

APIAM ANIMAL HEALTH LIMITED

ACN 604 961 024

DIVIDEND POLICY

1. PURPOSE OF POLICY

- 1.1. This is the dividend policy (**Policy**) established by the board of directors (**Board**) of Apiam Animal Health Limited ACN 604 961 024 (**Company**). This Policy sets out the position of the Company in relation to the payment of dividends.

2. DIVIDEND POLICY

- 2.1. The Payment of a dividend by the Company is at the discretion of the Board and will be dependent on:
- (a) general business environment;
 - (b) the operating results;
 - (c) cash flow;
 - (d) financial condition of the Company;
 - (e) future funding requirements;
 - (f) capital management initiatives;
 - (g) taxation considerations;
 - (h) any contractual, legal or regulatory restrictions on the payment of dividends by the Company; and
 - (i) any other factors the Board may consider relevant.
- 2.2. The Board proposes to pay:
- (a) dividends in respect of half years ending 31 December and final dividends in respect of full years ending 30 June each year; and
 - (b) no interim or final dividend in respect of FY16.
- 2.3. Subject to sections 2.1 to 2.5 of this Policy, the Board proposes to target a payout ratio of 40% to 60% of its net profit after tax as dividends. The intent to pay the payout ratio in clause 2.3 is dependent on:
- (a) future profits of the Company;
 - (b) contribution of profits from outside Australia and the Company's financial and taxation position at that time; and
 - (c) the conditions outlined in clause 2.1.
- 2.4. The directors can provide no guarantee as to:
- (a) the extent of future dividends; and
 - (b) the level of franking or imputation of such dividends.
- 2.5. The Company must comply with the provisions of its Constitution, the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules in relation to the payment of dividends.

3. OTHER MATTERS

3.1. Amendment of Policy

This Policy can only be amended with the approval of the Board.

3.2. Adoption of Policy

This Policy was adopted by the Board on 17 November 2015.