

APIAM ANIMAL HEALTH LIMITED

ACN 604 961 024

SECURITIES TRADING POLICY

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1. SCOPE OF POLICY

- 1.1. This Securities Trading Policy (**Policy**) is separate from and additional to the legal constraints imposed by the common law, the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules (**Listing Rules**).
- 1.2. This Policy regulates trading by employees and officers of the Company in the Securities. In particular, this Policy sets out that there are specific periods during which certain Restricted Persons may not Deal in the Securities unless an exceptional circumstance applies.
- 1.3. Any person in possession of Insider Information must not Deal in Securities regardless of the terms of this Policy.
- 1.4. Ultimately it is the responsibility of each person to ensure that none of his or her dealings could constitute insider trading under section 1043A of the Corporations Act.
- 1.5. This Policy does not apply to Excluded Trading.

2. DEFINITIONS

- 2.1. For the purposes of this Policy:
 - (a) **Application** has the meaning given under clause 4.
 - (b) **ASX** means the Australian Stock Exchange.
 - (c) **Board** means the board of Directors of the Company.
 - (d) **Closed Trading Period** means the later of the period between:
 - (i) 1 July and 1 trading day following the announcement of the Company's preliminary final results to ASX;
 - (ii) 1 January and 1 trading day following the announcement of the Company's half year results to ASX;
 - (iii) 1 January, 1 April, 1 July or 1 October and 1 trading day following the announcement of the Company's quarterly report to ASX;
 - (iv) the date on which the Company's shares are admitted to the ASX and 1 trading day following the announcement of the Company's results for the 2015/2016 financial year to ASX;
 - (v) any other periods from time to time when the Company is considering matters which are subject to Listing Rule 3.1 (Continuous Disclosure) as resolved by the Board;

- (vi) any other periods as specified by the Company or the ASX; and
 - (vii) any other period when a Restricted Person is in possession of Inside Information.
- (e) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (f) **Deal or Dealing** includes (without limitation):
- (i) applying for, acquiring or disposing of Securities;
 - (ii) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Securities;
 - (iii) entering, terminating, assigning or novating any securities lending agreement;
 - (iv) using as security or otherwise granting a charge, lien or other encumbrance over Securities;
 - (v) any transaction, including a transfer for nil consideration, or the exercise of any power or discretion affecting a change in ownership of a beneficial interest in the Securities;
 - (vi) any other right, obligation or agreement, present or future, conditional or unconditional, in respect of (i) to (v) above; and
 - (vii) procuring another person to do any of (i) to (v) above.
- (g) **Disclosure Officers** means:
- (i) in the case of any Restricted Person other than the Company Secretary or a Director:
 - (A) the Company Secretary;
 - (B) the Managing Director; or
 - (C) the Chairman;
 - (ii) in the case of the Company Secretary or a Director, the Chairman; or
 - (iii) in the case of the Chairman, the Managing Director.
- (h) **Excluded Trading** means:
- (i) Dealings in the Securities that do not result in a change to the beneficial interest of the Securities (e.g. Dealings between beneficially owned accounts such as superannuation funds);
 - (ii) Dealings in a fund or other scheme (other than a scheme only investing in the Securities) where the assets are invested at the discretion of a third party (e.g. a managed fund);
 - (iii) Dealings by a trust, where the Restricted Person is not a beneficiary of the trust and any decision to Deal is taken independent of the Restricted Person;
 - (iv) acceptance of, or an undertaking to accept, a takeover offer;

- (v) Dealings under an offer made to all or most of the Company's security holders, an which has been approved by the Board (e.g. a rights issue, security purchase plan, dividend reinvestment plan or equal access buy-back);
 - (vi) a requirement under a court order or court enforceable undertaking; or
 - (vii) the exercise (but not the sale of the Securities following exercise) of an option, performance right or a right under an employee incentive scheme, or the conversion of a convertible security.
- (i) **generally available** means:
- (i) readily observable;
 - (ii) made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the Securities or Securities of a kind similar to the Securities, and a reasonable period has elapsed to allow the information to be disseminated; or
 - (iii) able to be deduced, concluded or inferred from information referred to in clause 2.1(i)(i) or 2.1(i)(ii).
- (j) **Inside Information** is information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Securities, and includes without limitation:
- (i) prospective financial information;
 - (ii) unpublished announcements;
 - (iii) proposed changes in capital structure, including share issues, rights issues and the redemption of Securities;
 - (iv) impending mergers, acquisitions, reconstructions, takeovers, etc.;
 - (v) significant litigation and disputes;
 - (vi) significant changes in operations or proposed changes in the general character or
 - (vii) nature of the business of the Company or its subsidiaries;
 - (viii) cashflow information;
 - (ix) management restructuring or Board changes;
 - (x) an entity proposing to buy, or a security holder proposing to sell, a substantial number of the Securities;
 - (xi) industry issues that may have a material impact on the Company;
 - (xii) decisions on significant issues affecting the Company by regulatory bodies in Australia or other relevant;
 - (xiii) allegations of any breach of the law or other regulatory requirements by the Company;
 - (xiv) major or material purchases or sales of assets;
 - (xv) proposed or new significant contracts;

- (xvi) a proposed dividend or change in dividend policy;
 - (xvii) an event which could have a material impact (either positively or negatively) on production or profits (for example, disconnection or shut-in of production, a significant safety or environmental incident)
 - (xviii) any information required to be disclosed to ASX under its continuous disclosure rules; and
 - (xix) any possible claim against the Company or other unexpected liability.
- (k) **Related Bodies Corporate** has the meaning given under section 50 of the Corporations Act.
- (l) **Restricted Persons** mean:
- (i) a Director;
 - (ii) the Chief Financial Officer;
 - (iii) the General Counsel;
 - (iv) the Company Secretary;
 - (v) employees involved with preparing the Company's (or any Related Bodies Corporate's) financial reports;
 - (vi) direct reports to the above persons;
 - (vii) each of the 'principal veterinarians' in the businesses acquired by the Company; and
 - (viii) any other persons nominated by the Board as Restricted Persons (and who are notified accordingly) from time to time.
- (m) **Securities** include (without limitation) shares, options, performance rights, derivatives or any other tradable financial product of the Company or any of its Related Bodies Corporate.

3. PROHIBITION ON INSIDER TRADING

- 3.1. Under the Corporations Act, if a person possesses Inside Information in relation to the Securities (or the securities of any other company), the person must not:
- (a) Deal in those securities; or
 - (b) procure another person to Deal in those securities; or
 - (c) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, Deal in those securities in any way or procure a third person to Deal in those securities.
- 3.2. Directors and employees must assume that information is generally available only if it has been announced to ASX. A reasonable person would be taken to expect information to have a material effect on the price or value of the Securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of the Securities.

4. DEALINGS BY RESTRICTED PERSONS

- 4.1. Subject to clause 5.2 of this Policy, a Restricted Person may Deal in the Securities outside of a Closed Trading Period, if the Restricted Person has provided written notice to the Disclosure Officer in the form of the template in **Annexure A (Application)** at least three (3) business days prior to the proposed Dealing.
- 4.2. Subject to clause 5.2 of this Policy, a Restricted Person may Deal in the Securities inside of a Closed Trading Period, if:
- (a) the Restricted Person has provided written notice to the Disclosure Officer in the form of the template in Annexure A (**Application**) at least three (3) business days prior to the proposed Dealing; and
 - (b) an exceptional circumstance under clause 6 applies.

5. WRITTEN NOTICE

- 5.1. If a Disclosure Officer receives written notice from a Restricted Person under clause 4, then the Disclosure Officer must consult with the Board and the Company Secretary whether, in their reasonable opinion:
- (a) in relation to an Application under clause 4.1:
 - (i) there is a matter which constitutes Inside Information in relation to the proposed Dealing;
 - (ii) there is any reason to believe that the proposed Dealing will breach this Policy; and
 - (b) in relation to an Application under clause 4.2, an exceptional circumstance exists under clause 6 of this Policy.
- 5.2. If it is determined (in the reasonable opinion of the Disclosure Officer) that:
- (a) in relation to an Application under clause 4.1, a matter under clause 5.1(a) exists; or
 - (b) in relation to an Application under clause 4.2, an exceptional circumstance under clause 6 does not apply,
- then the Disclosure Officer may, in writing, prohibit the Restricted Person from Dealing in the Securities pursuant to the Application.
- 5.3. The Disclosure Officer must:
- (a) keep a written record of:
 - (i) any information or request received in connection with this Policy; and
 - (ii) any Application received;
 - (iii) any Application rejected; and
 - (b) send a copy of that record to the Company Secretary for keeping.
- 5.4. Nothing in this Policy negates a person's obligations under the Corporations Act with respect to insider trading.

6. EXCEPTIONAL CIRCUMSTANCES

Exceptional Circumstances may include:

- (a) a financial hardship that cannot otherwise be relieved, after all reasonable alternatives have been investigated;
- (b) a requirement by court order, or enforceable undertaking to transfer or sell the Securities; or
- (c) other exceptional circumstances as determined by the Disclosure Officers.

7. DEALING BY ASSOCIATED PERSONS

If a Restricted Person is prohibited from Dealing under this Policy, that person must use their best endeavours to prohibit any Dealing by:

- (a) any related party (including family members, nominee companies and family trusts); or
- (b) any investment manager on their behalf or on behalf of a related party.

8. PROHIBITION ON HEDGING & DERIVATIVE TRADING

Participants in any Company share, option, performance rights or other plan are prohibited from Dealing in derivatives, hedging or other similar arrangements in relation to Securities that:

- (a) have not vested;
- (b) have not been released to the participant; or
- (c) have vested but are subject to trading restrictions.

9. SPECULATIVE TRADING

- 9.1. Restricted Persons must not engage in short term trading of the Securities.
- 9.2. For the purposes of this section, short term trading means any purchase and sale of the Securities where both transactions occur within a period of six months or less.

10. NOTIFICATION BY DIRECTORS

A Director must notify the Company Secretary as soon as possible if there is any change in the Director's relevant interest in Securities of the Company or a related body corporate of the Company, so that the Company Secretary can make the necessary notifications to ASX as required by the Listing Rules and Corporations Act.

11. MARGIN LOANS

Restricted Persons are prohibited from entering into margin loan arrangements to fund the acquisition of the Securities or in relation to which the Securities may be used as security against loan repayment.

12. QUESTIONS AND FURTHER INFORMATION

If you have any questions or require further information on how to comply with this Policy, please contact a Disclosure Officer.

13. ADOPTION AND AMENDMENTS

13.1. This Policy was adopted by the Board on 6 November 2015.

13.2. This Policy may be amended from time to time by resolution of the Board.