

ASX Release

Apiam Animal Health Limited

(ASX: AHX)

22 November 2019

Correction of Notice of Annual General Meeting and Explanatory Memorandum

Apiam Animal Health Limited (Apiam, the Company, ASX: AHX) advises that a correction is required to the Explanatory Memorandum attached to the notice of Apiam's 2019 Annual General Meeting Resolution 4: Approval to issue Performance Rights to Managing Director under the Employee Equity Incentive Plan.

Number of Performance Rights

If Resolution 4 is passed, the Company will grant Managing Director, Dr Richards, such number of Performance Rights to be determined by dividing 30% of Dr Richards' annual base remuneration (i.e. \$106,702 being 30% of \$355,673) by the volume weighted average price (VWAP) of the Company's share price up to and including the day prior to the day of issue, rounding to the nearest thousand.

Whilst it is not currently possible to determine the exact number of Performance Rights to be granted to Dr Richards:

- If the VWAP was \$0.48 (being the closing price of the shares on 7 October 2019), 222,000 Performance Rights would be issued.

This was incorrectly stated as 740,985 Performance Rights in the Explanatory Memorandum attached to the notice of Annual General Meeting.

Performance Period

Subject to Dr Richards remaining in continuous employment with the company, the Performance Rights are allocated equally over a three-year period:

Tranche A - one third of the rights (74,000 rights in the example provided) in the FY2020 year; Tranche B – one third of the rights (74,000 rights in the example provided) in the FY2021 year; and Tranche C – one third of the rights (74,000 rights in the example provided) in the FY2022 year.

Performance Hurdles

Each Tranche will be assessed against Apiam's share price growth in the financial year of the Tranche as follows:

Apiam Share Price Growth in that Financial Year

Less than 12% growth: NIL - Tranche lapses and Performance Rights cancelled

Above 12% growth but less than 31% growth: Between 50% and 100% allocation of Tranche - as determined on a pro-rata, straight-line basis.

At or above 31% growth - 100% allocation of Tranche

In order for the Managing Director to receive his full entitlement to Performance Rights, Apiam share price growth must be at, or greater than, 31% in each of FY2020, FY2021 and FY2022.

Apiam's Board of Directors believes strongly that the fundamental driver for Executive remuneration should be long term financial performance that generates value for Apiam shareholders.

About Apiam Animal Health Limited

Apiam Animal Health is positioned in the Australian market as a vertically integrated animal health business providing a range of products and services to Production and Mixed animals. Apiam Animal Health's strategy is to service Production and Mixed animals throughout their lifecycle, including the provision of veterinary services, ancillary services, genetics, wholesale and retail of related products, together with technical services related to food-chain security.