



ACN 010 126 708

ASX Release
26 Feb 2018

PerkinElmer to acquire RHS for 28 cents per share

Highlights

- PerkinElmer to acquire all RHS shares via a Scheme of Arrangement.
- Offer price of \$0.28 per share which represents a 100% premium to the last closing price of RHS.
- Recommended unanimously by the RHS Board.
- The Scheme Implementation Agreement has limited conditions.
- RHS Board pleased with pathway for RHS products and technology with immediate reward for shareholders

Adelaide, 26 February 2018: RHS Limited (ASX: RHS) (“RHS” or “the Company”) is pleased to announce that it has entered into a binding Scheme Implementation Agreement (“**SIA**”) with PerkinElmer, Inc. (“**PerkinElmer**”) (NYSE:PKI, www.perkinelmer.com) for the acquisition by PerkinElmer of all of the issued share capital of RHS by way of a Scheme of Arrangement (“**Scheme**”) for \$0.28 per share. The details of the SIA between PerkinElmer and RHS are summarised below.

The Board of RHS **unanimously recommends** that all RHS shareholders vote in favour of the Scheme, subject to an independent expert report concluding that the transaction is in the best interests of all shareholders and no superior proposal being received.

Transaction Summary

A summary of the proposed transaction is provided below. The full terms are contained in the SIA, which is attached.

- PerkinElmer to pay \$0.28 cash per RHS share, for 89,920,483 outstanding shares
- The acquisition will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 (Cth).
- The Scheme is subject to approval by RHS shareholders at a general meeting expected to be held on 22 May 2018.
- The Scheme is subject to limited other conditions that are standard for a transaction of this nature.

RHS Board Recommendation

The proposed acquisition has the full support of the RHS Board.

Each Director of RHS considers the Scheme to be in the best interests of RHS shareholders and each Director recommends to RHS shareholders that they vote in favour of approving the Scheme, subject to (i) an independent expert report concluding that the Scheme is in the best interests of RHS shareholders and (ii) that no superior proposal is received for RHS.

The Directors have also unanimously stated their intention to vote shares that they hold and procure the vote of shares that they control in favour of approving the Scheme, subject to the independent expert report concluding that the Scheme is in the best interests of RHS shareholders and no superior proposal being received for RHS.

The reasons for the RHS Board's unanimous recommendation will be detailed in the Scheme Book, but include:

- \$0.28 cash per RHS share represents an attractive premium:
 - o 100% premium to the February 23rd, 2018 closing price of \$0.14 per RHS share;
 - o 101% premium to the volume-weighted average price (“**VWAP**”) of RHS shares traded on the ASX over the five RHS trading days prior to this announcement; and
- The offer provides certainty of RHS' shareholder value and immediately matures the Company's share price without further investor risk inherent in pursuing a stand-alone commercial growth strategy.

Director Comments

Chairman of RHS Ltd, Dr David Brookes said: *“The PKI proposal was welcomed by the Board as an opportune time to reward shareholder loyalty and to progress RHS' capabilities and technologies at an important commercial inflection point. PKI has recognised the future potential of RHS' products and know how, and our CEO Michelle Fraser and her team are to be congratulated for creating increased shareholder value. This has been achieved under financial constraints following the repositioning of the Company some time ago, in response to market trends in the fast evolving world of genomics.”*

RHS CEO, Dr Michelle Fraser added: *“The offer from PKI reinforces the considerable expertise that the RHS team have integrated into each of our products. Bringing RHS and PKI together provides an opportunity for our products to reach the clinical and applied research markets through a large and highly experienced global team. The achievement of a binding agreement from PKI follows a due diligence period, including an assessment of technical performance of our products and their commercial value. To reach the premium over our current share price is evidence of the value of RHS in the hugely competitive single cell genomics market. ”*

Transaction Implementation

The acquisition will be implemented by way of a Court-approved scheme of arrangement under the Australian Corporations Act, under which RHS shareholders will receive \$0.28 cash per share.

The implementation of the proposed acquisition is subject to conditions, including:

- An independent expert's report concluding that the Scheme is in the best interests of RHS shareholders;
- The RHS Directors not changing or withdrawing their recommendation that RHS shareholders vote in favour to approve the Scheme;
- No Material Adverse Change of RHS (as defined in the SIA) occurs or is discovered, announced, disclosed or otherwise becomes known to PerkinElmer;
- The Scheme resolution is duly approved by RHS shareholders at the Scheme meeting. A resolution in favour of the Scheme must pass by simple majority of the RHS shareholders voting on the resolution and by at least 75% of the votes cast on the resolution;
- Court approval to the Scheme being received; and
- ASIC and ASX give any necessary approvals to permit the Scheme to be implemented.

The SIA contains customary deal protection mechanisms, including no shop and no talk provisions, notification and matching rights in the event of a competing proposal and a break fee payable in specified circumstances.

Meeting of RHS Shareholders

RHS will convene a meeting of RHS shareholders to approve the Scheme ("**Scheme Meeting**") following an order by the Court to do so.

RHS Shareholders will receive notice of the Scheme Meeting and a thorough explanatory statement of details of the proposed Scheme, the basis for the RHS Board's recommendation and the independent expert's report ("**Scheme Booklet**").

Indicative timetable for completion*

Announcement of proposed acquisition	26 th of February
First Court Hearing to convene Scheme Meeting and approve Scheme Booklet	12 th of April
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	25 th of May
Implementation of Scheme	11 th of June

*All dates are subject to change. Court dates are subject to court availability.

Treatment of options

RHS and PerkinElmer have agreed that they will cooperate to procure the agreement of all holders of RHS outstanding options to the acquisition and cancellation of those options. Subject to the Scheme being implemented, PerkinElmer will seek to acquire options totalling 7,400,000 based on the difference in value between the offer price of \$0.28 and the respective option strike price by private treaty arrangements, failing which RHS will propose a scheme of arrangement for the acquisition of the outstanding options.

Interim Funding arrangements

RHS has also entered into an Interim Funding Agreement with The Very Company Pty Ltd, a company controlled by RHS' Alternate 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 implementation of the Scheme, which might have diluted the equity interest of current shareholders.

The key terms of the Interim Funding Agreement are:

- Interest rate 9%, with interest payable on repayment of the facility.
- Facility limit \$750,000.
- Repayment date 28 September 2018.
- "One off" establishment fee of \$25,000.
- RHS may prepay all or part of the drawn down facility without penalty.
- 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.

The Directors of RHS consider that the terms of the interim funding arrangements are no less favourable to RHS than arm's length terms.

Advisers to Transaction

Taylor Collison is acting as corporate advisor and Johnson Winter & Slattery as legal advisor to RHS.

For further information please contact:

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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

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

**Finance Officer
& Company Secretary**
Raymond Ridge

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.

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

- (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

- (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:

- (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);

- (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

- 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)

Execution

EXECUTED as an agreement

EXECUTED by **RHS Limited** in)
accordance with section 127 of the)
Corporations Act by:)

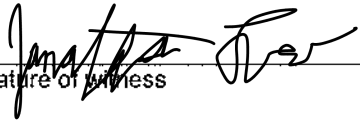
Director

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)

Annexure 1 – Indicative Table

Date	Party Responsible	Event
Fri, 23 March	Target	Provide draft Scheme Booklet to ASIC
Mon, 9 April	Target and Bidder	Receive sign-off on Scheme Booklet from ASIC, Target Board and Bidder Board
Thurs, 12 April	Target	First Court Hearing – obtain orders to convene Scheme Meeting
Thurs, 12 April	Target	Lodge with ASIC copies of Court orders to convene Scheme Meeting
Fri, 13 April	Target	Scheme Booklet registered by ASIC and lodged with ASX
Thurs, 19 April	Bidder	Deed Poll – execute before despatch of the Scheme Booklet to Target Shareholders
Fri, 20 April	Target	Printing and despatch to Target Shareholders of Scheme Booklet and proxy forms
Tue, 22 May	Target	Date of Scheme Meeting
Fri, 25 May	Target	Second Court Date – obtain orders approving the Scheme
Mon, 28 May	Target	Effective Date: lodge office copies of Court orders approving the Scheme with ASIC
Mon, 28 May	Target	Target Shares suspended from trading on the ASX
Mon, 4 June	Target	Record Date - determine entitlements to Scheme Consideration by reference to the Register at that time
Mon, 11 June	Target and Bidder	Implementation Date - transfer Target Shares to Bidder; Bidder to provide the Scheme Consideration

Note:

This indicative timetable has been prepared on the basis of the parties' best estimate, as at the date of this Agreement, of the likely timing of key events in relation to the Scheme. It is possible that certain of these events may be delayed for reasons outside of the parties' control, including:

- 1 *the time required to prepare and finalise the Scheme Booklet and the Independent Expert's Report may extend beyond 23 March 2018;*
- 2 *the ASIC Review Period may extend beyond 9 April 2018;*
- 3 *the court hearing dates on 12 April 2018 (for First Court Hearing) and 25 May 2018 (for Second Court Hearing) may not ultimately be available; or*
- 4 *the First and Second Court Hearings may continue for more than one day.*

In that case, the parties will consult with each other in good faith with the objective of agreeing a modified timetable (with, to the extent possible, the same timing relativities between events), having principal regard to the parties' mutual desire to complete the Scheme as soon as is practicable.

Annexure 2 – Scheme

RHS LIMITED

**Each person registered as a holder of Target Shares as at the
Record Date**

SCHEME OF ARRANGEMENT

JOHNSON WINTER & SLATTERY
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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 [date] under which Bidder covenants in favour of the Scheme Shareholders to perform its 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 [date] 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;

- (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:

- (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;

- (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.

Annexure 3 – Deed Poll

PERKINELMER INC.
[BIDDER'S NOMINEE ENTITY]
SCHEME SHAREHOLDERS

DEED POLL

JOHNSON WINTER & SLATTERY
L A W Y E R S

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Liability limited by a scheme approved under Professional Standards Legislation

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DEED POLL

Date

BY

PERKINELMER INC. (Bidder)

Address: 940 Winter Street, Waltham, MA 02451, USA

Facsimile: 781-663-5973

Email: Beth.Potthoff@perkinelmer.com

Contact: Beth Potthoff

[If applicable, name and details of Bidder's Nominee] (**Bidder's Nominee**)

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 [date], 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.

Execution

EXECUTED as a deed

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)

EXECUTED by **[Bidder's Nominee]** by)
its authorised signatory in the presence)
of:)

Signature of witness

Signature of authorised signatory

.....
Name
(BLOCK LETTERS)

.....
Name
(BLOCK LETTERS)

Annexure 4 – Agreed Announcement



ACN 010 126 708

ASX Release
26 Feb 2018

PerkinElmer to acquire RHS for 28 cents per share

Highlights

- PerkinElmer to acquire all RHS shares via a Scheme of Arrangement.
- Offer price of \$0.28 per share which represents a 100% premium to the last closing price of RHS.
- Recommended unanimously by the RHS Board.
- The Scheme Implementation Agreement has limited conditions.
- RHS Board pleased with pathway for RHS products and technology with immediate reward for shareholders

Adelaide, 26 February 2018: RHS Limited (ASX: RHS) (“RHS” or “the Company”) is pleased to announce that it has entered into a binding Scheme Implementation Agreement (“**SIA**”) with PerkinElmer, Inc. (“**PerkinElmer**”) (NYSE:PKI, www.perkinelmer.com) for the acquisition by PerkinElmer of all of the issued share capital of RHS by way of a Scheme of Arrangement (“**Scheme**”) for \$0.28 per share. The details of the SIA between PerkinElmer and RHS are summarised below.

The Board of RHS **unanimously recommends** that all RHS shareholders vote in favour of the Scheme, subject to an independent expert report concluding that the transaction is in the best interests of all shareholders and no superior proposal being received.

Transaction Summary

A summary of the proposed transaction is provided below. The full terms are contained in the SIA, which is attached.

- PerkinElmer to pay \$0.28 cash per RHS share, for 89,920,483 outstanding shares
- The acquisition will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 (Cth).
- The Scheme is subject to approval by RHS shareholders at a general meeting expected to be held on 22 May 2018.
- The Scheme is subject to limited other conditions that are standard for a transaction of this nature.

RHS Board Recommendation

The proposed acquisition has the full support of the RHS Board.

Each Director of RHS considers the Scheme to be in the best interests of RHS shareholders and each Director recommends to RHS shareholders that they vote in favour of approving the Scheme, subject to (i) an independent expert report concluding that the Scheme is in the best interests of RHS shareholders and (ii) that no superior proposal is received for RHS.

The Directors have also unanimously stated their intention to vote shares that they hold and procure the vote of shares that they control in favour of approving the Scheme, subject to the independent expert report concluding that the Scheme is in the best interests of RHS shareholders and no superior proposal being received for RHS.

The reasons for the RHS Board's unanimous recommendation will be detailed in the Scheme Book, but include:

- \$0.28 cash per RHS share represents an attractive premium:
 - o 100% premium to the February 23rd, 2018 closing price of \$0.14 per RHS share;
 - o 101% premium to the volume-weighted average price (“**VWAP**”) of RHS shares traded on the ASX over the five RHS trading days prior to this announcement; and
- The offer provides certainty of RHS' shareholder value and immediately matures the Company's share price without further investor risk inherent in pursuing a stand-alone commercial growth strategy.

Director Comments

Chairman of RHS Ltd, Dr David Brookes said: *“The PKI proposal was welcomed by the Board as an opportune time to reward shareholder loyalty and to progress RHS' capabilities and technologies at an important commercial inflection point. PKI has recognised the future potential of RHS' products and know how, and our CEO Michelle Fraser and her team are to be congratulated for creating increased shareholder value. This has been achieved under financial constraints following the repositioning of the Company some time ago, in response to market trends in the fast evolving world of genomics.”*

RHS CEO, Dr Michelle Fraser added: *“The offer from PKI reinforces the considerable expertise that the RHS team have integrated into each of our products. Bringing RHS and PKI together provides an opportunity for our products to reach the clinical and applied research markets through a large and highly experienced global team. The achievement of a binding agreement from PKI follows a due diligence period, including an assessment of technical performance of our products and their commercial value. To reach the premium over our current share price is evidence of the value of RHS in the hugely competitive single cell genomics market. ”*

Transaction Implementation

The acquisition will be implemented by way of a Court-approved scheme of arrangement under the Australian Corporations Act, under which RHS shareholders will receive \$0.28 cash per share.

The implementation of the proposed acquisition is subject to conditions, including:

- An independent expert's report concluding that the Scheme is in the best interests of RHS shareholders;
- The RHS Directors not changing or withdrawing their recommendation that RHS shareholders vote in favour to approve the Scheme;
- No Material Adverse Change of RHS (as defined in the SIA) occurs or is discovered, announced, disclosed or otherwise becomes known to PerkinElmer;
- The Scheme resolution is duly approved by RHS shareholders at the Scheme meeting. A resolution in favour of the Scheme must pass by simple majority of the RHS shareholders voting on the resolution and by at least 75% of the votes cast on the resolution;
- Court approval to the Scheme being received; and
- ASIC and ASX give any necessary approvals to permit the Scheme to be implemented.

The SIA contains customary deal protection mechanisms, including no shop and no talk provisions, notification and matching rights in the event of a competing proposal and a break fee payable in specified circumstances.

Meeting of RHS Shareholders

RHS will convene a meeting of RHS shareholders to approve the Scheme ("**Scheme Meeting**") following an order by the Court to do so.

RHS Shareholders will receive notice of the Scheme Meeting and a thorough explanatory statement of details of the proposed Scheme, the basis for the RHS Board's recommendation and the independent expert's report ("**Scheme Booklet**").

Indicative timetable for completion*

Announcement of proposed acquisition	26 th of February
First Court Hearing to convene Scheme Meeting and approve Scheme Booklet	12 th of April
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	25 th of May
Implementation of Scheme	11 th of June

*All dates are subject to change. Court dates are subject to court availability.

Treatment of options

RHS and PerkinElmer have agreed that they will cooperate to procure the agreement of all holders of RHS outstanding options to the acquisition and cancellation of those options. Subject to the Scheme being implemented, PerkinElmer will seek to acquire options totalling 7,400,000 based on the difference in value between the offer price of \$0.28 and the respective option strike price by private treaty arrangements, failing which RHS will propose a scheme of arrangement for the acquisition of the outstanding options.

Interim Funding arrangements

RHS has also entered into an Interim Funding Agreement with The Very Company Pty Ltd, a company controlled by RHS' Alternate 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 implementation of the Scheme, which might have diluted the equity interest of current shareholders.

The key terms of the Interim Funding Agreement are:

- Interest rate 9%, with interest payable on repayment of the facility.
- Facility limit \$750,000.
- Repayment date 28 September 2018.
- "One off" establishment fee of \$25,000.
- RHS may prepay all or part of the drawn down facility without penalty.
- 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.

The Directors of RHS consider that the terms of the interim funding arrangements are no less favourable to RHS than arm's length terms.

Advisers to Transaction

Taylor Collison is acting as corporate advisor and Johnson Winter & Slattery as legal advisor to RHS.

For further information please contact:

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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

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Directors

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

**Finance Officer
& Company Secretary**
Raymond Ridge