

Notice of annual general meeting and explanatory memorandum

Apium Animal Health Limited

ACN 604 961 024

Date: Thursday 29 November 2018

Time: 9.00 am (Melbourne time)

Place: All Seasons Hotel
171-183 McIvor Highway
Bendigo Victoria 3550

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE is given that the 2018 Annual General Meeting of Apiam Animal Health Limited ACN 604 961 024 (the Company) will be held at All Seasons Hotel, 171-183 McIvor Highway, Bendigo Victoria 3550 on Thursday 29 November 2018 at 9.00 am (Melbourne time).

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary Business

1. FINANCIAL AND RELATED REPORTS

Agenda Item	Financial and Related Reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2018.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2018 Annual Report and is available from the Company's website (www.apiam.com.au). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report for the financial year ended 30 June 2018 included in the Directors' Report of the Annual Report as required under section 300A of the Corporations Act, be adopted by the Company."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution: <ul style="list-style-type: none">by or on behalf of a member of the KMP named in the remuneration report for the year ended 30 June 2018, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast;as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:<ul style="list-style-type: none">in accordance with their directions of how to vote as set out in the proxy appointment; orby the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

3. RE-ELECTION OF DIRECTOR

Resolution 2	Re-election of Professor Jan Tennent as Director
Description	Professor Jan Tennent, in accordance with clause 12.4(a) of the Company's constitution was appointed on 1 August 2018 as an addition to the existing directors. Clause 12.4(b) requires that a director appointed under clause 12.4(a) will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected. Professor Jan Tennent retires as a director of the Company in accordance with clause 12.4 (b), in accordance with this clause and being eligible Professor Jan Tennent offers herself for re-election to the board.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, Professor Jan Tennent, having retired from office as a Director in accordance with clause 12.4(b) of the Company's constitution and, being eligible, be elected as a Director of the Company."</i>

Dated: 29 October 2018

By order of the Board of Apiam Animal Health Limited



Sophie Karzis
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2018, or the content of its audit report. Please send your questions to:

The Company Secretary, **Apiam Animal Health Limited**
Level 7, 333, Collins Street, Melbourne VIC 3000
T. 03 8622 3351
E. sk@ccounsel.com.au

Written questions must be received by no later than **5.00 pm (Melbourne time) on Thursday 22 November 2018**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast two or more votes at the meeting, two proxies, to attend and vote instead of the shareholder.
- (b) Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than one proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority by

9.00 am (Melbourne time) on Tuesday 27 November 2018:

- online by going to www.votingonline.com.au/apiamagm2018
- by post at Boardroom Pty Limited; GPO Box 3993, Sydney NSW 2001 or
- by personal delivery at Boardroom Pty Limited, Level 12, Grosvenor Place, 225 George Street, Sydney NSW 2000; or
- by facsimile: Australia – +61 2 9290 9655.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 that shares in the Company which are on issue at **7.00pm (Melbourne time) on Tuesday 27 November 2018** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2018 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Item	Financial and Related Reports
Explanation	<p>Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2018 to be laid before the Company's 2018 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The financial report contains the financial statements of the consolidated entity consisting of Apiam and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2018 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2018 Annual Report is available from the Company's website (www.apiam.com.au).</p> <p>The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor Grant Thornton questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2018, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Grant Thornton in relation to the conduct of the audit.</p>

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2018 Annual Report and is available from the Company's website (www.apiam.com.au).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and explains the differences between the basis for remunerating non-executive directors and senior executives, including the Managing Director (or equivalent). <p>The vote on this resolution is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this resolution and the</p>

	outcome of the vote when considering the future remuneration policies and practices of the Company.
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.

3. RE-ELECTION AND RETIREMENT OF DIRECTORS

Resolution 2	Re-election of Professor Jan Tennent
Explanation	Professor Jan Tennent, in accordance with clause 12.4(a) of the Company's constitution was appointed on 1 August 2018 as an addition to the existing directors. Clause 12.4(b) requires that a director appointed under clause 12.4(a) will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected. Professor Jan Tennent retires as a director of the Company in accordance with clause 12.4(b), in accordance with this clause and being eligible, Professor Jan Tennent offers herself for re-election to the Board.
About Professor Jan Tennent	<p>Professor Jan Tennent has extensive experience and is an internationally-recognised specialist in technical knowledge of antibiotic resistance mechanisms and the discovery and commercialisation of vaccines (biologicals) to prevent infectious diseases through stimulation of protective immune responses.</p> <p>Professor Tennent has a proven track record of contribution, accountability and accomplishment in the governance and management of highly matrixed organisations including Biomedical Research Victoria, Pfizer Animal Health, CSL Animal Health and CSIRO Animal Health. Ms Tennent is currently the CEO of Bio21 Australia Limited (t/a Biomedical Research Victoria) and serves as a non-executive director of AusBiotech Limited and David J. Curnow Pty Ltd and is a member of the Industry Advisory Board of the Medicines Manufacturing Innovation Centre, Monash University. Ms Tennent is also the founder and principal of ConnectBio consultancy.</p> <p>Professor Tennent, an alumnus of Monash and Deakin universities, was appointed in 2017 as Collaborative Professor at the University of Osaka, is a Principal Fellow at the University of Melbourne and a Fellow of the Australian Society for Microbiology.</p>
Board Recommendation	The Board, with Professor Tennent abstaining, recommends that shareholders vote in favour of Professor Tennent's re-election.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

	Retirement of Director by rotation
Explanation	<p>Clause 12.5(a) of the Company's constitution requires that one-third of the Directors must retire at the close of each annual general meeting and that subject to clause 12.5(e) a retiring Director will hold office until the end of the meeting and will be eligible for re-election at the end of the meeting. It is under this requirement that Mr Charles Sitch will retire at the end of the meeting and thereby satisfy the requirement under clause 12.5(a). Mr Sitch will not be seeking re-election as a Director of the Company.</p> <p>ASX Listing Rule 14.5 also requires that a company must have at least one Director stand for election or re-election at each annual general meeting. This listing rule requirement is satisfied by the re-election of Professor Jan Tennent.</p>
About Mr Charles Sitch	Mr Charles Sitch was first appointed a Director of Apiam in November 2015. During his appointment Charles has made a significant contribution to the Board and played a major role in guiding the Company to the diversified and larger group that it is today. The Board is grateful for his service and wishes him well in his future endeavours.

DEFINITIONS

Company or Apiam	Means Apiam Animal Health Limited ACN 604 961 024.
Constitution	Means the constitution of Apiam Animal Health Limited.
Director	Means a director of the board of Apiam Animal Health Limited.
Closely Related Party (of a member of KMP of an entity)	<p>Has the definition given to it by section 9 of the Corporations Act, and means:</p> <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Key Management Personnel or KMP	Means those people described as Key Management Personnel in the Remuneration Report and includes all directors.

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