidiary of Bidder (**Bidder's Nominee**) to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with this Scheme.
- (d) Target and Bidder have agreed, by entering into the Scheme Implementation Agreement, to implement this Scheme. In particular, Target and Bidder have agreed that each of them will perform their respective obligations under the Scheme which relate to each of them respectively and have agreed to take certain steps to give effect to the Scheme (and if Bidder nominates a Bidder's Nominee, then Bidder guarantees the performance by Bidder's Nominee of all its obligations).
- (e) If this Scheme becomes Effective, each of the following will occur:
 - (i) all of the Scheme Shares will be transferred to Bidder (or if applicable, Bidder's Nominee) and Target will become a wholly-owned subsidiary of Bidder (or if applicable, Bidder's Nominee);

- (ii) in consideration of the transfer of the Scheme Shares to Bidder (or if applicable, Bidder's Nominee), Bidder will pay, or will procure the payment of, the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme; and
- (iii) Target will enter Bidder's name (or if applicable, Bidder's Nominee's name) in the Target Register as the holder of all Scheme Shares.
- (f) Bidder has agreed by executing the Deed Poll to pay or procure the payment of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and take the other actions attributed to it under this Scheme.

3 Conditions Precedent

3.1 Conditions Precedent

This Scheme is conditional upon and will have no force or effect until each of the following conditions precedent is satisfied:

- (a) all of the conditions precedent set out in clause 2.1 of the Scheme Implementation Agreement have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll has been terminated in accordance with its terms before 8.00am on the Second Court Date; and
- (c) such other conditions as may be imposed by the Court under section 411(6) of the Corporations Act in relation to the Scheme and agreed to by Target and Bidder (acting reasonably), having been satisfied.

3.2 Certificate

On the Second Court Date, Target and Bidder will each provide the Court with a certificate, or such other evidence as the Court requests, confirming (in respect of matters within its own knowledge) whether or not as at 8:00am on the Second Court Date all of the conditions precedent set out in clause 2.1 of the Scheme Implementation Agreement (other than the condition precedent in clause 2.1(c) of the Scheme Implementation Agreement) have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement. Where the certificates disclose that any of those conditions precedent have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement, they will constitute conclusive evidence of the satisfaction or waiver of the condition (as the case may be).

3.3 Lapse of Scheme

Unless Bidder and Target agree otherwise, the Scheme will lapse and be of no further force or effect if the Scheme Implementation Agreement is terminated in accordance with its terms before 8:00am on the Second Court Date, or if the Effective Date does not occur by the End Date, in which event Target, Bidder (and if applicable, Bidder's Nominee) are each released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

4 Implementation of the Scheme

4.1 Lodgment of Court Orders

- (a) By no later than 4.00pm on the first Business Day following the date on which the Court makes orders approving the Scheme under section 411(4)(b) of the Corporations Act (and if applicable section 411(6) of the Corporations Act), Target must lodge with ASIC an office copy of the Court order approving this Scheme in accordance with section 411(10) of the Corporations Act.
- (b) Subject to clause 3.3, this Scheme will become Effective on and from the Effective Date.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective in accordance with clause 4.1, the following actions will occur (in the order set out below) on the Implementation Date:

- (a) in consideration for the transfer of the Scheme Shares to Bidder (or Bidder's Nominee) under this Scheme, Bidder (or Bidder's Nominee) must pay the Scheme Consideration to each Scheme Shareholder for each Scheme Share that is held by the Scheme Shareholders as at the Record Date in accordance with clause 4.3;
- (b) subject to Bidder (or Bidder's Nominee) fulfilling its obligations under clauses 4.2(a) and 4.3, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, must be transferred to Bidder (or Bidder's Nominee) without the need for any further act by any Scheme Shareholder (other than acts performed by Target or any of its directors or officers as attorney and agent for Scheme Shareholders under clause 6.6), by Target effecting a valid transfer or transfers of all the Scheme Shares to Bidder (or Bidder's Nominee) under section 1074D of the Corporations Act or, if that procedure is not available for any reason by:
 - (i) Target delivering to Bidder (or Bidder's Nominee) a duly completed and executed Scheme Transfer (on behalf of all Scheme Shareholders) to transfer all of the Scheme Shares; and
 - (ii) Bidder (or Bidder's Nominee) duly executing and delivering the Scheme Transfer to Target for registration; and
- (c) immediately after receipt of the duly executed Scheme Transfer from Bidder (or Bidder's Nominee) under clause 4.2(b)(ii), Target must enter, or must procure the entry of, the name and address of Bidder (or Bidder's Nominee) in the Target Register as the holder of the Scheme Shares.

4.3 Payment of Scheme Consideration

The obligation of Bidder to pay, or procure the payment of, the Scheme Consideration pursuant to clause 4.2(a) will be deemed to be satisfied if Bidder (or Bidder's Nominee):

- (a) by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds into an account established by, or on behalf of, Target and in the name of Target (**Trust Account**) (details of which must be notified by Target to Bidder at least five Business Days before the Implementation Date), an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders such amount to be held on trust by Target for the Scheme Shareholders (except that any interest on the amount will be for the benefit of

Bidder (or Bidder's Nominee)), for the purpose of Target paying the Scheme Consideration to the Scheme Shareholders; and

- (b) provide Target with written confirmation of that payment.

4.4 Despatch of Scheme Consideration

- (a) Subject to Bidder (or Bidder's Nominee) complying with its obligations under clauses 4.2(a) and 4.3, Target must on the Implementation Date, pay from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration due to that Scheme Shareholder in accordance with this Scheme by:
 - (i) making, or procure the making, of a deposit for the relevant amount in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by the Scheme Shareholder to Target and recorded in the Target Register as the Record Date; or
 - (ii) if Target has not been notified by the Scheme Shareholder of an account with any ADI as set out in clause 4.4(a)(i), despatching or procuring the despatch to the Scheme Shareholder of a cheque in the name of the Scheme Shareholder for the relevant amount, by pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme Shareholders must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date.
- (b) To the extent that, following satisfaction of Target's obligations under clause 4.4(a), there is a surplus in the amount held in the Trust Account, that surplus must be paid by Target to Bidder (or Bidder's Nominee).
- (c) Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.
- (d) To the extent that a cheque properly despatched by or on behalf of Target pursuant to clause 4.4(a)(ii) is returned to Target (or its agents) as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date (**Unclaimed Consideration**):
 - (i) Target must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
 - (ii) subject to Target complying with its obligations under clause 4.4(d)(i), Target is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

5 Dealings in Target Shares

5.1 Dealings in Target Shares by Scheme Shareholders

- (a) For the purpose of establishing who is a Scheme Shareholder, dealings in Target Shares will only be recognised if:

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- (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Target Shares by the Record Date; and
 - (ii) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the Target Register is kept by 5.00pm on the Record Date,

and Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after such times, or received prior to such times but not in registrable form (except pursuant to clause 4.2 or any subsequent transfer by Bidder).

- (b) Target must register transfers or transmission applications of the type referred to in clause 5.1(a)(ii) by the Record Date.

5.2 Target Register

- (a) Target must, until the Scheme Consideration has been provided to Scheme Shareholders in accordance with this Scheme, maintain or procure the maintenance of Target Register in accordance with the provisions of this clause 5 and the Target Register in this form will solely determine entitlements to Scheme Consideration.
- (b) As from the Record Date (other than for Bidder after the Implementation Date), each entry current at that time in Target Register in relation to the Scheme Shares will cease to be of any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration in accordance with this Scheme in respect of those Scheme Shares.

5.3 Certificates and Holding Statements

All certificates and statements of holding for Scheme Shares held by Scheme Shareholders shall, following the Record Date, cease to have any effect as documents of title in respect of such Scheme Shares.

5.4 Provision of Information

As soon as practicable after the Record Date and in any event at least three Business Days before the Implementation Date, Target must, or must procure, details of the names, Registered Addresses and holdings of Scheme Shares of each Scheme Shareholder as at the Record Date are given to Bidder (or as it directs) in such form as Bidder may reasonably require. Scheme Shareholders agree that this information may be disclosed to Bidder, Bidder's Nominee, Bidder's advisers or its other service providers to the extent necessary to effect the Scheme.

5.5 No disposals after Record Date

If the Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not in any way, deal with or dispose of or purport or agree to deal with or dispose of, any Scheme Shares or any interest in them except as set out in the Scheme, after the Record Date and any attempt to do so will be void and will have no legal effect whatsoever.

5.6 Quotation of Target Shares

- (a) Target must apply for suspension of trading in Target Shares on the ASX with effect from the close of trading on ASX on the Effective Date.

- (b) At a date after the Implementation Date to be determined by Bidder, Target will apply to ASX:
- (i) for termination of the official quotation of Target Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.
-

6 General provisions

6.1 *Binding effect of Scheme*

Each Scheme Shareholder acknowledges that this Scheme binds Target and all of the Scheme Shareholders (including those who do not attend the members' meeting of Target to approve the Scheme or do not vote at that meeting or who vote against the Scheme at the meeting) and, to the extent of any inconsistency and as permitted by law, overrides the constitution of Target.

6.2 *Agreement by Scheme Shareholders*

Each Scheme Shareholder irrevocably agrees to:

- (a) transfer its Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to Bidder in accordance with this Scheme; and
- (b) any variation, cancellation or modification (if any) of the rights attached to its Scheme Shares constituted by or resulting from this Scheme.

6.3 *Warranties by Scheme Shareholders*

Each Scheme Shareholder is deemed to have warranted to Bidder (and if applicable, Bidder's Nominee), and to have appointed and authorised Target as its attorney and agent to warrant to Bidder (and if applicable, Bidder's Nominee), as at the Implementation Date:

- (a) its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) are fully paid and free from all mortgages, charges, liens, encumbrances, security interests and other interests of third parties of any kind whether legal or otherwise, including any restrictions on transfer of any kind;
- (b) it has full power and capacity to sell and to transfer its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to Bidder (or Bidder's Nominee) under the Scheme; and
- (c) it has no existing right to be issued any Target Shares, Target Options, or any other Target securities, other than, in the case of any Scheme Shareholder who is also the holder of Target Options, the right to receive Target Shares on the exercise of those Target Options in accordance with their terms.

Target undertakes in favour of each Scheme Shareholder that it will provide such warranty to Bidder (and if applicable, Bidder's Nominee) as agent and attorney on behalf of each Scheme Shareholder.

6.4 *Pending registration of transfers*

From the Effective Date, until the registration of Bidder (or if applicable, Bidder's Nominee) in the Target Register as the holder of the Scheme Shares:

- (a) Bidder (or Bidder's Nominee) will be beneficially entitled to the Scheme Shares transferred to it under this Scheme;

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- (b) each Scheme Shareholder is deemed to have irrevocably appointed Bidder (or Bidder's Nominee) as attorney and agent (and directed Bidder (or Bidder's Nominee) in each capacity) to appoint any officer or agent nominated by Bidder (or Bidder's Nominee) as its sole proxy and, where appropriate, its corporate representative, to attend Target Shareholders' meetings, exercise the votes attached to the Scheme Shares registered in their name and sign any Target Shareholders' resolution (and each Scheme Shareholder acknowledges and agrees that as a result of each appointment they must not themselves attend or vote at any meetings or sign any resolution whether in person or by proxy or corporate representative);
 - (c) each Scheme Shareholder must take all other action in the capacity of a registered holder of Scheme Shares as Bidder (or Bidder's Nominee) reasonably directs; and
 - (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers referred to in this clause 6.4, Bidder (or Bidder's Nominee) and any officer or agent nominated by Bidder under clause 6.4 may act in the best interests of Bidder (or Bidder's Nominee) as the intended registered holder of Scheme Shares.

6.5 Stamp Duty

Bidder (or if applicable, Bidder's Nominee) must pay all stamp duty (if any) and any related fines and penalties payable in connection with the transfer of the Scheme Shares under this Scheme.

6.6 Authority to Target

- (a) Each Scheme Shareholder consents to Target doing all acts and things as may be necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of its directors and officers (jointly and severally) as its agent and attorney for the purpose of:
 - (i) executing any document or doing any other act necessary, expedient or desirable to give effect to the terms of this Scheme and the transactions contemplated by it including (without limitation) the execution and provision of the Scheme Transfer; and
 - (ii) enforcing the Deed Poll against Bidder (or if applicable, Bidder's Nominee).

Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder (or if applicable, Bidder's Nominee) on behalf of and as agent and attorney for each Scheme Shareholder.

6.7 Further Assurance

- (a) Each Scheme Shareholder and Target will execute all documents and do all acts and things as may be necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.
- (b) Without limiting Target's other powers under the Scheme, Target has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

6.8 Amendments to the Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Target may consent on behalf of all persons concerned, by its counsel or solicitors, to those alterations or conditions to which Bidder (or if applicable, Bidder's Nominee) has provided its prior written consent, and each Scheme Shareholder agrees to any such alterations or conditions to which counsel for Target has consented.

6.9 Notices

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the registered office of Target.

6.10 Governing Law

- (a) This Scheme is governed by the laws of South Australia, Australia.
- (b) Each party irrevocably and unconditionally submits, in connection with this Scheme, to the non-exclusive jurisdiction of the courts of South Australia, Australia and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

Appendix 4 – Deed Poll

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PERKINELMER, INC.
PERKINELMER HOLDINGS PTY LTD
SCHEME SHAREHOLDERS

DEED POLL

JOHNSON WINTER & SLATTERY
L A W Y E R S

Level 9, 211 Victoria Square
ADELAIDE SA 5000
T +61 8 8239 7111 | F +61 8 8239 7100
www.jws.com.au
SYDNEY | PERTH | MELBOURNE | BRISBANE | ADELAIDE
Liability limited by a scheme approved under Professional Standards Legislation

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DEED POLL**Date** 10 April 2018**BY** PERKINELMER, INC. (Bidder)

Address: 940 Winter Street, Waltham, MA 02451, USA

Facsimile: 781-663-5973

Email: Beth.Potthoff@perkinelmer.com

Contact: Beth Potthoff

PERKINELMER HOLDINGS PTY LTD ACN 625 022 193
(Bidder's Nominee)

Address: 'Building 5' Level 2 530-540 Springvale Road Glen Waverly VIC 3150

Email: Beth.Potthoff@perkinelmer.com

Contact: Beth Potthoff

IN FAVOUR OF: Each Scheme Shareholder**Recitals**

- A** RHS Limited (ACN 010 126 708) (**Target**) and Bidder have entered into the Scheme Implementation Agreement with respect to the Scheme and associated matters.
- B** Bidder's Nominee is a wholly-owned subsidiary of Bidder, nominated by Bidder to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with the Scheme.
- C** Target has agreed in the Scheme Implementation Agreement to propose the Scheme, pursuant to which (amongst other things), subject to the satisfaction or waiver of certain conditions precedent, Bidder (or Bidder's Nominee) will acquire all of the Scheme Shares from Scheme Shareholders for the Scheme Consideration.
- D** In accordance with the Scheme Implementation Agreement, Bidder and Bidder's Nominee enters into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform the obligations attributed to it under the Scheme.

Operative part**1 Definitions and interpretation****1.1 Definitions**

In this Deed Poll:

- (a) **Scheme** means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Target and Scheme Shareholders as contemplated by the Scheme Implementation Agreement;

- (b) **Scheme Implementation Agreement** means the scheme implementation agreement entered into between Target and Bidder on 24 February 2018, as amended, substituted or replaced from time to time; and
- (c) terms defined in the Scheme have the same meaning when used in this Deed Poll unless the context requires otherwise.

1.2 Interpretation

In this Deed Poll, unless a contrary intention appears:

- (a) words or expressions importing the singular include the plural and vice versa;
- (b) words or expressions importing a gender include any gender;
- (c) words or expressions denoting individuals include corporations, firms, unincorporated bodies, government authorities and instrumentalities;
- (d) a reference to a party to a document includes that party's successors and permitted assigns;
- (e) where a word or expression is defined or given meaning, another grammatical form of that word or expression has a corresponding meaning;
- (f) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this Deed Poll;
- (g) a provision of this Deed Poll shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Deed Poll or that provision;
- (h) a reference to this Deed Poll includes this Deed Poll as amended, varied, novated, supplemented or replaced from time to time;
- (i) a reference to a clause is a reference to a clause of this Deed Poll;
- (j) the recitals form part of this Deed Poll and have effect as if set out in full in the body of this Deed Poll;
- (k) a reference to legislation or a provision of legislation includes:
 - (i) all regulations, orders or instruments issued under the legislation or provision; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (l) references to "include", "including" or any variation thereof are to be construed without limitation; and
- (m) a reference to any time is a reference to that time in Adelaide, Australia.

2 Nature of Deed Poll

Bidder and Bidder's Nominee each acknowledge and agree that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this Deed Poll against Bidder and Bidder's Nominee on behalf of that Scheme Shareholder.

3 Conditions

3.1 Conditions

The obligations of Bidder and Bidder's Nominee under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

Unless Target and Bidder agree otherwise, the obligations of Bidder and Bidder's Nominee under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Effective Date; or
- (b) the Scheme does not become Effective by the End Date.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then in addition and without prejudice to any other available rights, powers or remedies:

- (a) Bidder and Bidder's Nominee are each released from their obligations under this Deed Poll except those obligations contained in clause 8.1; and
- (b) each Scheme Shareholder retains the rights they have against Bidder or Bidder's Nominee in respect of any breach of this Deed Poll by Bidder or Bidder's Nominee which occurs before this Deed Poll is terminated.

4 Payment of Scheme Consideration and performance of Scheme steps

- (a) Subject to clause 3, in consideration for the transfer to Bidder (or Bidder's Nominee) of the Scheme Shares in accordance with the Scheme, Bidder covenants in favour of each Scheme Shareholder that it will observe and perform, or, if Bidder nominates Bidder's Nominee to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with the Scheme, Bidder's Nominee covenants in favour of each Scheme Shareholder that it will observe and perform (and Bidder covenants in favour of each Scheme Shareholder to procure Bidder's Nominee observes and performs), all obligations contemplated of it under the Scheme including the relevant obligations relating to the provision of the Scheme Consideration to each Scheme Shareholder, in accordance with the terms of the Scheme.
- (b) The obligation of Bidder (or Bidder's Nominee) in relation to the payment of the Scheme Consideration to Scheme Shareholders must be satisfied by Bidder or Bidder's Nominee (as applicable), at least one Business Day before the Implementation Date, depositing in cleared funds into an account established by, or on behalf of, Target and in the name of Target (the details of which must be notified by Target to Bidder at least five Business Days before the Implementation Date), an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders, such amount to be held on trust by Target for the Scheme

Shareholders pending implementation of the Scheme (except that any interest on the amount will be for the benefit of Bidder or Bidder's Nominee), for the purpose of Target paying the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

5 Representations and Warranties

Each of Bidder and Bidder's Nominee represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transaction contemplated by this Deed Poll; and
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) each of Bidder and Bidder's Nominee having fully performed their obligations under this Deed Poll; or
- (b) the termination of this Deed Poll under clause 3.2.

7 Further assurances

Bidder and Bidder's Nominee will do all things and execute all deeds, instruments or other documents and do all acts or things as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Stamp duty

Bidder (or if applicable, Bidder's Nominee) must:

- (a) pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this Deed Poll or the steps to be taken under this Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from any failure to comply with clause 8.1(a).

8.2 Notices

- (a) A notice or other communication to Bidder or Bidder's Nominee in connection with this Deed Poll must be:
 - (i) in writing;

- (ii) signed by the person making the communication or its agent; and
 - (iii) given to Bidder or Bidder's Nominee either by hand delivery, pre-paid airmail, facsimile transmission or email, in each case addressed in the manner relevantly set out above the Recitals section of this Deed Poll.
- (b) A notice or communication sent by email must:
 - (i) state the first and last name of the sender; and
 - (ii) be in plain text format or, if attached to an email, must be an Adobe Portable Document Format (pdf) file.

Communications sent by email are to be signed by the named sender.
- (c) Any notice or other communication given in accordance with clause 8.2(a) or 8.2(b), in the absence of earlier receipt, shall be deemed to have been duly given as follows:
 - (i) if delivered personally, on delivery;
 - (ii) if sent by pre-paid mail, on the third Business Day after posting;
 - (iii) if sent by facsimile, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirm transmission of that fax in its entirety; and
 - (iv) if sent by email, the first to occur of:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) one hour after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.
- (d) Any notice given before 9.00am or after 5.00pm on a Business Day in the place to which it is addressed shall be deemed not to have been given until 9.00am on the next Business Day in the place to which it is addressed.

8.3 Cumulative rights

The rights, powers and remedies of Bidder and Bidder's Nominee and of each Scheme Shareholder under this Deed Poll are in addition to and do not exclude the rights, powers or remedies provided by law or equity or by any agreement.

8.4 Waiver and variation

- (a) A party waives a right under this Deed Poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) Failure to exercise or enforce a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- (c) A provision of this Deed Poll may not be varied unless:

- (i) before the Second Court Date, the variation is agreed to by Target, Bidder and Bidder's Nominee in writing; or
- (ii) on or after the Second Court Date, the variation is agreed to by Target, Bidder and Bidder's Nominee in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme, and
- (iii) Bidder and Bidder's Nominee enters into a further deed poll in favour of the Scheme Shareholders giving effect to such amendment.

8.5 Governing law and jurisdiction

- (a) The laws of South Australia, Australia govern this Deed Poll.
- (b) Each party submits to the jurisdiction of the courts exercising jurisdiction in South Australia, Australia and any court that may hear appeals from any of those courts, for any proceedings in connection with this Deed Poll.
- (c) Each party irrevocably waives any right it may have to claim that the courts referred to in paragraph (b) are an inconvenient forum.

8.6 Assignment

The rights of a Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with, and no person shall attempt or purport to do so, without the prior written consent of Bidder and Bidder's Nominee.

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Execution

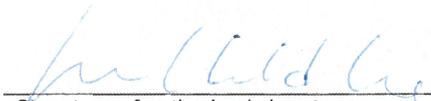
EXECUTED as a deed

EXECUTED by PerkinElmer, Inc. by its)
authorised signatory in the presence of:)
)



Signature of witness

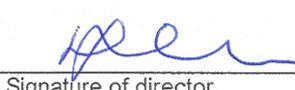
Jonathan Levin
.....
Name
(BLOCK LETTERS)



Signature of authorised signatory

Joel Goldberg
.....
Name
(BLOCK LETTERS)

EXECUTED by PerkinElmer Holdings)
Pty Ltd in accordance with section 127)
of the Corporations Act:)



Signature of director

LOUISE NEEDHAM
.....
Name
(BLOCK LETTERS)



Signature of director / company
secretary

Jack Healy
.....
Name
(BLOCK LETTERS)

Appendix 5 – Notice of Scheme Meeting

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Notice of Scheme Meeting

NOTICE OF COURT ORDERED MEETING OF HOLDERS OF ORDINARY SHARES IN RHS LIMITED ACN 010 126 708

NOTICE IS HEREBY GIVEN that, by an order of the Federal Court of Australia (**Court**) made on 17 April 2018 pursuant to section 411(1) of the Corporations Act, a meeting of the holders of fully paid ordinary shares (**RHS Shareholders**) in RHS Limited ACN 010 126 708 (**RHS**) will be held at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 on Tuesday, 22 May 2018 commencing at 11.00am (Adelaide time).

The Court has also directed that Dr David Brookes act as Chairman of the meeting, or failing him, Mr Johnathon Matthews, and has directed the Chairman to report the result of the meeting to the Court.

Purpose of this meeting

The purpose of this meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification) proposed to be made between RHS and the RHS Shareholders (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet accompanying this notice of meeting.

Resolution

To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

"That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between RHS and the RHS Shareholders, as more particularly set out in the Scheme Booklet accompanying this notice of meeting, is agreed to (with or without modification as approved by the Court)."

By order of the Court



RHS Limited
Mr Ray Ridge
Company Secretary

17 April 2018

EXPLANATORY NOTES

1. **General:** Capitalised terms used in this notice of meeting (and not otherwise defined in it) have the meanings set out in the Glossary contained in the Scheme Booklet accompanying this notice of meeting.

This notice of meeting should be read in conjunction with the entire Scheme Booklet accompanying this notice of meeting. The Scheme Booklet contains important information to assist RHS Shareholders in determining how to vote on the proposed resolution.

2. **Required majorities:** In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution to approve the Scheme must be approved by:
 - (a) unless the Court orders otherwise, a majority (i.e. more than 50%) in number of RHS Shareholders voting on the resolution (whether in person or by proxy, attorney or corporate representative); and
 - (b) at least 75% of the total number of votes cast by RHS Shareholders on the resolution (whether in person or by proxy, attorney or corporate representative).
3. **Court approval:** The Scheme is conditional (among other things) on approval by order of the Court. If the resolution set out in this notice of meeting is passed (with or without modification) in accordance with the requisite majorities set out above and the conditions precedent to the Scheme referred to in Section 4.3 of the Scheme Booklet are satisfied or, where applicable, waived, RHS intends to apply to the Court for the necessary orders to give effect to the Scheme. The Court has a discretion to approve the Scheme where it is approved by at least 75% of all votes cast on the Scheme Resolution but not by a majority in number of RHS Shareholders voting on the Scheme Resolution: refer to section 411(4)(a)(ii)(A) of the Corporations Act.
4. **Voting entitlement:** Each person who is recorded in the RHS Register as the holder of RHS Shares as at 6.30pm (Adelaide time) on Sunday, 20 May 2018 is entitled to attend and vote at the Scheme Meeting.
5. **How to vote:** Voting at the Scheme Meeting will occur by poll. RHS Shareholders entitled to vote at the Scheme Meeting may vote in one of the following ways:
 - by attending the Scheme Meeting and voting in person;
 - by appointing a proxy to attend the Scheme Meeting and vote on their behalf, by sending the Proxy Form to Link Market Services Limited (**Link Market Services**);
 - by appointing an attorney to attend the Scheme Meeting and vote on their behalf; or
 - in the case of bodies corporate, by appointing an authorised corporate representative pursuant to section 250D of the Corporations Act to attend the Scheme Meeting and vote on their behalf.

Further information about each of the above ways to vote is set out below.

6. **Attending the Scheme Meeting:** RHS Shareholders or their representatives who plan to attend the Scheme Meeting are asked to arrive at the venue at least 30 minutes prior to the time the Scheme Meeting is to commence, so that their shareholding may be checked against the RHS Register, their power of attorney or appointment as proxy or corporate representative can be verified (as the case may be) and their attendance noted.
7. **Jointly held shares:** If RHS Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held RHS Shares, only the vote of the shareholder whose name appears first on the RHS Register will be counted.
8. **Voting in person:** To vote in person at the Scheme Meeting, RHS Shareholders must attend the Scheme Meeting to be held at the TechInSA Conference Centre, TechInSA Incubator, 40-46 West Thebarton Road, Thebarton SA 5031 on Tuesday, 22 May 2018. The meeting will commence at 11.00am (Adelaide time).

9. **Voting by proxy:** If you cannot attend the Scheme Meeting, you may appoint a proxy to attend the Scheme Meeting and vote on your behalf. You can vote by proxy by completing and sending in the Proxy Form accompanying the Scheme Booklet in accordance with the instructions set out on the Proxy Form so that it is received by Link Market Services by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018. A proxy need not be a RHS Shareholder.

A RHS Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. If proportions or numbers are not specified, each proxy may exercise half the RHS Shareholder's votes. Fractions of votes will be disregarded. Appointing a proxy will not preclude a RHS Shareholder from attending the Scheme Meeting in person and voting at the meeting instead of their proxy.

The Proxy Form (together with any power of attorney or other authority under which the Proxy Form is signed or a certified copy of that power of attorney or authority) must be:

- posted to Link Market Services in the reply paid envelope provided or, if you are outside of Australia or do not otherwise use the reply paid envelope, to RHS Limited c/- Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138; or
- successfully transmitted by facsimile to RHS Limited c/- Link Market Services on +61 2 9287 0309,

so that it is received by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018.

Your proxy should retain a copy of the Proxy Form (together with any power of attorney or other authority under which the Proxy Form is signed or a certified copy of that power of attorney or authority) to assist with admission to the Scheme Meeting.

Alternatively, you may submit your proxy vote online at www.linkmarketservices.com.au by no later than 11.00am (Adelaide time) on Sunday, 20 May 2018. To use this facility you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode as shown on the Proxy Form.

10. **Voting by attorney:** If you cannot attend the Scheme Meeting, you may have a duly authorised attorney attend and vote on your behalf. An attorney need not be a RHS Shareholder.

A RHS Shareholder who is entitled to cast two or more votes may appoint two attorneys and may specify the proportion or number of votes which each attorney is appointed to exercise. If proportions or numbers are not specified, each attorney may exercise half the RHS Shareholder's votes. Fractions of votes will be disregarded. Appointing an attorney will not preclude a RHS Shareholder from attending the Scheme Meeting in person and voting at the meeting instead of their attorney.

The power of attorney, or a certified copy of the power of attorney, should be lodged with Link Market Services before the Scheme Meeting or brought to the Scheme Meeting.

11. **Corporate representative:** RHS Shareholders which are bodies corporate can also vote at the Scheme Meeting by having your corporate representative attend the Scheme Meeting in person and vote on your behalf. A corporate representative need not be a RHS Shareholder. If a representative of a RHS Shareholder or corporate proxy is to attend the Scheme Meeting pursuant to section 250D of the Corporations Act, a certificate of appointment of the representative (or such other document as the Chairman of the Scheme Meeting considers sufficient together with any power of attorney or other authority under which the certificate or other document is signed or a certified copy of that power of attorney or authority) should be lodged with Link Market Services prior to the Scheme Meeting or be brought to the meeting.

A form of certificate can be obtained from Link Market Services.

Corporate Directory

Company

RHS Limited
ACN 010 126 708

Registered Office

40-46 West Thebarton Road
THEBARTON SA 5031

Company Secretary

Ray Ridge

Share Registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Legal Adviser

Johnson Winter & Slattery
Level 9, 211 Victoria Square
ADELAIDE SA 5000

Financial Adviser

Taylor Collison
Level 16, 211 Victoria Square
ADELAIDE SA 5000

Independent Expert

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
SYDNEY NSW 2000

For personal use only



RHS Ltd
ACN 010 126 708

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
RHS Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of RHS Ltd (**Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **11:00am on Tuesday, 22 May 2018 at TechnSA Conference Centre, TechnSA Incubator, 40 – 46 West Thebarton Road, Thebarton SA 5031** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and executed no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolution

For Against Abstain*

1 Approval of the scheme of arrangement between RHS Limited and its ordinary shareholders.

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

RHS PRX1801A

For personal use only

STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 20 May 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

RHS Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**