



National Veterinary Care Ltd
ACN 166 200 059

**Notice of Annual General Meeting
and Explanatory Memorandum**

**Annual General Meeting to be held at
The Brisbane Club
241 Adelaide Street
Brisbane QLD 4000
on Wednesday 21 November 2018
commencing at 11.00am (Brisbane time)**

The Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisor prior to voting.

CHAIR'S LETTER

Dear Shareholder

On behalf of the Directors of National Veterinary Care Ltd (**NVL**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of NVL. Enclosed is the Notice of Meeting setting out the business of the AGM.

NVL's 2018 AGM will be held on Wednesday 21 November 2018 commencing at 11.00 am (Brisbane time) at The Brisbane Club, 241 Adelaide Street, Brisbane QLD. Registration will be available from 10.00am.

A Voting/Proxy Form is included in this information pack. The form contains a barcode to assist with the registration process at the AGM. If you attend the AGM, please bring the barcoded form with you. If you are not attending the AGM, the form allows you to appoint a proxy to vote on your behalf. Please refer to the Notes to the Notice of Meeting and the Voting/Proxy Form for more information.

Shareholders may direct questions during the meeting to the Chair of the meeting about the operations and management of NVL or to NVL's auditor about the content of the auditor's report and the conduct of the audit. Questions can also be submitted in writing until 11.00 am on Monday 19 November 2018 in the manner set out in the Notes to the Notice of Meeting.

Thank you for your continued support of NVL and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Susan'.

Susan Forrester
Chair
National Veterinary Care Ltd

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of National Veterinary Care Ltd ACN 166 200 059 (**Company**) will be held at The Brisbane Club, 241 Adelaide Street, Brisbane QLD 4000, on Wednesday 21 November 2018, commencing at 11.00am (Brisbane time).

ITEMS OF BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's Financial Report, incorporating the Directors' Report and the Independent Audit Report, for the financial year ended 30 June 2018.

Note: There is no requirement for shareholders to approve these reports.

2. REMUNERATION REPORT

To consider and, if thought fit, pass the following as an ordinary resolution in accordance with section 250R(2) of the *Corporations Act*:

"That the Remuneration Report (which forms part of the Directors' Report) of the Company for the year ended 30 June 2018 be adopted."

Note: This resolution is advisory only and does not bind the Company. The directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting, when reviewing the Company's remuneration policies. A voting exclusion statement applies to the resolution for Item 2. Further details of this exclusion are set out in the accompanying Notes.

3. ELECTION OF DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Dr Stephen Coles, who retires as a Director of the Company in accordance with ASX Listing Rule 14.5 and Clause 19.3 of the Company's constitution, and being eligible, be re-elected as a Director of the Company."

Note: Information about the candidate appears in the accompanying Explanatory Memorandum.

4. RATIFICATION OF ISSUE OF SHARES

To consider and, if thought fit, pass the following as separate ordinary resolutions:

Item 4(a)

"That for the purposes of Listing Rule 7.4, Shareholders ratify and approve the issue of 35,626 Shares issued at \$2.807 per Share, in relation to the acquisition of Woodend Veterinary Centre, to those persons set out in the Explanatory Memorandum."

Item 4(b)

"That for the purposes of Listing Rule 7.4, Shareholders ratify and approve the issue of 75,035 Shares issued at \$2.932 per Share, in relation to the acquisition of Dr Paws Delahey, to those persons set out in the Explanatory Memorandum."

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Item 4(c)

"That for the purposes of Listing Rule 7.4, Shareholders ratify and approve the issue of 8,000,006 Shares issued at \$2.25 per Share, under a placement to sophisticated, professional and institutional investors, as set out in the Explanatory Memorandum."

Note: A voting exclusion statement applies to the resolutions for Items 4(a), 4(b) and 4(c). Further details of this exclusion are set out in the accompanying Notes.

5. APPROVAL OF EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.2 and for all other purposes, Shareholders approve the issue of securities in the Company under the Employee Incentive Plan."

Note: A voting exclusion statement applies to Item 5. Further details of this exclusion are set out in the accompanying Notes.

6. GRANT OF PERFORMANCE RIGHTS TO TOMAS STEENACKERS UNDER THE EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant of 115,011 performance rights (including a right to acquire Shares) under the Company's Employee Incentive Plan to the CEO and Managing Director, Tomas Steenackers, in accordance with his 2018 LTI Award as described in the Explanatory Memorandum."

Note: A voting exclusion statement applies to Item 6. Further details of this exclusion are set out in the accompanying Notes.

By order of the Board of Directors



Janita Robba
Company Secretary
18 October 2018

Notes

These Notes and the accompanying Explanatory Memorandum form part of this Notice of Meeting.

1. SHAREHOLDERS

The Company has determined that for the purpose of voting at the Meeting, shares in the Company will be taken to be held by those persons recorded on the Company's register of shareholders at 7:00 pm on 19 November 2018 (Sydney time). This means that any shareholder registered at 7:00 pm (Sydney time) on 19 November 2018 is entitled to attend and vote at the Annual General Meeting.

2. HOW TO VOTE

Appointment of Proxy

If you are a shareholder, and you are unable to attend and vote at the meeting, and wish to appoint a proxy, please either:

A. Lodge your proxy online at www.linkmarketservices.com.au and follow the prompts; or

B. Complete and sign the enclosed Proxy Form with this Notice of Meeting and return the Proxy Form either:

By hand: delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

By mail: National Veterinary Care Ltd
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

By fax: +61 2 9287 0309

so that it is received not later than 11:00 am (Brisbane time) on 19 November 2018. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Shareholders are advised that:

- Each Shareholder that is entitled to attend and vote at the Meeting is entitled to appoint a proxy.
- The proxy need not be a Shareholder of the Company.
- A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with section 127 of the Corporations Act. The certificate of appointment must be lodged with the Company before the Meeting.

Notes

Votes on Resolutions

You may direct your proxy how to vote by marking 'For', 'Against' or 'Abstain' for the resolutions set out in each item of business on the Proxy Form. All of your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on each resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the resolution, your proxy may vote as he or she chooses. If you mark more than one box on a resolution, your vote on will be invalid on that resolution.

How the Chair will vote undirected proxies

At the date of this Notice of Meeting, the Chair intends to vote all undirected proxies FOR the resolutions set out in each of the items of business.

Unless amended, the Proxy Form expressly authorises the Chair to exercise undirected proxies in his/her discretion in relation to all resolutions even where such resolutions are connected directly or indirectly with financial benefits to be given and shares to be issued to entities associated with certain directors of the Company.

Attending the meeting in person

Eligible shareholders may attend the meeting and vote in person. If you intend to attend the meeting in person, you do not need to submit a Proxy Form.

You may still attend the meeting and vote in person even if you have appointed a proxy. You will be provided with an attendance card on the day of the meeting. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the Meeting.

3. NON-BINDING RESOLUTION ON REMUNERATION REPORT

The resolution for Item 2 is advisory and non-binding. The outcome of this resolution does not bind the Company or the Directors. However, the Directors will consider the outcome of the vote and comments made by members on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

If 25% of the votes that are cast are voted against adoption of the Remuneration Report at two consecutive AGMs, members will be required to vote at the second of those AGMs on a resolution (**spill resolution**) that another meeting of the Company's shareholders be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were Directors of the Company when the Directors' Report for the second AGM was approved by those Directors, must stand for re-election.

A voting exclusion statement in respect of the resolution for Item 2 is set out below.

4. VOTING EXCLUSION STATEMENT

Item 2: Remuneration Report

The Company will disregard any votes cast on the resolution for Item 2 by or on behalf of any of the following persons:

- (1) a member of the Company's key management personnel (as defined below) whose remuneration details is included in the Remuneration Report for the financial year ended 30 June 2018 (**KMP**); or
- (2) a Closely Related Party (as defined below) of a KMP,

whether the votes are cast as a shareholder, undirected proxy or in any other capacity (each, a **Prohibited Voter**).

However, the Company will not disregard a vote by a Prohibited Voter if:

- (1) it is cast as a proxy, and the proxy is appointed by writing that specifies how the proxy is to vote on the resolution for Item 2 and it is not cast on behalf of a Prohibited Voter; or
- (2) the proxy is the chairperson of the meeting and the appointment of the chairperson as proxy does not specify the way the proxy is to vote on the resolution for Item 2 and the appointment expressly authorises the chairperson to exercise the undirected proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you appoint the chairperson as your proxy, the proxy form expressly authorises the chairperson to exercise any undirected proxies even if the resolution is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed him/her to vote in accordance with his/her stated intention to vote in favour of this resolution. If you do not want your vote exercised in favour of this resolution, you should direct the chairperson of the Meeting to vote against or to abstain from voting on, this resolution.

Notes

If you appoint any Prohibited Voter, other than the chairperson of the Meeting, as your proxy, you are encouraged to direct that Prohibited Voter how to vote on the resolution for Item 2. If you do not direct that person how to vote, that person will not be entitled to vote, and will not vote, your proxy on the resolution for Item 2.

Important for Item 2

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of such a person) and purport to cast a vote, that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. KMP personnel include the Directors (including non-executive) and certain senior executives of the Company.

A “**Closely Related Party**” of KMP means any of the following:

- (1) a spouse, child or dependant of the KMP;
- (2) a child or dependant of the KMP’s spouse;
- (3) anyone else who is one of the KMP’s family and may be expected to influence, or be influenced by, the KMP in the KMP’s dealings with the Company;
- (4) a company the KMP controls; or
- (5) a person prescribed by regulations (As at the date of this notice, no additional persons have been prescribed by regulation).

Item 4(a) – (c): Ratification of issue of Shares

The Company will disregard any votes cast by or on behalf of the following persons in favour of the resolutions for Items 4(a) – (c):

- (1) any person who participated in the issue covered by the relevant resolution; or
- (2) any Associate of those persons.

However, the Company need not disregard a vote if:

- (3) it is cast by a person as proxy for a person who is entitled to vote on the relevant resolution, in accordance with the directions on the proxy form; or
- (4) it is cast by the chairperson of the meeting as proxy for a person who is entitled to vote on the relevant resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

Item 5: Approval of Employee Incentive Plan

The Company will disregard any votes cast by or on behalf of the following persons in favour of the resolution for Item 5:

- (1) any Director except one who is ineligible to participate in the Employee Incentive Plan or any other employee incentive scheme in relation to the Company; or
- (2) an Associate of those persons.

The Company will also disregard any votes cast on the resolution for Item 5 by or on behalf of a Prohibited Voter.

However, the Company need not disregard a vote if:

- (3) it is cast by a person as proxy for a person who is entitled to vote on the relevant resolution, in accordance with the directions on the proxy form; or
- (4) it is cast by the chairperson of the meeting as proxy for a person who is entitled to vote on the relevant resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

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Item 6: Grant of performance rights to Tomas Steenackers

The Company will disregard any votes cast by or on behalf of the following persons in favour of the resolutions for Item 6:

- (1) a Director (except a Director who is ineligible to participate in the Employee Incentive Plan); or
- (2) an Associate of those persons.

The Company will also disregard any votes cast on the resolution for Item 6 by or on behalf of a Prohibited Voter.

However, the Company need not disregard a vote if:

- (1) It is cast by a person as proxy for a person who is entitled to vote on the relevant resolution, in accordance with the directions on the proxy form; or
- (2) It is cast by the chairperson of the meeting as proxy for a person who is entitled to vote on the relevant resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

5. QUESTIONS AND COMMENTS BY SHAREHOLDERS AT OR BEFORE THE MEETING

In accordance with the Corporations Act, a reasonable opportunity will be provided for the shareholders at the meeting to ask questions and to make comments on Company matters that are the subject of the Meeting. Shareholders may direct questions during the meeting to the chairperson about the operations and management of the Company or to the Company's auditor about the content of the auditor's report and the conduct of the audit.

Questions can be emailed to companysecretary@nvcltd.com.au so that they are received not later than **11.00am (Brisbane Time) on 19 November 2018**.

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ITEM 1 – FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires that the report of the Directors, the report of the Auditors and the financial reports be presented to the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the Meeting.

ITEM 2 – REMUNERATION REPORT

The Corporations Act requires that the section of the report of the Directors' Report dealing with the remuneration of the Directors and other key management personnel (**Remuneration Report**) be put to the members for adoption by way of a non-binding vote.

The Remuneration Report may be found in the Annual Report.

Following consideration of the Remuneration Report, the chairperson will give shareholders a reasonable opportunity to ask questions about or make comments upon, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of the resolution for Item 2.

ITEM 3 – ELECTION OF DIRECTORS

The ASX Listing Rules and the Company's Constitution prescribe a process by which Directors regularly retire from office. Retiring Directors may offer themselves for election or re-election.

Pursuant to Listing Rule 14.5 and Clause 19.3 of the constitution of the Company, Dr Stephen Coles being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Dr Coles was last elected as a Director at the Company's 2016 Annual General Meeting.

A summary of Dr Cole's qualifications and experience appears below:

Dr Stephen Coles (*BVSc., MANZCVS., Dip AVDC., Cert AVDC ZWD*)

Independent Non-Executive Director appointed 5 February 2015. Member of the Audit & Risk Committee.

With 40 years' experience in the veterinary sector, Stephen is highly respected in the industry as a General Practitioner and Specialist in Veterinary Dentistry.

He is a Life Member of the Australian Veterinary Dental Society.

In 2017 Stephen was one of 14 world-wide inaugural inductees by examination to the Certificate of Zoo and Wildlife Dentistry by the American Veterinary Dental College and was also admitted to Melbourne Zoo's Hall of Fame in recognition of his long term Veterinary Dental Services to the Zoo.

His past roles include co-founder and director of Animal Hospitals of Australia, director at Melbourne Veterinary Specialist Centre and Executive Director and Operations and Acquisitions Manager Specialty and Emergency at Greencross Ltd.

The Board (other than Dr Coles) unanimously recommends that the Shareholders vote in favour of the resolution for Item 3.

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ITEM 4 – RATIFICATION OF ISSUE OF SHARES

The purpose of the resolutions in Item 4 is for Shareholders to approve, pursuant to Listing Rule 7.4 and for all other purposes, the issue of certain Shares by the Company (**Issues**). Details of the Issues are set out later in this Item.

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities, if the securities will, when aggregated with the securities issued by a company during the last 12 months, exceed 15% of the number of shares on issue at the commencement of that 12-month period.

One exception is where the issue of the securities was made with the approval of the holders of ordinary securities under Listing Rule 7.1 or 7.4.

Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 where:

- (a) the issue did not breach Listing Rule 7.1; and
- (b) the members subsequently approve it.

The Issues have already taken place, within the 15% limit prescribed by Listing Rule 7.1.

The approvals sought for the resolutions in Item 4, under Listing Rule 7.4, are effectively a retrospective approval or 'ratification' to refresh the Company's capacity to issue further Shares pursuant to Listing Rule 7.1, should there be a requirement to do so.

If Shareholders approve the resolutions in Item 4, the Company will have the flexibility to issue more Shares in the next 12 months without a requirement for Shareholder approval, if an opportunity arises which the Directors believe is in the best interests of the Company, and which they expect will create shareholder value. If Shareholders approve the resolutions in Item 4, the Issues will cease to use up part of the Company's 15% limit and would enable that proportion of the 15% limit to be used for a future issue of Shares, without a requirement for Shareholder approval.

If Shareholders do not approve the resolutions in Item 4, it will not invalidate the Issues as listed below.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

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In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the Issues:

<i>Item Number</i>	<i>Number of securities</i>	<i>Issue price of securities</i>	<i>Terms of securities issued</i>	<i>Basis for determining allottees and use of the funds raised by the issue</i>	<i>Persons to whom securities were issued</i>
4(a)	35,626 issued on 8 January 2018	The securities were issued as part consideration for the acquisition of Woodend Veterinary Centre with an agreed Share issue price of \$2.807 ¹ .	Shares ranking equally with all Shares on issue.	Allottees were entities associated with the sellers of Woodend Veterinary Centre. No funds were raised from the issue.	A & G Russell Pty Ltd <Russell Family A/C>
4(b)	75,035 issued on 15 January 2018	The securities were issued as part consideration for the acquisition of Dr Paws Delahey with an agreed Share issue price of \$2.932 ¹ .	Shares ranking equally with all Shares on issue.	Allottees were entities associated with the sellers of Dr Paws Delahey. No funds were raised from the issue.	A & G Russell Pty Ltd <Russell Family A/C>
4(c)	8,000,006 ³ issued on 19 September 2018	The securities were issued under a Share placement announced on 10 September 2018 at an issue price of \$2.25 ² per Share.	Shares ranking equally with all Shares on issue.	The Placement was offered to sophisticated, professional and institutional investors. \$18.00 million in cash was raised from the issue to be used to fund the acquisition of the Pet Doctors NZ Group.	Various sophisticated, professional and institutional investors determined by the Company.

¹ Shares were issued at a volume weighted average price which was calculated based on Shares sold on the ASX for the 10 consecutive trading days immediately prior to the issue date.

² The fixed issue price of \$2.25 per Share represented a 4.3% discount to the market price at close of trading on 7 September 2018.

³ The Placement resulted in the issue of 8,000,006 Shares or approximately 13.6% of the Company's total outstanding Shares on issue as at the announcement date of 10 September 2018.

The Board unanimously recommends that Shareholders vote in favour of the resolutions for Items 4(a) – 4(c).

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ITEM 5 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

As noted in the 2017 Annual General Meeting notice, during the 2017 financial year, an independent remuneration review was completed by remuneration consultants Crichton & Associates in relation to the Company's existing remuneration policies. One of the outcomes of that review was adoption by the Board of a new Employee Incentive Plan (**Plan**) to replace the Company's previous loan share incentive plan to better align the interests of key management personnel and employees to those of the Company and its shareholders.

Listing Rule 7.1 provides that, subject to certain exceptions, the Company may only issue up to 15% of the number of Shares on issue as at the date 12 months prior to the issue of new Shares without prior approval of Shareholders (**Placement Capacity**).

Listing Rule 7.2 exception 9 provides that Listing Rule 7.1 does not apply to the issue of securities by the Company under an employee incentive scheme if, within three years before the date of issue, shareholders approve the issue of securities under the scheme as an exception to that rule.

The purpose of the resolution in Item 5 is for Shareholders to approve for the first time that issues of securities under the Plan over the next three years will fall within the ASX Listing Rule exception and will not reduce the Company's Placement Capacity.

As at the date of this Notice of Meeting, there are 271,096 unvested performance rights on issue under the Plan.

A summary of the key terms of the Plan is set out below.

<i>Plan Terms/Conditions</i>	<i>Details</i>
Purpose	The purpose of the Plan is to encourage employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all employees.
Eligibility	Permanent employees or executive directors of the Company or any related body corporate of the Company.
Form of awards	Awards may be paid in the form of cash or equity (which may include Shares, rights, options or other securities). A right is a right to acquire a Share and can take the form of: <ul style="list-style-type: none">• Performance Rights, which, once issued, are subject to vesting conditions specified in the offer that must be satisfied before an award can be exercised or is no longer subject to forfeiture;• Service Rights, which, once issued, are subject to vesting conditions that relate only to the continued employment of the employee that must be satisfied before an award can be exercised or is no longer subject to forfeiture; and• Stock Appreciation Rights, which, once issued, and subject to exercise, entitles the holder to receive a payment from the Company (satisfied in cash and/or equity) broadly determined on the basis of the difference between fair market value of the right from the date of grant and the date of exercise of the right.
Offers of awards	The Company may, at the discretion of the Board, offer and issue awards to eligible employees. Each offer must be in writing, include an application if acceptance is required, and specify details of the offer including: <ul style="list-style-type: none">• the type of awards being offered;• the number of awards being offered;

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	<ul style="list-style-type: none"> • any vesting conditions for the awards; • the issue price and/or exercise price for the awards, or the manner in which the issue price and/or exercise price is to be determined; • the expiry date (if any); • any restriction period; • any other terms or conditions that the Board decides to include, which may include the terms and conditions of a clawback or other policy approved by the Board from time to time; and • any other matters required to be specified in the offer by either the Corporations Act or the Listing Rules.
Vesting and exercise of awards	<p>Awards will vest and become exercisable upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Plan.</p> <p>Vesting conditions may include performance conditions and/or service conditions, as determined by the Board. Vesting conditions may be waived at the absolute discretion of the Board (and subject to the terms of the award).</p>
Settlement of awards that have vested	<p>Vested awards may be settled by equity and/or cash as specified in the offer or as determined at the discretion of the Board.</p> <p>Rights issued under the Plan will not be quoted on the ASX and do not carry any dividend or voting rights prior to vesting.</p> <p>All Shares issued or transferred to a participant will be quoted on the ASX and will rank equally on and from the date of issue or transfer with all existing Shares then on issue.</p>
Forfeiture of awards	<p>Unless the Board determines otherwise, unvested awards will be forfeited if the vesting conditions in the offer are not satisfied.</p>
Award restrictions	<p>Subject to the Board determining otherwise, an award must not be sold, transferred or otherwise disposed of during the vesting period.</p> <p>The holders of awards are prohibited from entering into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested awards.</p> <p>Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.</p>
Change of control	<p>In the event of a change of control, the Board will determine in its absolute discretion the manner in which all unvested and vested awards will be dealt with, including with consideration to the nature and circumstances of the change in control.</p>
Adjustments	<p>Subject to the Listing Rules and applicable law, if the Company makes any new issue of securities or alterations to its capital by way of bonus issue or reorganisation of capital, the Board may in its absolute discretion make adjustments to an award as it sees fit with regard to the circumstances of the alteration to capital.</p>

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Plan limit	<p>The Company must only offer an award under the Plan in reliance on ASIC CO 14/1000 if it has reasonable grounds to believe that the number of underlying Shares that may be issued under the offer, and underlying Shares issued or that may be issued as a result of offers made at any time during the previous three year period under certain employee incentive schemes, will not exceed 5% of the total number of underlying Shares in that class on issue.</p> <p>In no circumstances will awards be granted under the Plan if it is an issue of securities that combined with all other outstanding employee share scheme interests would exceed 10% of the Company's then outstanding issued capital.</p>
Use of a share trust	<p>The Board may use a share trust or other mechanism for the purpose of holding Shares as relevant to the delivery of Shares on the exercise of any awards.</p>
Administration of the Plan	<p>The Plan will be administered by the Board. Any powers or discretions conferred on the Board by the Plan rules may be exercised by the Board (or its delegate) in its absolute discretion.</p>
Amendment of the Plan	<p>The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules and provided that no amendment to the Plan may be made which materially prejudices the rights of existing participants other than an amendment introduced primarily:</p> <ul style="list-style-type: none">• for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation or the Listing Rules;• to correct any manifest error or mistake; or• for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

Directors' recommendation

The Board (other than Tomas Steenackers) unanimously recommends that Shareholders vote in favour of the grant of Item 5.

ITEM 6 – GRANT OF PERFORMANCE RIGHTS TO TOMAS STEENACKERS UNDER THE EMPLOYEE INCENTIVE PLAN

Approval of the Long-Term Incentive (LTI) grant of Performance Rights to Tomas Steenackers

Item 6 seeks Shareholder approval for the granting of 115,011 Performance Rights to the CEO and Managing Director, Tomas Steenackers, under the Company's Employee Incentive Plan (**Plan, as detailed in Item 5**) subject to the terms and conditions of his 2018 LTI award invitation (**2018 LTI Award**).

Background to CEO Remuneration

Tomas Steenackers is the CEO and Managing Director of the Company.

The Company's remuneration strategy for Mr Steenackers comprises:

- total fixed remuneration (**TFR**), consisting of base salary, superannuation and other benefits;
- short-term incentives (**STI**) with a maximum opportunity of 75% of TFR; and
- LTI with a maximum opportunity of 75% of TFR.

The Board (other than Mr Steenackers) considers it appropriate to award Performance Rights to Mr Steenackers in recognition of the Company's growth, and Mr Steenackers' performance in the 2018 year.

The Company's Board (having assumed the responsibilities of the former Remuneration Committee) has concluded that the remuneration package for Mr Steenackers (including the proposed Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Steenackers' duties and responsibilities.

Explanatory Memorandum

Details of Mr Steenackers' remuneration entitlements for the financial year ended 30 June 2018 are set out in the Company's 2018 Annual Report.

Why Shareholder approval is being sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval given by ordinary resolution.

As Mr Steenackers is a Director, the purpose of Item 6 is to obtain Shareholder approval for the proposed grant of the 2018 LTI Award pursuant to the Plan.

2018 Performance Rights

For the purposes of the CEO's 2018 LTI Award, the Board (other than Mr Steenackers), subject to shareholder approval, proposes to grant 115,011 Performance Rights (**2018 Performance Rights**). Mr Steenackers' current TFR equates to \$343,500. Therefore his 2018 LTI Award value is \$257,625, being 75% of his TFR. The number of 2018 Performance Rights is determined by dividing the 2018 LTI Award value (\$257,625) by the volume weighted average (**VWAP**) of the Company's Shares for the 5 trading days immediately prior to the release of the annual financial statements for the year ended 30 June 2018. The Company's 2018 financial statements were released on 24 August 2018. The 5-day VWAP was calculated to be \$2.24 per Share. Therefore, the number of Performance Rights to be offered to Mr Steenackers under the 2018 LTI Award was calculated to be 115,011 (\$257,625 divided by \$2.24).

Subject to Shareholder approval, it is anticipated that the 2018 Performance Rights will be granted to Mr Steenackers shortly after the AGM to coincide with the issue of long term incentive grants to other Company executives. Irrespective of these intentions, if this resolution is approved the 2018 Performance Rights will be issued within 12 months of the date of this Meeting.

No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights.

Conditions and Important Dates

The Vesting Date for the 2018 Performance Rights will be 31 October 2021, subject to meeting the Vesting Conditions (set out below). The 2018 Performance Rights will expire on 30 November 2021, if not lapsed or forfeited earlier.

Vesting Conditions

The number of 2018 Performance Rights which will vest in accordance with the Plan Rules and the 2018 LTI Award invitation is dependent on, and subject to, satisfaction of the following conditions (together, the **Vesting Conditions**):

- **Service Condition** – continuous employment with the Company from the grant date until the Vesting Date; and
- **Performance Condition** – the Company's Earnings Per Share (**EPS**) achieves the EPS Cumulative Compound Annual Growth Rate (**CAGR**) hurdle as set out in the following table:

EPS Cumulative CAGR over the three financial years ending 30 June 2021	% of Performance Rights to vest
Less than 10% per annum	None
Between 10% and 15% per annum	50% - 100% on a straight-line basis
At least 15% per annum	100%

Calculation of the EPS cumulative CAGR result will be based on the cumulative EPS results for the three financial years from 1 July 2018 to 30 June 2021, using the EPS results for the financial year ended 30 June 2018 as the base year of 10.63 cents per Share.

The EPS results to be used to calculate the EPS Cumulative CAGR will be the Basic EPS recorded in the Company's audited financial statements in the relevant years. The Basic EPS may be adjusted for items which the Board, in its discretion, considers should be excluded from the EPS result (such as items of a one-off and non-recurring nature).

Any Performance Rights which fail to meet the relevant Vesting Conditions before the relevant Vesting Date shall immediately lapse. There will be no re-testing.

Explanatory Memorandum

Information relevant to the 2018 Performance Rights

Maximum number of Performance Rights to be issued to Mr Steenackers

If Shareholder approval is granted, the maximum number of Performance Rights to be granted to Mr Steenackers under his 2018 LTI Award is 115,011 Performance Rights. Each vested Performance Right entitles Mr Steenackers to acquire one Share.

Price of Performance Rights

The Performance Rights will be granted at no cost to Mr Steenackers. Once the performance and service conditions are met (or waived), the Performance Rights will be exercisable at the applicable Exercise Price.

The Exercise Price for the Performance Rights is nil.

Importantly, no value will be received by Mr Steenackers if the Performance Rights lapse prior to the relevant Vesting Date.

The 'fair value' of the Performance Rights for accounting purposes will be determined at the grant date of the Performance Rights and the value expensed over the relevant service periods after taking account of any market and non-market vesting conditions, in accordance with AIFRS-2.

Number of equity incentives issued under the Plan and persons entitled to participate in the Plan

Mr Steenackers is the only Director eligible to be granted Performance Rights under the Plan. No other person who requires approval to participate in the Plan under Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.

As at the date of this Notice, there are 271,096 unvested Performance Rights issued under the Plan (including 251,882 Performance Rights issued to Mr Steenackers as approved by Shareholders at the Company's 2017 Annual General Meeting).

Other Conditions of the Plan

Termination of employment: If Mr Steenackers ceases employment before the vesting conditions are satisfied the number of Performance Rights available to be exercised will be determined by the Board in their absolute discretion depending on the circumstances of Mr Steenackers' termination.

Other conditions and details of the Plan are outlined in Item 5.

Other Information

- Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.
- If, in the Board's opinion, Mr Steenackers has acted fraudulently or dishonestly or is in breach of his material obligations to the Company, the Board may determine that any or all of the Performance Rights which have not yet vested, lapse.
- Details of any Performance Rights granted to Mr Steenackers (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under Listing Rule 10.14.
- Additional persons:
 - who became entitled to participate in the Plan after this resolution is approved;
 - who were not named in this notice of meeting; and
 - who are directors of the Company, associates of a director of the Company or persons to whom ASX considers this criteria should apply,

will not participate in the Plan until approval is obtained under Listing Rule 10.14.

Explanatory Memorandum

If Shareholders do not approve Item 6

The Board (other than Mr Steenackers) considers that making Mr Steenackers' LTI awards as described above is an important mechanism by which to incentivise performance.

If Shareholders do not approve Item 6 to allow a future exercise of the Performance Rights to be settled by the issue of new shares in the Company, it is intended that a future exercise of those Performance Rights will be settled by the acquisition of Shares purchased on-market, subject to the same performance, service, vesting and other conditions as described in this Notice, to ensure that Mr Steenackers is entitled to participate in the LTI program for the 2018 year.

Directors' recommendation

The Board, other than Mr Steenackers, considers the grant of the 2018 Performance Rights to Mr Steenackers to be appropriate in all circumstances and unanimously recommends that Shareholders vote in favour of the grant of Item 6.

Glossary

In the Notice and Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

AGM, Annual General Meeting or Meeting	The Annual General Meeting of Shareholders of the Company or any adjournment thereof, convened in accordance with the Notice.
Associate	Has the meaning given to that term by sections 12 and 16 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chair	The chair of the Board.
Company or NVL	National Veterinary Care Ltd ACN 166 200 059.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company from time to time.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Meeting	The notice of Annual General Meeting which accompanies the Explanatory Memorandum.
Proxy Form	The proxy form accompanying the Notice.
Share	A fully paid ordinary Share in the Company.
Shareholder	A registered holder of a Share.



National
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Care

Excellence
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ACN 166 200 059

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
National Veterinary Care Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of National Veterinary Care Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Brisbane time) on Wednesday, 21 November 2018 at The Brisbane Club, 241 Adelaide Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 5 and 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

Resolutions	For	Against	Abstain*		For	Against	Abstain*
2 REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4c RATIFICATION OF ISSUE OF 8,000,006 SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 RE-ELECTION OF DIRECTOR - DR STEPHEN COLES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 APPROVAL OF EMPLOYEE INCENTIVE PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a RATIFICATION OF ISSUE OF 35,626 SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 GRANT OF PERFORMANCE RIGHTS TO TOMAS STEENACKERS UNDER THE EMPLOYEE INCENTIVE PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b RATIFICATION OF ISSUE OF 75,035 SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

NVL PRX1801C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Brisbane time) on Monday, 19 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

National Veterinary Care Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**