ABAXIS INC
Form 10-K/A
July 30, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2018

Or

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 000-19720

ABAXIS, INC.

(Exact name of registrant as specified in its charter)

California	77-0213001
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3240 Whipple Road, Union City, California	94587
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (510) 675-6500
Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of Each Exchange on Which Registered
Common Stock, no par value	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the voting stock held by non-affiliates of Abaxis as of September 30, 2017, the last business day of the second fiscal quarter, based upon the closing price of such stock on the Nasdaq Global Select Market on September 30, 2017, was $569,936,000. For purposes of this disclosure, 9,926,000 shares of common stock held by persons who hold more than 10% of the outstanding shares of the registrant's common stock and shares held by executive officers and directors of the registrant have been excluded because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily conclusive for any other purpose.

As of May 25, 2018, there were 22,871,000 shares of the registrant's common stock outstanding.

ABAXIS, INC.
EXPLANATORY NOTE

Abaxis, Inc., or Abaxis, is filing this amendment, or the Amendment, to its Annual Report on Form 10-K, for the fiscal year ended March 31, 2018, as filed with the Securities and Exchange Commission, or SEC, on May 30, 2018, which we refer to as the Original 10-K. This Amendment is filed solely for the purpose of including the information required by Part III of Form 10-K.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, in connection with this Amendment, Abaxis' Chief Executive Officer and Chief Financial Officer are providing Exchange Act Rule 13a-14(a) certifications as included herein. Accordingly, Item 15 of Part IV has also been amended to reflect the filing of these new certifications.

Except as described above, this Amendment does not modify or update disclosure in, or exhibits to, the Original 10-K. Furthermore, this Amendment does not change any previously reported financial results, nor does it reflect events occurring after the date of the Original 10-K. Information not affected by this Amendment remains unchanged and reflects the disclosures made at the time the Original 10-K was filed.

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Abaxis, Inc.
Annual Report on Form 10-K/A
For The Fiscal Year Ended March 31, 2018

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth information concerning Abaxis' executive officers and directors as of May 31, 2018.

Name	Age	Title
Clinton H. Severson	70	Chairman of the Board and Chief Executive Officer
Vernon E. Altman(1)(3)	72	Director
Richard J. Bastiani, Ph.D.(1)(2)(3)	75	Director
Michael D. Casey(1)(2)(3)	72	Director
Henk J. Evenhuis(1)(3)	75	Director
Prithipal Singh, Ph.D.(1)(2)(3)	79	Director
Kenneth P. Aron, Ph.D.	65	Chief Technology Officer
Achim Henkel	60	Managing Director of Abaxis Europe GmbH
Ross Taylor	54	Chief Financial Officer, Vice President of Finance and Secretary
Craig M. Tockman, DVM	58	Vice President of Animal Health Sales and Marketing for North America
Donald P. Wood	66	President and Chief Operating Officer

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Nominating and Corporate Governance Committee

Clinton H. Severson has served as our Chief Executive Officer and one of our directors since June 1996. He was appointed Chairman of the Board in May 1998. From June 1996 until April 2015, Mr. Severson also served as our President. From February 1989 to May 1996, Mr. Severson served as President and Chief Executive Officer of MAST Immunosystems, Inc., a privately-held medical diagnostic company. Since January 2015, Mr. Severson has served on the Board of Directors of Cutera. Since June 2011, Mr. Severson has served on the Board of Directors of Response Biomedical Corporation. From November 2008 to November 2016, Mr. Severson served on the Board of Directors of Trinity Biotech, a biotechnology company, prior to its acquisition. From November 2006 to February 2012, Mr. Severson served on the Board of Directors of CytoCore, Inc., a biotechnology company. Mr. Severson is also a member of the Board of Directors of two privately-held companies. Mr. Severson was selected as a director because of his in-depth knowledge of our operations, financial condition and strategy in his position as our Chief Executive Officer, as well as his extensive senior management experience in medical diagnostics and experience serving on the Boards of Directors of various public and private companies.

Vernon E. Altman joined the Board in April 2011 and has served as our lead independent director since April 2014. Mr. Altman joined the founding group to start Bain & Company, a global business consulting firm, in 1973 and through May 2018 served as Senior Advisor of Bain & Company. Mr. Altman is Chairman of the Board of Directors of Vobile, Inc. He also served on the Board of Directors of Napster, Inc. prior to its acquisition. Mr. Altman was selected to serve as director because of his vast array of experiences in many different industry segments, including operational, executive leadership and board experience.

Richard J. Bastiani, Ph.D. joined the Board in September 1995. Dr. Bastiani is currently retired. Dr. Bastiani was President of Dendreon, a biotechnology company, from September 1995 to September 1998. From 1971 until 1995, Dr. Bastiani held a number of positions with Syva Company, a diagnostic company, including as President from 1991 until Syva was acquired by a subsidiary of Hoechst AG of Germany in 1995. From 2007 to 2011, Dr. Bastiani served as Chairman of the Board of Directors of Response Biomedical Corporation. From 1998 to 2005, Dr. Bastiani served as Chairman of the Board of Directors of ID Biomedical Corporation, after he was appointed to the Board of Directors of ID Biomedical Corporation in October 1996. Dr. Bastiani is also a member of the Board of Directors of three privately-held companies. Dr. Bastiani was selected as a director because of his extensive leadership experience with biotechnology companies and his in-depth knowledge of our business, strategy and management team, as well as his experience serving as Chairman of the Compensation Committee and on the Boards of Directors of various public and private companies.

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Michael D. Casey joined the Board in October 2010. Mr. Casey is currently retired. From September 1997 to February 2002, Mr. Casey served as the Chairman, President, Chief Executive Officer and a director of Matrix Pharmaceutical, Inc., a biotechnology company. From November 1995 to September 1997, Mr. Casey was Executive Vice President at Schein Pharmaceutical, Inc., a biotechnology company. From December 1996 to September 1997, he also served as President of the retail and specialty products division of Schein Pharmaceutical, Inc. From June 1993 to November 1995, he served as President and Chief Operating Officer of Genetic Therapy, Inc., a biotechnology company. Mr. Casey was President of McNeil Pharmaceutical (a unit of Johnson & Johnson) from 1989 to June 1993 and Vice President, Sales and Marketing for Ortho Pharmaceutical Corp. (a subsidiary of Johnson & Johnson) from 1985 to 1989. Mr. Casey has served on the Board of Directors of Celgene Corporation since 2002. Mr. Casey previously served on the Board of Directors of AVI Biopharma, Inc. (now known as Sarepta Therapeutics, Inc.) from 2006 to 2010, Allos Therapeutics, Inc. from 2002 to 2010, Cholestech Corporation from 2001 to 2007, OrthoLogic Corporation from 2004 to 2007, Sicor, Inc. from 2002 to 2004, Bone Care International, Inc. from 2001 to 2005 and Durect Corp. from 2004 to 2013. Mr. Casey was selected to serve as director because of his extensive industry knowledge and experience, including operational, leadership and board experience from his executive positions at pharmaceutical and biotechnology companies.

Henk J. Evenhuis joined the Board in November 2002. Mr. Evenhuis is currently retired. Mr. Evenhuis served as Executive Vice President and Chief Financial Officer of Fair Isaac Corporation, an analytic software company, from October 1999 to October 2002. From 1987 to 1998, he was Executive Vice President and Chief Financial Officer of Lam Research Corporation, a semiconductor equipment manufacturer. He served on the Board of Directors of Credence Systems Corporation from 1993 to 2008. Mr. Evenhuis was selected as a director because of his financial expertise and prior senior leadership experience as a Chief Financial Officer at global technology companies, as well as his experience serving on the boards of various public companies, which provides a strong foundation to serve as Chairman of the Audit Committee.

Prithipal Singh, Ph.D. joined the Board in June 1992. Dr. Singh is currently retired. Prior to retiring, Dr. Singh was the Founder, Chairman and Chief Executive Officer of ChemTrak Inc., a manufacturer of medical diagnostic equipment, from 1988 to 1998. Dr. Singh was an Executive Vice President of Idetec Corporation, an animal health care company, from 1985 to 1988 and a Vice President of Syva Corporation, a diagnostic company, from 1977 to 1985. Dr. Singh was selected as a director because of his insight and experience with biotechnology companies through his prior executive leadership and management positions.

Kenneth P. Aron, Ph.D. has served as our Chief Technology Officer since April 2008. Dr. Aron joined us in February 2000 as Vice President of Research and Development. From April 1998 to November 1999, Dr. Aron was Vice President of Engineering and Technology of Incyte Pharmaceuticals, a genomic information company. From April 1996 to April 1998, Dr. Aron was Vice President of Research, Development and Engineering for Cardiogenesis Corporation, a manufacturer of laser-based cardiology surgical products.

Achim Henkel has served as the Managing Director of our subsidiary, Abaxis Europe GmbH, since its incorporation in 2008. From January 2000 to June 2008, Mr. Henkel served as our Sales and Marketing Manager for Europe, the Middle East and Africa. Starting in October 2014, Mr. Henkel has also served as our Sales and Marketing Manager for Asia. From January 1998 to December 2000, Mr. Henkel served as a consultant to Abaxis.

Ross Taylor has served as our Chief Financial Officer, Vice President of Finance and Secretary since August 2015. Mr. Taylor joined us in October 2014 as Vice President of Business Development and Investor Relations. From 2005 to 2014, Mr. Taylor served as Senior Vice President, Equity Research Analyst at CL King & Associates, an investment banking firm.

Craig M. Tockman, DVM has served as our Vice President of Animal Health Sales and Marketing for North America since April 2014. Dr. Tockman joined in June 2006 as Director of Professional Services and was promoted to Director of Field Operations in October 2013. From 2003 to 2006, Dr. Tockman served on Abaxis' Advisory Board since he joined in 2003 as a founding member.

Donald P. Wood has served as our President and Chief Operating Officer since April 2015. Mr. Wood joined us in October 2007 as Vice President of Operations, served as Chief Operations Officer from April 2009 to April 2014 and served as Chief Operating Officer from April 2014 to April 2015. From April 2003 to September 2007, Mr. Wood was the Vice President of Operations of Cholestech Corporation, a medical products manufacturing company that was subsequently acquired by Inverness Medical Innovations, Inc. in September 2007. From July 2001 to March 2003, Mr. Wood served as Vice President of Bone Health, a business unit of Quidel Corporation, a manufacturing and marketer of point-of-care diagnostics, and was responsible for Bone Health Product Operations, Device Research and Development, and Sales and Marketing. He also served as Quidel's Vice President of Ultrasound Operations from August 1999 to July 2001. From July 1998 to August 1999, Mr. Wood was the Director of Ultrasound Operations for Metra Biosystems Inc., a developer and manufacturing company of point-of-care products for osteoporosis, prior to Quidel's acquisition of Metra Biosystems Inc.

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Term and Number of Directors

All of our directors hold office until the next annual meeting of shareholders of Abaxis and until their successors have been elected and qualified. Our Bylaws authorize our Board of Directors to fix the number of directors at not less than four nor more than seven. The number of authorized directors of Abaxis is currently six.

Each of our executive officers serves at the discretion of the Board of Directors. There are no family relationships among any of our directors or executive officers.

Identification of Audit Committee and Financial Expert

The Audit Committee of the Board of Directors oversees Abaxis' corporate accounting, financial reporting process and systems of internal control and financial controls. The following outside directors comprise the Audit Committee: Mr. Evenhuis, Mr. Altman, Dr. Bastiani, Mr. Casey, and Dr. Singh. Mr. Evenhuis serves as Chairman of the Audit Committee.

The Board has determined that all members of the Audit Committee are independent (based on the requirements for independence set forth in Rule 4350(d)(2)(A)(i) and (ii) of the Nasdaq listing standards). SEC regulations require Abaxis to disclose whether a director qualifying as an "audit committee financial expert" serves on the Audit Committee. The Board of Directors has determined that Mr. Evenhuis qualifies as an "audit committee financial expert," as defined in applicable SEC rules. The Board of Directors made a qualitative assessment of Mr. Evenhuis' level of knowledge and experience based on a number of factors, including his formal education and experience as a chief financial officer for public reporting companies.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of our equity securities to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such persons.

Based solely on our review of the copies of Forms 3, 4 and 5 and amendments thereto received by us or filed with the SEC, we believe that during the period from April 1, 2017 through March 31, 2018, our executive officers, directors and greater than 10% shareholders complied with all applicable filing requirements applicable to these executive officers, directors and greater than 10% shareholders, except with respect to two late Form 4 filings by Dr. Kenneth Aron and Craig Tockman.

Code of Business Conduct and Ethics

Abaxis has adopted a Code of Business Conduct and Ethics that applies to all of our executive officers, directors and employees, including without limitation our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Code of Business Conduct and Ethics is available on our website at www.abaxis.com under "About Us" at "Code of Conduct and Ethics." We intend to disclose any amendment to, or waiver of, any provision of the Code of Business Conduct and Ethics by disclosing such information on our website, to the extent required by the applicable rules and exchange requirements.

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Item 11. Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the principles underlying the material components of our fiscal 2018 executive compensation program for our executive officers, including the Named Executive Officers in the "Summary Compensation Table." We also provide an overview of the overall objectives of the program and the factors relevant to an analysis of these policies and decisions. For the fiscal year ended March 31, 2018, our "Named Executive Officers" and their respective titles are as follows:

- Clinton H. Severson, Chief Executive Officer and Chairman of the Board ("CEO")
- Ross Taylor, Chief Financial Officer, Vice President of Finance and Secretary
- Kenneth P. Aron, Ph.D., Chief Technology Officer
- Craig M. Tockman, DVM, Vice President of Animal Health Sales and Marketing for North America
- Donald P. Wood, President and Chief Operating Officer

Recent Developments - Merger with Zoetis

On May 15, 2018, we entered into a definitive agreement with Zoetis Inc., a Delaware corporation ("Zoetis"), and Zeus Merger Sub, Inc., a California corporation and an indirect wholly-owned subsidiary of Zoetis ("Merger Sub"), pursuant to which, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving entity and indirect wholly-owned, subsidiary of Zoetis (the "Merger"). As a result of the Merger, each share of common stock, no par value, of the Company issued and outstanding immediately prior to the effective time of the Merger (other than shares, if any, held by the Company, Zoetis, Merger Sub or any of their subsidiaries and shares with respect to which dissenters rights have been properly demanded in accordance with the Corporations Code of the State of California) will be converted into the right to receive $83.00 in cash, without interest, per share. The Merger is subject to the satisfaction or waiver of various closing conditions, including the approval of the Merger by the Company's shareholders.

For additional details regarding the Merger and a description of the interests of our Named Executive Officers in the Merger and the compensation that may be payable to our Named Executive Officers in connection with the Merger, please refer to our Definitive Proxy Statement on Schedule 14A filed with the SEC on June 27, 2018, as amended (the "Merger Proxy Statement").

Executive Summary

The Compensation Committee establishes the philosophy, approves the design of, and administers our executive compensation programs. We strive to provide a competitive compensation package to our executives that ties a significant portion of pay to performance and uses components that align the interests of our executives with those of shareholders. The Compensation Committee believes our executive compensation program reflects a strong pay-for-performance philosophy and is well-aligned with the short- and long-term interests of shareholders.

Executive Compensation Highlights

The key executive compensation decisions taken by our Compensation Committee during fiscal 2018 with respect to Named Executive Officer compensation were as follows:

Adjustments to Elements of Compensation: We made no increases to the Named Executive Officers' fiscal 2018 base salaries, target bonuses or PSU and RSU awards. We decreased the size of the annual PSU award to our CEO as compared to fiscal 2017.

Total Compensation Mix: We continued to deliver a substantial portion of our Named Executive Officer compensation in the form of variable, at-risk pay, structuring approximately 83%-86% of our Named Executive Officer target total direct compensation (base salary, target bonus and long-term equity awards based on grant date fair value) in the form of variable, at-risk compensation (target bonus and long-term equity awards).

Performance Bonus: We established rigorous performance metrics at the beginning of fiscal 2018 based on two financial metrics key to shareholder value and a specific calculation methodology for the Named Executive Officers' fiscal 2018 cash incentive bonus requiring achievement of 90% of target goals for any payout to occur. The target goals for fiscal 2018 were satisfied at an aggregate performance level of 98.5%, (97.7% in the case of Mr. Tockman, whose goals differed from the other Named Executive Officers as a result of his role) and each of the Named Executive Officers earned a cash bonus payout of 92.5% (87.5% for Mr. Tockman) of his annual target based on such performance achievement. No discretionary annual bonuses were awarded.

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Equity Incentive Awards: We structured a significant portion (approximately 65% for our CEO and 64% for our other Named Executive Officers) of annual equity incentive awards in the form of PSU awards that vest based on achievement of a specified corporate performance goal, in addition to continued service over a four-year period. The fiscal 2018 performance goals for PSU awards were achieved. The Named Executive Officers' annual equity incentive awards that do not vest based on specific performance goal achievement are delivered in RSUs that vest over a four-year period subject to the officers' continued service, but are structured so the vesting is heavily weighted towards the end of such period, with 70% vesting only if the officer remains continuously in service with us for four years.

Executive Compensation Program Overview

Overview

The goals of our executive compensation program are to attract, retain, motivate and reward executive officers who contribute to our success and to incentivize these executives on both a short-term and long-term basis to achieve our business objectives. This program combines cash and equity awards in the forms and proportions that we believe will motivate our executive officers to increase shareholder value over the long term.

Our executive compensation program is designed to achieve the following specific objectives:

- align our executive compensation with achievement of our strategic business objectives;
- align the interests of our executive officers with both short-term and long-term shareholder interests; and
- place a substantial portion of our executives' compensation at risk such that actual compensation depends on overall company performance.

Executive Compensation Program Objectives and Framework

For fiscal 2018, the principal elements of our executive compensation program are summarized in the following table and described in detail in "Executive Compensation Components" below.

Compensation Element	Description and Purpose	Key Features
Base Salary (fixed cash)	To provide a minimum fixed level of cash compensation that reflects fulfillment of day-to-day responsibilities, skills and experience.	Annual adjustments are based on both qualitative and quantitative factors such as: job level, responsibilities and prior experience and expertise, individual performance, future potential and competitive market practice and internal equity. Reviewed annually for appropriate competitive range that is generally consistent with or below the median levels at peer companies.
Annual Cash Incentive Bonus (at-risk cash)	To incentivize and reward contributions of executive officers in achieving strong financial, operating and strategic objectives during the fiscal year by meeting or exceeding the established goals.	Amount of bonus compensation payout is based on a pre-determined formula that includes achievement of specified revenue and income before tax provision goals. Target bonus opportunities are typically set to be above the median of targets at peer companies.

To ensure a strong pay-for-performance culture, as payout is based on performance goals and not guaranteed. To best align the interests of our executive officers with that of shareholders, represents the largest portion of total target cash compensation.	Performance goals are set and approved by the Compensation Committee in the first quarter of each year. Bonus payouts are capped at 200% of target.

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Compensation Element	Description and Purpose	Key Features
Long-Term Equity Compensation	To ensure strong performance, promote retention and align our executives' long-term interests with shareholders' long-term interests by ensuring that incentive compensation is linked to our long-term company performance. To further link executive officers' interests with those of our shareholders, as all equity compensation is paid in, and valued dependent upon the trading price of shares of, Abaxis stock.	Equity awards are typically granted in amounts above the median of equity awards at peer companies, as the majority of these awards are earned only if key performance goals are achieved and our executive officers remain in the service of Abaxis for the long term. The size and composition of long-term incentive awards are determined annually by the Compensation Committee taking into account competitive total direct compensation pay positioning guidelines using market reference data to a compensation peer group, along with the individual executive officer's level of responsibilities, ability to contribute to and influence our long-term results and individual performance.
Time-Based Restricted Stock Units (RSUs)	RSUs promote stability and retention of our executive officers over the long term as the equity award gives our executive officers the right to receive shares of Abaxis on a specified future date, subject to vesting based on their continued service with us. To align the interests of executive officers and shareholders as executive officers will realize a higher value from RSUs from an increasing stock price.	In fiscal 2018, RSUs represented approximately 35%-36% of an executive officer's annual long-term incentive opportunity based on the value of the awards as reported in the Summary Compensation Table. RSUs vest annually over a four-year service period which is heavily weighted to the fourth anniversary of the date of grant, subject to an executive officer's continued service through such date. Paid out in shares of Abaxis common stock upon vesting.
Performance-Based Restricted Stock Units (PSUs)	PSUs give the recipient the right to receive shares of Abaxis stock on a specified future date, subject to vesting based on achievement of annual Company performance goals and continued service with us. To further align the interests of executive officers and shareholders as executive officers will realize value from PSUs only if performance goals are achieved and if so, will realize a higher value from PSUs from an increasing stock price.	In fiscal 2018, PSUs represented approximately 64%-65% of an executive officer's annual long-term incentive opportunity based on the value of the awards as reported in the Summary Compensation Table. PSUs vest upon achieving annual financial targets and subject to an executive officer continued service through the third and fourth anniversary of the date of grant. Paid out in shares of Abaxis common stock upon vesting, with the payout ranging from 0% to 100% of award, depending on the extent to which the predetermined performance goals have been achieved.

We also offer our executive officers participation in our 401(k) plan, health care insurance, flexible spending accounts and certain other benefits available generally to all full-time employees.

Executive compensation is reviewed annually by our Compensation Committee and Board of Directors, and adjustments are made to reflect our objectives and competitive conditions. Our executive compensation review process includes our Compensation Committee engaging an independent compensation consulting advisor annually to provide it with advice regarding executive officer compensation (including base salaries, performance bonuses and long-term equity compensation, as needed), to advise on other matters as may be required (see "Compensation-Setting Process—Competitive Market Analysis" below) and to assess compensation market practices by reference to a compensation peer group developed by our independent executive compensation advisor. Additionally, the Board of Directors and/or our Compensation Committee, with the assistance of outside counsel, annually reviews our equity incentive plans prior to the granting of any equity incentive awards to executive officers, to ensure compliance therewith. All of our equity awards granted to our executive officers during fiscal 2018 were granted under and subject to the terms of our 2014 Equity Incentive Plan as amended from time to time, or the 2014 Plan, which originally became effective in October 2014 and was last approved by our shareholders in October 2016.

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Pay-for-Performance Philosophy

Our executive compensation is weighted heavily toward at-risk, performance-based compensation designed to align the interests of our Named Executive Officers with those of our shareholders. Annual cash incentive bonus and equity incentive awards (in the form of RSUs and PSUs) comprise a significant portion of the Named Executive Officers' total compensation. Based on our fiscal 2018 financial plan, the Compensation Committee sets the performance metrics and establishes target compensation at the beginning of the performance period. Performance goals for the annual cash incentive bonus and PSUs are set to be rigorous, requiring significant performance achievement, and payout is capped at 2x target (for the annual cash incentive bonus) and 1x target (for PSUs).

Performance-Based Cash Bonus

The fiscal 2018 corporate performance metrics and specific financial targets for the Named Executive Officers to earn a cash bonus payout were as follows:

Performance Metric (and Weighting)	Target Performance Goal	Achievement Threshold (1)	Actual Achievement as a Percentage of Target	Payout Percentage (2)
Revenues (50% Weight)				
• Revenues worldwide (3)	$250.6 million	90 %	98 %	90 %
• Revenues for North America veterinary market and revenues from Latin America and the U.S. Government (4)	$169.3 million	90 %	96 %	80 %
Income from continuing operations before income tax provision (50% Weight) (5)	$44.3 million	90 %	99 %	95 %

(1) "Threshold" refers to the minimum level of achievement of the target performance goal necessary to earn any bonus payout under the plan.

(2) The bonus payout percentage depends on the level of the performance metric achieved over the threshold. Additional information on bonus payment calculation is described in "Executive Compensation Components - Annual Cash Incentive Bonus—Bonus Calculations."

(3) Revenues target for the Named Executive Officers (other than Dr. Tockman) were based on revenues worldwide.

(4) Revenues target for Dr. Tockman was based on revenues for the North America veterinary market and from Latin America and the U.S. Government.

(5) Actual achievement and the resulting payout percentage figures above reflect exclusion of expenses related to due diligence and legal expenses that occurred in connection with Zoetis' acquisition of Abaxis from November 2017 to January 2018, pursuant to the terms of our management incentive plan for fiscal 2018, thereby increasing actual fiscal 2018 income from continuing operations before income tax provision by $0.6 million.

Annual cash incentive bonuses for our Named Executive Officers in fiscal 2018 were contingent on the achievement of the specified corporate performance goals described above. As further described under "Executive Compensation Components—Annual Cash Incentive Bonus—Bonus Calculations," the Compensation Committee determined that the pre-determined revenues and income from continuing operations before income tax provision goals for fiscal 2018 were satisfied at an aggregate performance level of 98% (96% in the case of the revenues target for Dr. Tockman) and

99%, respectively, and therefore, each of Mr. Severson, Mr. Taylor, Dr. Aron and Mr. Wood earned 92.5% of his target annual bonus award for fiscal 2018 and Mr. Tockman earned 87.5% of his target annual bonus award for fiscal 2018.

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Performance-Based Equity Incentive Awards

The PSUs granted to our Named Executive Officers in fiscal 2018 vested based on (1) achieving a specified financial goal over a single-fiscal year performance period and (2) the executive officer remaining in the service of Abaxis over a four-year vesting period. The specific fiscal 2018 financial goal and vesting schedule for the PSUs granted to our Named Executive Officers were as follows:

Performance Metric (and Weighting)	Performance Goal	Performance-Based Vesting Schedule	Service-Based Vesting Date
Income from continuing operations before income tax provision	$39.9 million	• Achievement > performance goal, 50% vest	May 1, 2020
		• Achievement > performance goal, 50% vest	May 1, 2021

For fiscal 2018, the Compensation Committee determined that our actual performance and corresponding vesting percentage, with respect to the performance goal were as follows:

Performance Metric (and Weighting)	Actual Performance	Actual Performance as a Percentage of Performance Goal	Actual Performance Criteria Vesting Percentage
Income from continuing operations before income tax provision	$43.4 million	109%	100%

(1) Actual achievement and the resulting payout percentage figures above does not include any adjustments since the achieved criteria exceeded the performance goal of $39.9 million.

In April 2018, the Compensation Committee determined that the income from continuing operations before income tax provision for fiscal 2018 was above 100% of the performance goal required to vest, and accordingly, the performance criteria based on the PSU financial goal was achieved during fiscal 2018, and therefore each executive officer became eligible to earn his fiscal 2018 PSU award if he satisfies the additional service criteria for the award to vest.

Significant At-Risk Compensation

We continue to deliver a significant portion of our executive officer compensation in the form of variable, at-risk pay in furtherance of our pay-for-performance philosophy. The charts below illustrate the fiscal 2018 target total direct compensation pay mix, comprised of base salary, target bonus opportunity under the fiscal 2018 cash bonus incentive plan and actual fiscal 2018 long-term incentive awards (presented using their grant date fair values as computed in accordance with Accounting Standards Codification 718, or ASC 718) for the Chief Executive Officer and other Named Executive Officers. As illustrated below, approximately 85% of our Chief Executive Officer's and our other Named Executive Officers' total target direct compensation was variable and at-risk (consisting of target cash incentive bonus and long-term equity awards, presented using their grant date fair value and incremental fair value, as calculated in accordance with ASC 718).

Fiscal 2018 CEO
Target Total Direct Compensation Pay Mix

Fiscal 2018 Named Executive Officers' (other than CEO)
Target Total Direct Compensation Pay Mix

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As shown in the above charts, for fiscal 2018, we structured approximately 64% of our Chief Executive Officer's target total direct compensation and approximately 58% for the other Named Executive Officers' target total direct compensation in the form of long-term incentive awards, the actual economic value of which will depend directly on our long-term success and the performance of our stock price over the period during which the awards vest.

The following charts illustrate the mix of non-performance-based equity compensation (RSUs) and performance-based equity compensation (PSUs) awarded to our Chief Executive Officer and our other Named Executive Officers, for fiscal 2018, based on the grant date of the RSUs and PSUs awarded, as calculated in accordance with ASC 718.

Fiscal 2018 CEO
Target Equity Compensation Mix

Fiscal 2018 Named Executive Officers' (other than CEO)
Target Equity Compensation Mix

As shown in the above charts, the equity awards granted to our Named Executive Officers are heavily weighted toward PSUs, which will only be eligible to vest if the specified performance goal and a four-year service period are met.

Compensation-Setting Process

Role of Our Compensation Committee

Our Compensation Committee, which operates under a written charter adopted by the Board of Directors, is primarily responsible for reviewing and recommending to the Board of Directors the compensation arrangements for our executive officers for approval by the Board of Directors. In carrying out these responsibilities, the Compensation Committee reviews all components of executive officer and director compensation for consistency with the Compensation Committee's compensation philosophy as in effect. In connection with its review and recommendations, our Compensation Committee also considers the recommendations of our Chief Executive Officer, Mr. Severson, regarding the compensation of our executive officers who report directly to him. These recommendations generally include annual adjustments to compensation levels and an assessment of each executive officer's overall individual contribution, scope of responsibilities and level of experience. Our Compensation Committee gives considerable weight to Mr. Severson's recommendations because of his direct knowledge of each executive officer's performance and contribution to our financial performance. However, Mr. Severson does not participate in the determination of his own compensation.

No other executive officers participate in the determination or recommendation of the amount or form of executive officer compensation, except that our Compensation Committee may discuss with our Chief Executive Officer or Chief Financial Officer our financial, operating and strategic business objectives, bonus targets or performance goals. The Compensation Committee reviews and determines the appropriateness of the financial measures and performance goals, as well as assesses the degree of difficulty in achieving specific bonus targets and performance goals. Our Compensation Committee does not delegate any of its functions in determining executive and/or director compensation. To date, our Compensation Committee has not established any formal policies or guidelines for allocating compensation between long-term and currently paid out compensation, cash and non-cash compensation, or among different forms of non-cash compensation. However, as described above, our Compensation Committee does aim for a significant portion of our executive officer compensation in the form of variable, at-risk pay.

Competitive Market Analysis

In February 2016, our Compensation Committee engaged Pay Governance, an independent executive compensation advisor, to review our executive and director compensation programs. Pay Governance, with input from the Compensation Committee, reviewed the prior peer group used by the Compensation Committee and, developed an updated group of 15 companies, or the Compensation Peer Group, that it determined were appropriate as a comparative frame of reference in making compensation decisions. This Compensation Peer Group represented similarly-situated medical device and diagnostic companies that were identified by Pay Governance as companies with similar financial growth and as competitors for executive talent. The following companies comprised the Compensation Peer Group used for reference in making fiscal 2018 executive compensation decisions:

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Compensation Peer Group

Abiomed, Inc.	ICU Medical, Inc.	Quidel Corporation
AngioDynamics, Inc.	Luminex Corporation	Sequenom, Inc.
Cepheid	Meridian Bioscience, Inc.	SurModics, Inc.
DexCom, Inc.	Neogen Corporation	
Genomic Health, Inc.	NxStage Medical, Inc.	
HeartWare International, Inc.	OraSure Technologies, Inc.	

Certain information regarding the size and value of the Compensation Peer Group companies relative to Abaxis is set forth below.

Comparison Group Data

	Revenue	Market Capitalization	EBITDA (1)	Employees
Compensation Peer Group Range (2)	$64 million - $539 million	$168 million - $5,551 million	$(46) million - $100 million	168 – 3,600
Compensation Peer Group Median (2)	$287 million	$837 million	$24 million	752
Abaxis, Inc. (2)	$214 million	$1,028 million	$42 million	582

(1) Represents earnings before interest, taxes, depreciation and amortization.

(2) Data is based on information at the time of the review of the executive and director compensation programs and development of the Compensation Peer Group in February 2016.

In April 2016, Pay Governance prepared an analysis of the market data obtained from the Compensation Peer Group and the executive compensation program in comparison to such market data. The market data obtained regarding the Compensation Peer Group was considered by the Compensation Committee in its fiscal 2018 executive compensation decisions as a point of reference. Our Compensation Committee and Board of Directors may engage compensation consultants in the future as they deem it necessary or appropriate and intend to retain one each year.

Independent Compensation Consultant

The Compensation Committee has considered and assessed all relevant factors, including but not limited to those set forth in Rules 10C-1(b)(4)(i) through (vi) under the Securities Exchange Act of 1934, as amended, that could give rise to a potential conflict of interest with respect to Pay Governance’s work. The Compensation Committee determined, based on its analysis of these factors, that the work of Pay Governance, and the individual compensation advisors employed by Pay Governance as compensation consultants, did not create any conflict of interest.

Shareholder Advisory Vote on Executive Compensation

At our Annual Meeting of Shareholders held on October 25, 2017, we held an advisory vote on executive compensation. Over 97% of the votes cast on the proposal were in favor of our Named Executive Officer compensation as disclosed in the proxy statement. Our Compensation Committee reviewed these final vote results and determined that, given the level of support, no material changes to our executive compensation policies and programs were necessary as a result of the advisory vote on executive compensation.

Executive Compensation Components

Base Salary

We provide an annual base salary to each of our executive officers to compensate them for services rendered during the year. Salaries are reviewed annually by the Compensation Committee and adjusted for the ensuing year based on (i) both qualitative and quantitative factors such as job level, responsibilities and prior experience and expertise, individual performance, future potential, (ii) internal review of the executive officer's total compensation, individually and relative to our other executive officers with similar levels of responsibility within Abaxis and (iii) an evaluation of the compensation levels of similarly-situated executive officers in our Compensation Peer Group and in our industry generally.

For fiscal 2018 base salaries, our Compensation Committee recommended, and our Board of Directors approved, that we make no increases to our Named Executive Officer base salaries because the fiscal 2017 base salary amounts remained appropriate, considering the report prepared in April 2016 by Pay Governance as a point of reference, to ensure an appropriate balance in the Named Executive Officers' compensation mix between cash and equity, to retain employees with the qualifications desired for each particular position and to reward each of the Named Executive Officers for his performance in the prior year.

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Based on the recommendations of the Compensation Committee, and after considering an analysis of total cash compensation for our executive officers compared to the Compensation Peer Group prepared by Pay Governance, our Board of Directors approved the following fiscal 2018 base salaries (effective July 2017) for our Named Executive Officers:

Named Executive Officer	Fiscal 2018 Base Salary	Fiscal 2018 Percent Increase In Base Salary from Fiscal 2017	
Clinton H. Severson	$ 575,000	0	%
Ross Taylor	$ 257,500	0	%
Kenneth P. Aron, Ph.D.	$ 298,700	0	%
Craig M. Tockman, DVM	$ 298,700	0	%
Donald P. Wood	$ 360,500	0	%

When considering base salaries for fiscal 2019, the Compensation Committee recommended, and the Board of Directors approved, the following fiscal 2019 base salaries (effective July 2018) for our Named Executive Officers: Mr. Severson: $592,250; Mr. Taylor: $265,225; Dr. Aron: $307,661; Mr. Tockman: $307,661; Mr. Wood $371,314.

Annual Cash Incentive Bonus

Our Compensation Committee annually reviews the design of our annual cash incentive bonus program to ensure that the program continues to reward the achievement of key short-term corporate objectives that ultimately drive long-term corporate achievement. The bonus plan is an “at-risk” compensation arrangement designed to provide market competitive cash incentive opportunities that reward our executive officers for the achievement of the key financial performance goals established. This means that the bonus compensation is not guaranteed. Most importantly, the program is structured to align our short-term incentives with important financial and operational measures and the long-term interests of our shareholders, and to incentivize and reward corporate performance.

The cash incentive bonuses are paid quarterly upon meeting pre-determined quarterly financial goals, with the fourth quarter payout based on annual goals. This quarterly structure is designed to align compensation with our quarterly corporate financial performance, reward achievement of consistent short-term profit growth and profitability and provide executives with a meaningful total cash compensation opportunity (base salary and quarterly bonus). At the beginning of fiscal 2018, the Compensation Committee approved the quarterly and annual financial targets that would support Abaxis’ annual operating plan. The bonus program, along with the specific financial performance goals, is a key element of the Compensation Committee’s pay-for-performance philosophy, and consistent with this philosophy for fiscal 2018, our Named Executive Officers earned bonuses at 92.5% (87.5% in the case of Mr. Tockman whose goals differed from the other Named Executive Officers as a result of his role) of their targets, which was commensurate with the level of achievement of the corporate performance goals as determined by our Compensation Committee and Board of Directors.

Target Bonus Opportunities for Fiscal 2018

For fiscal 2018, in evaluating target bonus opportunities, our Compensation Committee aimed to ensure that target bonus levels continued to serve their desired purpose to incentivize our Named Executive Officers with respect to future company performance, to place a higher portion of our Named Executive Officers’ compensation at-risk when compared to executives in the Compensation Peer Group and to maintain total compensation at an appropriately competitive level in the industry. Considering the Compensation Peer Group analysis of total compensation prepared by Pay Governance in April 2016, the Compensation Committee recommended to the Board of Directors to make no increases to the Named Executive Officer target bonus opportunities for fiscal 2018.

In April 2017, our Compensation Committee and Board of Directors (with Mr. Severson abstaining) approved the fiscal 2018 target bonus levels for our executive officers. The following table summarizes the fiscal 2018 target bonus amounts for our Named Executive Officers:

Named Executive Officer	Fiscal 2017 Target Bonus	Fiscal 2018 Target Bonus	Fiscal 2018 Target Bonus Increase From Fiscal 2017
Clinton H. Severson	$ 850,000	$ 850,000	0 %
Ross Taylor	$ 500,000	$ 500,000	0 %
Kenneth P. Aron, Ph.D.	$ 500,000	$ 500,000	0 %
Craig M. Tockman, DVM	$ 500,000	$ 500,000	0 %
Donald P. Wood	$ 600,000	$ 600,000	0 %

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Corporate Performance Measures

For fiscal 2018, our Compensation Committee selected revenues and income from continuing operations before income tax provision at the beginning of the fiscal year as the two equally weighted corporate financial performance measures for our executive officer bonus program, which we believe are the most important measures of both annual financial performance and long-term shareholder value.

Fiscal 2018 Cash Incentive Bonus Elements

Each of the fiscal 2018 corporate financial performance measures and target goals are disclosed above under "Executive Compensation Program Overview—Pay-for-Performance Philosophy." The Compensation Committee selected quarterly revenues and income from continuing operations before income tax provision as the performance metrics under the bonus plan with equal weightings, because it believes that as we are a growth company, revenues is a key element in value creation for our shareholders and an important indicator of our potential for increasing long-term shareholder value. Similarly, income from continuing operations before income tax provision is an important indicator of our current profitability, which is also a priority to our shareholders. Quarterly target goals are selected to align compensation with our quarterly corporate financial performance achievement and reward achievement of consistent short-term profit growth.

We annually review the target goals used in our cash incentive bonus program to ensure that they remain aligned with our strategic plan. These growth goals are derived from a rigorous process that involves input from and discussions among the Chief Executive Officer, Chief Financial Officer and the Compensation Committee. Then the Compensation Committee establishes bonus targets for the two equally-weighted performance measures, that are set to be achievable, yet are at a level of difficulty that does not assure that the goals will be met. The bonus targets require executive officers to achieve significant performance of annual corporate financial metrics during the applicable fiscal year. Accordingly, meeting the bonus targets and requires executive officers to improve financial performance on a year-over-year basis and, thus, a substantial portion of our executive officers' compensation is at risk if corporate financial metrics results are not achieved during a particular fiscal year. In addition to meeting financial goals, we must not exceed a certain failure rate on our reagent discs in order for cash incentives to be paid to our executive officers. Our Compensation Committee has the discretion to reduce bonuses from those calculated from the formulaic calculation methodology established under our annual bonus program as well as to grant bonuses even if the performance goals are not met, which it has done in the past in very special circumstances. The Compensation Committee did not approve any discretionary bonuses for fiscal 2018.

Bonus Calculations

Payment of the target bonus is equally weighted between achievement of our quarterly revenues performance goal and our quarterly income from continuing operations before income tax provision performance goal. Bonuses are earned for the first, second and third quarter only if we achieve at least 90% of either of our pre-established quarterly revenues and/or quarterly income from continuing operations before income tax provision goals and also meet any operational goals set by the Compensation Committee. Bonuses are earned in the fourth quarter based on the annual, rather than quarterly, achievement of at least 90% of either of our pre-established annual revenues and/or income from continuing operations before income tax provision goals for the year and also the achievement of any operational goals set by the Compensation Committee. After the initial threshold is met, the amount of the target bonus paid is based on a sliding scale relative to the proportionate achievement of the performance goals. If we achieve 90% of only one performance goal, the payout would be limited to 25% of the aggregate target bonus. For each 1% above 90% of that performance goal, the payout would increase by 2.5% for the aggregate target bonus. The target bonus will be fully earned if at least 100% of both performance goals are achieved. For each 1% above 100% of a performance goal, the payout would increase by 1.5% for the aggregate target bonus.

The maximum potential bonus payout is 200% of the target bonus, provided we achieve greater than 133% of at least one of the performance goals. Assuming targets are reached, the bonus payments are paid as follows: 15% of the applicable bonus amount for the first quarter, 25% in the second and third quarters, and 35% in the fourth quarter. At the end of the fourth quarter, the final amount of the bonus earned will be adjusted to reflect overall performance for the fiscal year.

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Bonus Decisions and Analysis

The Compensation Committee evaluated our financial performance for each quarter of fiscal 2018 and the level of achievement of each of the two corporate performance measures for those quarters. As noted above, the fiscal 2018 bonus awarded to each Named Executive Officer was based upon the achievement of two equally-weighted financial goals, our revenues (worldwide, or, for solely Dr. Tockman, from North America veterinary market and revenues from Latin American and the U.S. Government) and income from continuing operations before income tax provision. In addition, the Compensation Committee determined that we had satisfied the threshold goal relating to the failure rate on our reagent discs necessary for any bonuses to be paid.

Based on our actual financial performance results, the Compensation Committee determined that each of Mr. Severson, Mr. Taylor, Dr. Aron and Mr. Wood had achieved, on an overall basis, 98.5% of his target performance goals for fiscal 2018 and Mr. Tockman had achieved, on an overall basis, 97.7% of his target performance goals for fiscal 2018. The actual quarterly and annual results and quarterly and annual targets for fiscal 2018 are summarized below.

Fiscal 2018	Revenues Worldwide		Revenues from North America Veterinary Market, Latin America and the U.S. Government (1)		Income from Continuing Operations Before Income Tax Provision (2)	
(in millions)	Actual	Target	Actual	Target	Actual	Target
First quarter	$ 58.3	$ 59.0	$ 39.6	$ 40.0	$ 9.8	$ 8.7
Second quarter	$ 58.9	$ 61.0	$ 38.9	$ 41.1	$ 10.2	$ 10.4
Third quarter	$ 59.7	$ 61.0	$ 38.0	$ 40.1	$ 10.0	$ 10.4
Fourth quarter	$ 67.9	$ 69.7	$ 46.2	$ 48.1	$ 14.0	$ 14.7
Fiscal 2018	$ 244.7	$ 250.6	$ 162.8	$ 169.3	$ 44.0	$ 44.3

(1) Applicable for Dr. Tockman only, as Dr. Tockman is responsible for the North America market.

(2) The actual and target bonus levels for income from continuing operations before income tax provision include bonus expense, if earned. As described above, the actual level for income from continuing operations before income tax provision in the table also reflects the exclusion of expenses related to due diligence and legal expenses that occurred in connection with Zoetis' acquisition of Abaxis from November 2017 to January 2018. With such expenses included, the fiscal 2018 actual income from continuing operations before income tax provision is $43.4 million.

At least 90% achievement of the target level of the pre-established corporate goal is necessary for any bonus payout. The Compensation Committee recommends and the Board of Directors (with Mr. Severson abstaining) approves the extent of achievement of the performance goals and resulting bonus awards each quarter. On April 21, 2018, the Compensation Committee approved the fiscal 2018 bonuses awarded to each of our Named Executive Officers, based on such achievement, which were as follows:

Named Executive Officer	Total Fiscal 2018 Bonus Awarded	Percentage of Target Bonus
Clinton H. Severson	$ 786,250	92.5 %
Ross Taylor	$ 462,500	92.5 %
Kenneth P. Aron, Ph.D.	$ 462,500	92.5 %
Craig M. Tockman, DVM	$ 437,500	87.5 %
Donald P. Wood	$ 555,000	92.5 %

Target Bonus Opportunities for Fiscal 2019

When considering target bonus amounts for fiscal 2019, the Compensation Committee recommended, and the Board of Directors approved, no changes from the target bonus amounts in place for fiscal 2018.

Long-Term Equity Incentive Compensation

Long-term incentive equity awards are designed as a key element of compensation for our executive officers so that a substantial portion of their total direct compensation is tied to increasing the market value of Abaxis. We make annual grants of long-term incentive equity awards in the first quarter of each fiscal year (or during the fiscal year if necessary for a newly hired or promoted employee) to align our executives' interests with those of our shareholders, to promote executives' focus on the long-term financial performance of Abaxis, and, through time-based and performance-based vesting requirements, to enhance long-term performance and retention. The Compensation Committee annually reviews the long-term incentive program to ensure that the program continues to support our executive compensation philosophy and compensation program objectives. The Compensation Committee approves all equity award grants to our Named Executive Officers and other executive officers.

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In determining the size of equity-based awards, the Compensation Committee considers competitive grant values for comparable positions among the Compensation Peer Group as well as various subjective factors primarily relating to the responsibilities of the individual executive, past performance, and the executive's expected future contributions and value to Abaxis. The Compensation Committee also considers, in its decision-making process, the executives' historical total compensation, including prior equity grants, their tenure, responsibilities, experience and value to Abaxis. No one factor is given any specific weighting and the Compensation Committee exercises its judgment to determine the appropriate size and mix of awards.

Under our 2014 Plan (and its predecessor plan, our 2005 Equity Incentive Plan), we are permitted to award a variety of share-based awards, including stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance cash awards, performance shares, performance units, deferred compensation awards or other share-based awards. Since fiscal 2007 we have granted RSUs to our executive officers, and since fiscal 2013, we have also granted RSUs to our executive officers that vest only if certain financial and/or operating goals were achieved, which we refer to as PSUs. Our Compensation Committee has determined that a mix of time-based and performance-based vesting for the equity awards provides an effective tool for incentivizing and retaining those executive officers who are most responsible for direct impact on corporate performance by balancing variable compensation dependent on performance goal achievement in addition to share value (PSUs) and variable compensation with a more predictable value (RSUs subject to time-based vesting).

Fiscal 2018 Equity Incentive Grants

In April 2017, after considering an analysis of total compensation for our Named Executive Officers and the Compensation Peer Group prepared by Pay Governance, the Compensation Committee determined that for fiscal 2018, a mix of RSU and PSU awards would continue to provide an effective tool for incentivizing and retaining those executive officers who are most responsible for direct impact on corporate performance by balancing the two types of variable compensation. The Compensation Committee believed that the equity award program for fiscal 2018 aligns the executives' focus on the achievement of specific performance goals intended to help position us for future growth. Furthermore, the Compensation Committee believed that our grants of PSUs and RSUs will enhance executive share ownership, further aligning their interests with those of shareholders.

Vesting Structure

The vesting terms of the RSUs and PSUs awarded for fiscal 2018 is summarized in the chart below.

	Type	Vesting
Fiscal 2018 Long-Term Equity Incentive Compensation	RSUs	Annual vesting over four years (5%, 10%, 15% and 70% on the first, second, third and fourth anniversary of the grant date, respectively)
	PSUs	If performance goal is met, vesting on the third and fourth anniversary date of grant

RSUs subject to time-based vesting granted to the Named Executive Officers in fiscal 2018, or the FY2018 RSUs, were subject to the following vesting schedule: 5% vesting on the first anniversary of the grant date; additional 10% on the second anniversary of the grant date; additional 15% on the third anniversary of the grant date; and the remaining 70% on the fourth anniversary of the grant date, in each case subject to continuous service to Abaxis during the vesting period. Our Compensation Committee believes that retention of the Named Executive Officers is key to our success and that the time-based vesting schedule of the RSUs helps to retain our Named Executive Officers, particularly because it is heavily weighted towards the end of the four-year vesting period.

The PSUs granted to our Named Executive Officers in fiscal 2018, or the FY2018 PSUs, consist of the right to receive shares of common stock, only if both of the following criteria are satisfied: (1) Abaxis' income from continuing operations before income tax provision for the fiscal year ending March 31, 2018, as certified by the Compensation

Committee, is equal to or in excess of the applicable target amount set forth in the table below; and (2) the recipient remains in the service of Abaxis until the applicable vesting date set forth below. The FY2018 PSUs are designed with a one-year performance period in order to motivate executive officers to focus their efforts on annual goals and, at the same time, to strengthen and encourage retention as an executive officer must continue employment with us for the awards to vest over the longer-term. Accordingly, the Compensation Committee believes that the FY2018 PSUs act as an incentive over the long-term.

The FY2018 PSUs granted to the Named Executive Officers vest as follows.

Shares Issuable Upon Settlement of Fiscal 2018 PSUs (as a percentage of target shares)	Performance Metric: Income From Continuing Operations Before Income Tax Provision for the Year Ending March 31, 2018	Vesting Date
50%	$39.9 million	May 1, 2020
50%	$39.9 million	May 1, 2021

The Compensation Committee determined the target level of achievement of the performance metric was sufficiently rigorous to incentivize and reward for performance designed to increase shareholder value. The FY2018 PSUs are capped at target, so the greatest number of shares a Named Executive Officer could earn, regardless of performance, is the target number of PSUs awarded.

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The Compensation Committee selected annual income from continuing operations before income tax provision operations as the performance metric on which the target goal for the FY2018 PSUs to vest is measured, as it believes that this is an important measurement of Abaxis' performance and effectiveness of achieving financial strategies, in terms of cost controls, and for that reason, it establishes target levels to achieve operating income growth and return long-term shareholder value.

On April 25, 2018, the Compensation Committee determined that our income from continuing operations before income tax provision for fiscal 2018 was exceeded and, accordingly, the FY2018 PSUs for all of our Named Executive Officers became eligible to vest in full, if each executive officer completes the remaining timed-based service criteria necessary for the award to vest.

Amount and Mix of Awards

In determining the appropriate amount of equity incentive grants to award to the Named Executive Officers for fiscal 2018, the Compensation Committee generally aimed for long-term equity incentive compensation awards, when taken together with the base salary and annual incentive compensation opportunities provided to the Named Executive Officers, to result in actual total direct compensation to the Named Executive Officers to fall above the median of the Compensation Peer Group, so that the Named Executive Officers would have the opportunity to earn above median pay when key performance targets were achieved. However, the Compensation Committee used the Compensation Peer Group data solely as a reference point in making equity award decisions, considering individual, company, and stock performance, as compared to similarly-situated executive officers in our Compensation Peer Group and in our industry generally. The Compensation Committee has determined that providing compensation at these levels, allowing for above median pay when performance goals are achieved, would provide incentives to attract and retain highly qualified executives over the long-term.

For fiscal 2018, the Compensation Committee considered the prior equity grants awarded to our Named Executive Officers and determined it was appropriate to deliver the same number of RSUs and PSUs granted to each of our Named Executive Officers in fiscal 2017, except that the Compensation Committee decreased the number of PSUs granted to Mr. Severson from 51,000 PSUs to 36,000 PSUs, the same number of PSUs granted for Fiscal 2016, because Mr. Severson's 2017 PSU grant reflected a one-time increased amount for special performance, leadership and incentive purposes. The Compensation Committee awarded the same size grant to each of the Named Executive Officers to maintain internal pay equity amongst the executive team, excluding Mr. Severson.

In April 2017, our Compensation Committee and Board of Directors (with Mr. Severson abstaining) approved the fiscal 2018 long-term equity incentive compensation awards for our Named Executive Officers. The following table summarizes the fiscal 2018 RSUs and PSUs awarded to our Named Executive Officers.

Named Executive Officer	RSUs Granted in Fiscal 2018 (#)	PSUs Granted in Fiscal 2018 Target Shares (#)
Clinton H. Severson	19,000	36,000
Ross Taylor	9,000	16,000
Kenneth P. Aron, Ph.D.	9,000	16,000
Craig M. Tockman, DVM	9,000	16,000
Donald P. Wood	9,000	16,000

The Compensation Committee chose to structure the fiscal 2018 equity awards granted to the Named Executive Officers to be more heavily weighted towards those with performance-based vesting (the PSUs), to further its policy of providing performance-based pay that is directly aligned with our performance. Accordingly, our CEO received 65% of his fiscal 2018 equity awards in the form of PSUs and our other Named Executive Officers received 64% of their fiscal 2018 equity awards in the form of PSUs.

Fiscal 2019 Equity Incentive Grants

In April 2018, after considering an analysis of total compensation for our Named Executive Officers, the Compensation Committee again determined that a mix of RSU and PSU awards would be appropriate, for the reasons described above. RSUs granted in fiscal 2019 to the Named Executive Officers continued to have the four-year time-based vesting terms as described above for RSUs granted in fiscal 2018 and PSUs granted in fiscal 2019 to the Named Executive Officers continued to have the same performance metric and vesting structure as described above for PSUs granted in fiscal 2018, provided that the performance goal is increased from the fiscal 2018 performance goal.

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In April 2018, our Compensation Committee and Board of Directors (with Mr. Severson abstaining) approved the fiscal 2019 long-term equity incentive compensation for our Named Executive Officers. As in fiscal 2018, our Named Executive Officers received a substantially greater portion of their fiscal 2019 restricted stock units in the form of PSUs. The Compensation Committee and Board of Directors determined not to increase the shares awarded under any of the fiscal 2019 equity awards granted to each of our Named Executive Officers. The following table summarizes the fiscal 2019 RSUs and PSUs awarded to our Named Executive Officers.

Named Executive Officer	RSUs Granted in Fiscal 2019 (#)	PSUs Granted in Fiscal 2019 Target Shares (#)
Clinton H. Severson	19,000	36,000
Ross Taylor	9,000	16,000
Kenneth P. Aron, Ph.D.	9,000	16,000
Craig M. Tockman, DVM	9,000	16,000
Donald P. Wood	9,000	16,000

Other Compensation Policies and Benefits

Benefits and Perquisites

We do not provide any of our executive officers with any material perquisites. Currently, all benefits offered to our executive officers, including an opportunity to participate in our 401(k) plan, medical, dental, vision, life insurance, disability coverage, long-term care insurance benefits and flexible spending accounts, are also available on a non-discriminatory basis to other full-time employees. We also provide vacation and other paid holidays to all full-time employees, including our Named Executive Officers. From time to time when determined appropriate by the Compensation Committee, we may provide benefits to executive officers in unique circumstances necessary to assist them in their services to our Company.

Clawback Policy

Since January 2014, we have maintained a compensation clawback policy that includes, among other things, provisions permitting our Board to require executive officers to repay to us certain amounts in the event of a restatement of our financial statements due to material noncompliance with any financial reporting requirement. The policy permits our Board to seek recoupment from executive officers from any of the following sources: prior incentive compensation payments; future payments of incentive compensation; cancellation of outstanding equity awards; future equity awards; and direct repayment. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 further expanded the reach of mandatory recoupment policies, but the Securities and Exchange Commission has yet to provide final guidance for implementation of such requirements. We will comply with any final recoupment policy guidance.

Stock Ownership Guidelines

We maintain stock ownership guidelines for our executive officers and directors, as follows:

Position	Stock Ownership Guideline
Chief Executive Officer	7x base salary
Executive Officers (other than the Chief Executive Officer)	3x base salary
Directors	5x annual cash retainer

These guidelines require that executives and directors be meaningfully invested in Abaxis' stock and therefore be personally invested in Abaxis' performance to ensure strong alignment with shareholder interests. Our stock ownership guidelines were adopted in 2011 and require all executive officers and directors through the first day of each of Abaxis' fiscal years beginning with April 1, 2016 to accumulate enough shares to satisfy the stock ownership requirements. All of our Named Executive Officers meet these guidelines and our Chief Executive Officer's stock ownership was 114.5 times his base salary as of June 26, 2018.

Employment Agreements

We may enter into employment agreements or offer letter agreements with our executive officers that include negotiated provisions regarding their initial base salary, relocation bonus, as well as provisions regarding repayment thereof in the event of cessation of employment. Severance is generally governed by our Severance Plan (described more fully in "Executive Compensation—Severance and Change in Control Agreements"), and salaries (and target bonus and equity awards) for all of our Named Executive Officers are determined by our Compensation Committee as described herein. For a description of the terms of each such agreement, see "Executive Compensation—Summary Compensation Table—Employment Agreements."

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Severance and Change in Control Agreements

We have adopted a Severance Plan to reduce the distraction of executives and potential loss of executive talent that could arise from a potential change of control. Participants in the Severance Plan include our senior managers who are selected by the Board of Directors. Each of our Named Executive Officers is designated as a participant in the Severance Plan. For a description of the terms of our Severance Plan, see “Executive Compensation—Severance and Change in Control Agreements.”

Compensation Policies and Practices as They Relate to Risk Management

The Company believes that its compensation policies and practices for all employees, including executive officers, do not create risks that are reasonably likely to have a material adverse effect on the Company. The mix of fixed and variable, annual and long-term, and cash and equity compensation is designed to encourage actions in the Company’s long-term best interests.

The Compensation Committee oversees the risk associated with our executive compensation program and considers the impact of incentives created by the compensation awards that it administers, on the Company’s risk profile. The Compensation Committee works periodically with our outside compensation consultant Pay Governance to ensure our compensation plans are appropriately balanced and incentivize employees to act in the best interests of our shareholders. In fiscal 2018, our Compensation Committee assessed the risks related to the Company’s compensation policies and concluded that the mix and design of these policies and practices do not encourage our employees to take excessive risks that are reasonably likely to have a material adverse effect.

Tax Considerations

Deductibility of Executive Compensation

Section 162(m) of the Code and related Treasury Regulations disallows a deduction to any publicly held corporation and its affiliates for certain compensation paid to “covered employees” in a taxable year to the extent that compensation to a covered employee exceeds $1 million. Prior to the recent enactment of the Tax Cuts and Jobs Act in December 2017, compensation that qualified as “performance-based compensation” under Section 162(m) of the Code was not subject to this deduction limitation. Pursuant to the Tax Cuts and Jobs Act, this exception for “performance-based compensation” under Section 162(m) of the Code was repealed, with respect to taxable years beginning after December 31, 2017, except that certain transition relief is provided by the Tax Cuts and Jobs Act for remuneration provided pursuant to a written binding contract which was in effect on November 2, 2017 and which was not modified in any material respect on or after such date. As a result, compensation paid to any of our “covered employees” in excess of $1 million per taxable year generally will not be deductible unless among other requirements, it is intended to qualify, and is eligible to qualify, as “performance-based compensation” under Section 162(m) of the Code pursuant to the transition relief provided by the Tax Cuts and Jobs Act. Because of certain ambiguities and uncertainties as to the application and interpretation of Section 162(m) of the Code and the regulations issued thereunder, including the uncertain scope of the transition relief provided by the Tax Cuts and Jobs Act, no assurance can be given that any compensation paid by the Company will be eligible for such transition relief and, therefore, eligible for the “performance-based compensation” exception under Section 162(m) of the Code. The Compensation Committee will continue to monitor the applicability of Section 162(m) of the Code to its ongoing compensation arrangements and intends to continue to compensate our Named Executive Officers in a manner consistent with the best interests of our company and our shareholders.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has ever been an executive officer or employee of Abaxis. None of our executive officers currently serves, or has served during the last completed fiscal year, on the Compensation Committee or board of directors of any other entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

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COMPENSATION COMMITTEE REPORT[1]

The Compensation Committee has reviewed and discussed with management the disclosures contained in the Compensation Discussion and Analysis included in this Annual Report on Form 10-K/A for the fiscal year ended March 31, 2018.

Based upon this review and discussion with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K/A for the fiscal year ended March 31, 2018.

THE COMPENSATION COMMITTEE

Richard J. Bastiani, Ph.D., Chairman
Michael D. Casey
Prithipal Singh, Ph.D.

(1) The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference into any filing of Abaxis under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in any such filing.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth for fiscal 2018, 2017 and 2016, the compensation awarded or paid to, or earned by, our Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers as of March 31, 2018 (collectively, our "Named Executive Officers").

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($) (2)(3)	Non-Equity Incentive Plan Compensation ($) (4)	All Other Compensation ($) (5)		Total ($)
Clinton H. Severson	2018	575,000		2,521,200	786,251	14,818	(6)	3,897,269
Chief Executive Officer and	2017	571,346	-	3,231,980	616,251	12,493	(6)	4,432,070
Chairman of the Board (1)	2016	542,115	-	3,029,400	776,000	13,679	(6)	4,361,194
Ross Taylor (7)	2018	257,500		1,146,000	462,500	30,035	(8)	1,896,035
Chief Financial Officer,	2017	256,731	-	1,141,180	362,500	26,230	(8)	1,786,641
Vice President of Finance and Secretary	2016	239,808	-	1,377,000	412,250	25,044	(8)	2,054,102
Kenneth P. Aron, Ph.D.	2018	298,700		1,146,000	462,500	30,487	(9)	1,937,687
Chief Technology Officer	2017	297,808	-	1,141,180	362,500	26,791	(9)	1,828,279
	2016	289,808	-	1,817,640	412,250	26,895	(9)	2,546,593
Craig M. Tockman, DVM	2018	298,700		1,146,000	437,500	30,523	(10)	1,912,723
Vice President of Animal Health	2017	297,808	-	1,141,180	362,500	26,681	(10)	1,828,169
Sales and Marketing for North America	2016	284,962	-	1,817,640	412,251	26,768	(10)	2,541,621
Donald P. Wood	2018	360,500		1,146,000	555,000	23,208	(11)	2,084,708
President and	2017	359,423	-	1,141,180	435,000	20,304	(11)	1,955,907
Chief Operating Officer	2016	348,462	-	1,817,640	509,250	21,090	(11)	2,696,442

(1) Mr. Severson is not compensated in his role as a director. The amounts shown reflect compensation earned as an employee only.

(2) Awards consist of RSUs and PSUs granted to the Named Executive Officer in the fiscal year specified. Amounts shown do not reflect whether the Named Executive Officer has actually realized a financial benefit from the awards (such as by vesting in a restricted stock unit award). Amounts listed in this column represent the grant date fair value and incremental fair value as of the modification date, as applicable, of the awards granted (or modified) in the fiscal year indicated, as computed in accordance with Accounting Standards Codification 718, "Compensation-Stock Compensation," or ASC 718. For a discussion of the assumptions used in determining the fair value of awards of RSUs and PSUs in the above table and other additional information on the RSUs and PSUs granted, see Note 15 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC on May 30, 2018.

(3) For PSUs, such grant date fair value is based on the probable outcome of the performance conditions as of the grant date, in accordance with ASC 718. Assuming the highest level of performance conditions were met, the grant date fair value of FY2018 PSUs would be as follows: (a) Mr. Severson, $1.7 million, (b) Mr. Taylor, $0.7 million, (c) Dr. Aron, $0.7 million, (d) Dr. Tockman, $0.7 million and (e) Mr. Wood, $0.7 million.

(4) Represents the cash performance bonuses earned during each fiscal year based on achievement of corporate financial performance goals, as described under our "Compensation Discussion and Analysis" above. The annual cash bonuses were paid in four quarterly installments within one month following the end of the applicable quarter upon achieving the established quarterly revenues and/or quarterly income before income tax provision goals for that quarter. Amounts do not include bonuses paid during a fiscal year, with respect to bonuses earned in a prior fiscal year.

(5) Amounts listed are based upon our actual costs expensed in connection with such compensation.

(6) In fiscal 2018, consists of $6,915 in supplemental health plan expenses reimbursed by us, $247 in group life insurance paid by us, $431 in disability insurance premiums paid by us, $444 in long-term care insurance premiums paid by us and $6,781 in matching contributions made by us to Mr. Severson's 401(k) account. In fiscal 2017, consists of $6,249 in supplemental health plan expenses reimbursed by us, $377 in group life insurance paid by us, $423 in disability insurance premiums paid by us, $444 in long-term care insurance premiums paid by us and $5,000 in matching contributions made by us to Mr. Severson's 401(k) account. In fiscal 2016, consists of $5,773 in supplemental health plan expenses reimbursed by us, $419 in group life insurance paid by us, $418 in disability insurance premiums paid by us, $444 in long-term care insurance premiums paid by us and $6,625 in matching contributions made by us to Mr. Severson's 401(k) account.

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(7) Mr. Taylor was appointed to the position of Chief Financial Officer, Vice President of Finance and Secretary effective August 1, 2015. The amounts for fiscal 2016 reflect all of Mr. Taylor's compensation from Abaxis earned from April 1, 2015 to March 31, 2016.

(8) In fiscal 2018, consists of $22,700 in supplemental health plan expenses reimbursed by us, $362 in group life insurance paid by us, $192 in long-term care insurance premiums paid by us and $6,781 in matching contributions made by us to Mr. Taylor's 401(k) account. In fiscal 2017, consists of $20,636 in supplemental health plan expenses reimbursed by us, $371 in group life insurance paid by us, $233 in disability insurance premiums paid by us, $192 in long-term care insurance premiums paid by us and $4,798 in matching contributions made by us to Mr. Taylor's 401(k) account. In fiscal 2016, consists of $19,152 in supplemental health plan expenses reimbursed by us, $334 in group life insurance paid by us, $380 in disability insurance premiums paid by us, $192 in long-term care insurance premiums paid by us and $4,986 in matching contributions made by us to Mr. Taylor's 401(k) account.

(9) In fiscal 2018, consists of $22,700 in supplemental health plan expenses reimbursed by us, $273 in group life insurance paid by us, $431 in disability insurance premiums paid by us, $302 in long-term care insurance premiums paid by us and $6,781 in matching contributions made by us to Dr. Aron's 401(k) account. In fiscal 2017, consists of $20,636 in supplemental health plan expenses reimbursed by us, $430 in group life insurance paid by us, $423 in disability insurance premiums paid by us, $302 in long-term care insurance premiums paid by us and $5,000 in matching contributions made by us to Dr. Aron's 401(k) account. In fiscal 2016, consists of $19,152 in supplemental health plan expenses reimbursed by us, $398 in group life insurance paid by us, $418 in disability insurance premiums paid by us, $302 in long-term care insurance premiums paid by us and $6,625 in matching contributions made by us to Dr. Aron's 401(k) account.

(10) In fiscal 2018, consists of $22,700 in supplemental health plan expenses reimbursed by us, $419 in group life insurance paid by us, $431 in disability insurance premiums paid by us, $192 in long-term care insurance premiums paid by us and $6,781 in matching contributions made by us to Dr. Tockman's 401(k) account. In fiscal 2017, consists of $20,636 in supplemental health plan expenses reimbursed by us, $430 in group life insurance paid by us, $423 in disability insurance premiums paid by us, $192 in long-term care insurance premiums paid by us and $5,000 in matching contributions made by us to Dr. Tockman's 401(k) account. In fiscal 2016, consists of $19,152 in supplemental health plan expenses reimbursed by us, $382 in group life insurance paid by us, $417 in disability insurance premiums paid by us, $192 in long-term care insurance premiums paid by us and $6,625 in matching contributions made by us to Dr. Tockman's 401(k) account.

(11) In fiscal 2018, consists of $15,827 in supplemental health plan expenses reimbursed by us, $274 in group life insurance paid by us, $326 in long-term care insurance premiums paid by us and $6,781 in matching contributions made by us to Mr. Wood's 401(k) account. In fiscal 2017, consists of $14,357 in supplemental health plan expenses reimbursed by us, $377 in group life insurance paid by us, $244 in disability insurance premiums paid by us, $326 in long-term care insurance premiums paid by us and $5,000 in matching contributions made by us to Mr. Wood's 401(k) account. In fiscal 2016, consists of $13,301 in supplemental health plan expenses reimbursed by us, $419 in group life insurance paid by us, $419 in disability insurance premiums paid by us, $326 in long-term care insurance premiums paid by us and $6,625 in matching contributions made by us to Mr. Wood's 401(k) account.

Salary and Bonus in Proportion to Total Compensation

The following table sets forth the percentage of base salary and annual cash incentive bonus that was earned by each Named Executive Officer as a percentage of total compensation for fiscal 2018.

Named Executive Officer	Base Salary As a Percentage of Total Compensation (1)	Annual Cash Incentive Bonus As a Percentage of

			Total Compensation (1)	
Clinton H. Severson	15	%	20	%
Ross Taylor	14	%	24	%
Kenneth P. Aron, Ph.D.	15	%	24	%
Craig M. Tockman, DVM	16	%	23	%
Donald P. Wood	17	%	27	%

(1) Total compensation is defined as total compensation as reported in the “Summary Compensation Table” for fiscal 2018. Included in the total compensation are long-term equity incentive awards with performance-based vesting criteria. PSUs only provide an economic benefit if the performance goals are achieved.

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Employment Agreements

In October 2010, we entered into an employment agreement with Clinton H. Severson, our Chief Executive Officer, which amended, restated and superseded Mr. Severson's existing Employment Agreement, dated July 11, 2005. The amended and restated employment agreement provides Mr. Severson with a severance payment equal to two years of salary, bonus and benefits if his employment with us is terminated for any reason other than cause. Additionally, upon Mr. Severson's termination without cause or resignation for good reason, all of Mr. Severson's unvested stock options, RSUs, PSUs and other equity awards would vest in full. Certain severance benefits provided pursuant to the Severance Plan (described below in "Severance and Change in Control Agreements") with respect to a change of control supersede those provided pursuant to the employment agreement.

On April 29, 2015, we entered into an offer letter agreement with Mr. Taylor in connection with his appointment as Chief Financial Officer, effective as of August 1, 2015. The offer letter provides a relocation bonus of $25,000, which was paid to Mr. Taylor when he was hired in October 2015 as the Vice President of Business Development and Investor Relations. The relocation bonus must be repaid, up to the full $25,000 amount, if Mr. Taylor resigns from employment or is terminated by us for Cause (as defined in Severance Plan described below) before October 20, 2018, the four year anniversary of Mr. Taylor's initial employment start date with Abaxis, with the repayment amount pro-rated based on the time of such resignation or termination. However, if there is a change in control of Abaxis prior to October 20, 2018, and Mr. Taylor remains an employee of our Company through such change in control, he does not need to repay the relocation bonus. Additionally, the offer letter agreement provides that Mr. Taylor will be a participant in the Severance Plan, on the specific terms and adjustments described in "Severance and Change in Control Agreements."

On May 1, 2014, we entered into an employment agreement with Dr. Tockman providing for the terms of his promotion to Vice President of Sales and Marketing for North America Animal Health on May 5, 2014, which superseded our previous employment agreement with Dr. Tockman in place prior to his promotion. The employment agreement provides Dr. Tockman with a $100,000 relocation bonus, with repayment terms, up to the full $100,000 amount, if Dr. Tockman resigns from employment or is terminated by us for Cause (as defined in Severance Plan described below) before May 5, 2018, the four year anniversary of Dr. Tockman's promotion date, with the repayment amount pro-rated based on the time of such resignation or termination. However, if there is a change in control of Abaxis prior to May 5, 2018 and Dr. Tockman remains an employee of our Company through such change in control, he does not need to repay the relocation bonus. Dr. Tockman's employment agreement further provides that he will be a participant in the Severance Plan, on the specific terms and adjustments described in "Severance and Change in Control Agreements."

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Grants of Plan-Based Awards in Fiscal 2018

The following table sets forth the grants of plan-based awards to our Named Executive Officers during fiscal 2018.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards (2) Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	Grant Date Fair Value of Stock and Option Awards ($) (4)
Clinton H. Severson									
Annual cash incentive bonus		212,500	850,000	1,700,000					
RSUs	5/1/2017							19,000	870,960
PSUs	5/1/2017				0	36,000	36,000		1,650,240
Ross Taylor									
Annual cash incentive bonus		125,000	500,000	1,000,000					
RSUs	5/1/2017							9,000	412,560
PSUs	5/1/2017				0	16,000	16,000		733,440
Kenneth P. Aron, Ph.D.									
Annual cash incentive bonus		125,000	500,000	1,000,000					
RSUs	5/1/2017							9,000	412,560
PSUs	5/1/2017				0	16,000	16,000		733,440
Craig M. Tockman, DVM									
Annual cash incentive bonus		125,000	500,000	1,000,000					
RSUs	5/1/2017							9,000	412,560
PSUs	5/1/2017				0	16,000	16,000		733,440
Donald P. Wood									
Annual cash incentive bonus		150,000	600,000	1,200,000					
RSUs	5/1/2017							9,000	412,560
PSUs	5/1/2017				0	16,000	16,000		733,440

(1) Actual cash performance bonuses, which were approved by the Board of Directors (with Mr. Severson abstaining) upon recommendation by the Compensation Committee based on achievement of corporate financial performance goals for fiscal 2018, were paid within one month following the end of the quarter upon achieving the established quarterly revenues and/or quarterly income before income tax provision goals. Actual cash performance bonuses are shown in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table" above. "Threshold" refers to the minimum amount of annual bonus payable for a certain level of performance under the plan.

(2) Awards consist of PSUs granted under, and are subject to, the terms of our 2014 Equity Incentive Plan. PSUs were subject to vesting only if both of the Performance Vesting Condition and the Service Vesting Condition were satisfied as follows:

(i) 50% shares issuable upon settlement of FY2018 PSUs upon satisfying the Performance Vesting Condition target, and time-based vesting on May 1, 2020 and

(ii) 50% shares issuable upon settlement of FY2018 PSUs upon satisfying the Performance Vesting Condition target, and time-based vesting on May 1, 2021.

(3) Awards consist of RSUs granted under, and are subject to, the terms of our 2014 Equity Incentive Plan. The four-year time-based vesting terms of the RSUs are as follows, assuming continuous employment: 5% of the shares vest after the first year; 10% of the shares vest after the second year; 15% of the shares vest after the third year; and 70% of the shares vest after the fourth year. Additional information on PSUs granted is described above in "Compensation Discussion and Analysis—Executive Compensation Components—Long-Term Equity Incentive Compensation—Fiscal 2018 Equity Incentive Grants."

(4) Represents the fair value of the RSUs and PSUs on the date of grant, pursuant to ASC 718. See Note 15 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC on May 30, 2018, for additional information.

Additional information on the FY2018 PSUs is described above in "Compensation Discussion and Analysis—Executive Compensation Components—Long-Term Equity Incentive Compensation— Fiscal 2018 Equity Incentive Grants."

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Outstanding Equity Awards at Fiscal Year End 2018

The following table shows, for the fiscal year ended March 31, 2018, certain information regarding outstanding equity awards at fiscal year-end for our Named Executive Officers.

Name	Grant Date	Stock Awards Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (1)
Clinton H. Severson	4/28/2014	13,300 (2)	939,246
	4/28/2014	18,000 (3)	1,271,160
	5/4/2015	16,150 (2)	1,140,513
	5/4/2015	36,000 (3)	2,542,320
	5/2/2016	18,050 (2)	1,274,691
	5/2/2016	51,000 (3)	3,601,620
	5/1/2017	19,000 (2)	1,341,780
	5/1/2017	36,000 (3)	2,542,320
Ross Taylor	10/23/2014	7,000 (2)	494,340
	5/4/2015	7,650 (2)	540,243
	5/4/2015	16,000 (3)	1,129,920
	5/2/2016	8,550 (2)	603,801
	5/2/2016	16,000 (3)	1,129,920
	5/1/2017	9,000 (2)	635,580
	5/1/2017	16,000 (3)	1,129,920
Kenneth P. Aron, Ph.D.	4/28/2014	6,300 (2)	444,906
	4/28/2014	12,000 (3)	847,440
	5/4/2015	7,650 (2)	540,243
	5/4/2015	24,000 (3)	1,694,880
	5/2/2016	8,550 (2)	603,801
	5/2/2016	16,000 (3)	1,129,920
	5/1/2017	9,000 (2)	635,580
	5/1/2017	16,000 (3)	1,129,920
Craig M. Tockman, DVM	4/28/2014	6,300 (2)	444,906
	4/28/2014	8,000 (3)	564,960
	5/4/2015	7,650 (2)	540,243
	5/4/2015	24,000 (3)	1,694,880
	5/2/2016	8,550 (2)	603,801
	5/2/2016	16,000 (3)	1,129,920
	5/1/2017	9,000 (2)	635,580
	5/1/2017	16,000 (3)	1,129,920

Donald P. Wood	4/28/2014	6,300 (2)	444,906
	4/28/2014	12,000 (3)	847,440
	5/4/2015	7,650 (2)	540,243
	5/4/2015	24,000 (3)	1,694,880
	5/2/2016	8,550 (2)	603,801
	5/2/2016	16,000 (3)	1,129,920
	5/1/2017	9,000 (2)	635,580
	5/1/2017	16,000 (3)	1,129,920

(1) The value of the equity award is based on the closing price of our common stock of $70.62 on March 30, 2018, the last day of trading for our fiscal year ended March 31, 2018 as reported on the Nasdaq Global Market.

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(2) The four-year vesting terms of the RSUs are as follows, assuming continuous employment: 5% of the shares vest after the first year; 10% of the shares vest after the second year; 15% of the shares vest after the third year; and 70% of the shares vest after the fourth year. Additional information on RSUs granted during fiscal 2018 is described above in “Compensation Discussion and Analysis—Executive Compensation Components—Long-Term Equity Incentive Compensation—Fiscal 2018 Equity Incentive Grants.”

(3) The RSUs vest upon satisfying both performance and service criteria. On April 25, 2018, the Compensation Committee determined that Abaxis’ income from continuing operations before income tax provision for fiscal 2018 was above of the performance target and accordingly, because the performance criteria were achieved during fiscal 2018, the FY2018 PSUs became eligible to vest in full, if each executive officer provides continuous employment through the vest date on the third and fourth year following the date of grant.

Option Exercises and Stock Vested in Fiscal 2018

The following table shows all shares of common stock acquired from and the value realized upon vesting of all stock awards held by our Named Executive Officers during fiscal 2018.

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
Clinton H. Severson	37,000	1,699,880
Ross Taylor	2,850	137,364
Kenneth P. Aron, Ph.D.	21,000	964,440
Craig M. Tockman, DVM	14,550	680,658
Donald P. Wood	21,000	964,440

(1) The value realized on vesting of RSUs equals the fair market value of our common stock on the settlement date, multiplied by the number of shares that vested.

Severance and Change in Control Agreements

Employment Agreements

As described more fully above in “Summary Compensation Table—Employment Agreements,” our Chief Executive Officer, Chief Financial Officer and Vice President of Sales and Marketing for North America Animal Health are entitled to certain severance and change in control payments pursuant to their respective employment or offer letter agreement with us.

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Executive Change of Control Severance Plan

In July 2006, our Board of Directors, after considering a change of control program analysis from the peer company analysis prepared by our compensation advisor at that time and upon the recommendation of our Compensation Committee, approved and adopted the Abaxis, Inc. Executive Change of Control Severance Plan (the "Severance Plan"). The Severance Plan was adopted by our Board of Directors to reduce the distraction of executives and potential loss of executive talent that could arise from a potential change of control. Participants in the Severance Plan include Abaxis' senior managers who are selected by the Board of Directors. Each of our Named Executive Officers is designated as a participant in the Severance Plan.

The Board of Directors has amended the Severance Plan from time to time to ensure its compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). In May 2014, our Compensation Committee determined to discontinue the practice of providing "single-trigger" equity vesting acceleration upon a change of control and the tax "gross up" provisions in the Severance Plan, as further described below. Accordingly, Mr. Taylor's and Dr. Tockman's offer letter agreements with us provide that, notwithstanding the terms of the Severance Plan, they will not be entitled to automatic vesting acceleration and the tax payment described above upon a change of control. Instead, Mr. Taylor and Dr. Tockman will be entitled to automatic equity vesting acceleration only on a "double-trigger" basis, requiring a termination in connection with a change of control, and will not be entitled to an excise tax gross up.

The Severance Plan (with respect to Mr. Taylor and Dr. Tockman, as adjusted by their respective offer letter agreement or employment agreement, respectively) provides that if the participant's employment is terminated by us (or any successor of Abaxis) for any reason other than cause, death, or disability within 18 months following the change of control date and such termination constitutes a separation in service, the participant is eligible to receive severance benefits as follows:

- on the 60th day after the termination date, a lump sum cash payment equal to two times the sum of the participant's annual base salary and the participant's target annual bonus amount for the year in which the change of control occurs;

- payment of up to 24 months of premiums for medical, dental and vision benefits, provided, however, that if the participant becomes eligible to receive comparable benefits under another employer's plan, our benefits will be secondary to those provided under such other plan;

- reimbursement, on a monthly basis, of up to 24 months of premiums for disability and life insurance benefits if the participant elects to convert his or her disability and/or life insurance benefits under our plans into individual policies following termination;

- for a participant who joined the Severance Plan on or after May 2014, full vesting of all equity awards;

- for a participant who joined the Severance Plan on or after May 2014, a "better after tax" provision providing that any payment or benefit the participant may receive that would be a "parachute payment" within the meaning of 280G of the Code subject to an excise tax imposed under Section 4999 of the Code (the "Excise Tax") will be either paid in full and subject to such Excise Tax or cut back to an amount that will not trigger the Excise Tax, whichever results in the greatest economic benefit to the participant; and

- for a participant who joined the Severance Plan prior to May 2014, payment of an amount equal to any Excise Tax, as well as a payment in reimbursement of Excise Taxes and income taxes arising from the initial Excise Tax payment, provided, however, that payment of such amount is capped at $1,000,000 per participant.

Payment of the foregoing severance benefits is conditioned upon the participant's execution of a valid and effective release of claims against us.

In addition, for participants who joined the Severance Plan prior to May 2014, the Severance Plan provides that upon the occurrence of a change of control, the participant's outstanding stock option(s) and other unvested equity-based instruments will accelerate in full, and any such stock awards shall become immediately exercisable. Under the 2005 Equity Incentive Plan, all equity awards held by executive officers accelerate upon a change in control. This equity acceleration does not apply to Mr. Taylor and Dr. Tockman. Our 2014 Equity Incentive Plan does not contain this automatic vesting acceleration provision.

Incentive Plans

Under our 2005 Equity Incentive Plan, or the 2005 Plan, in the event of a "change in control," as such term is defined by the 2005 Plan, the surviving, continuing, successor or purchasing entity or its parent may, without the consent of any participant, either assume or continue in effect any or all outstanding options and stock appreciation rights or substitute substantially equivalent options or rights for its stock. Any options or stock appreciation rights which are not assumed or continued in connection with a change in control or exercised prior to the change in control will terminate effective as of the time of the change in control. Our Compensation

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Committee may provide for the acceleration of vesting of any or all outstanding options or stock appreciation rights upon such terms and to any extent it determines. The 2005 Plan also authorizes our Compensation Committee, in its discretion and without the consent of any participant, to cancel each or any outstanding option or stock appreciation right upon a change in control in exchange for a payment to the participant with respect to each vested share (and each unvested share if so determined by our Compensation Committee) subject to the cancelled award of an amount of cash, stock or other property equal to the fair market value of the excess of the consideration to be paid per share of common stock in the change in control transaction over the exercise price per share under the award. The Compensation Committee, in its discretion, may provide in the event of a change in control for the acceleration of vesting and/or settlement of any stock award, restricted stock unit award, performance share or performance unit, cash-based award or other share-based award held by a participant upon such conditions and to such extent as determined by our Compensation Committee. The vesting of non-employee director awards and officer awards (including awards held by the Named Executive Officers) granted under the 2005 Plan will automatically accelerate in full upon a change in control. However, our offer letter agreements with new executive officers hired starting in fiscal 2015 (Mr. Taylor and Dr. Tockman) provide that, notwithstanding the terms of the 2005 Plan, they will not be entitled to automatic vesting acceleration upon a change of control.

Under our 2014 Equity Incentive Plan, or the 2014 Plan, in the event of certain specified significant corporate transactions, including a change in control, unless otherwise provided in a participant’s award agreement or other written agreement with us or one of our affiliates, we have the discretion to take any of the following actions with respect to stock awards: (1) arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company; (2) arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company; (3) accelerate the vesting of the stock award, in whole or in part, and provide for its termination prior to the effective time of the corporate transaction; (4) arrange for the lapse, in whole or in part, of any reacquisition or repurchase right held by us; (5) cancel or arrange for the cancellation of the stock award, to the extent not vested or not exercised prior to the effective time of the corporate transaction, in exchange for such cash consideration, if any, as the Board may deem appropriate; (6) make a payment equal to the excess of (a) the value of the property the participant would have received upon exercise of the stock award or (b) the exercise price otherwise payable in connection with the stock award. We are not obligated to treat all stock awards, even those that are of the same type, in the same manner. No automatic vesting acceleration occurs under the 2014 Plan upon a change of control, however we may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. Our form of restricted stock unit award agreement for non-employee directors provides that such awards will vest in full upon a change of control.

As described above, certain additional compensation is payable to a Named Executive Officer (i) if his employment was involuntarily terminated without cause or he resigned for good cause, (ii) upon a change in control or (iii) if his employment was terminated involuntarily following a change in control. The amounts shown in the table below assume that such termination was effective as of March 31, 2018, and do not include amounts in which the Named Executive Officer had already vested as of March 31, 2018. The actual compensation to be paid can only be determined at the time of the change in control and/or a Named Executive Officer’s termination of employment.

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Potential Payments Upon Termination or Change in Control

The following table includes an estimate of the potential compensation and benefits payable to our Named Executive Officers, in certain termination and change of control situations, assuming that the involuntary termination, change in controls or involuntary termination without cause following a change in control, respectively, occurred on March 31, 2018.

For additional details regarding the interests of our Named Executive Officers in the Merger and the compensation that may be payable to our Named Executive Officers in connection with the Merger, please refer to Merger Proxy Statement.

Executive Benefits and Payments Upon Separation	Involuntary Termination (1)		Change In Control (No Termination)		Involuntary Termination Without Cause Following a Change In Control (2)	
Clinton H. Severson						
Salary and bonus	$ 2,850,000		-		$ 2,850,000	
Vesting of RSUs	$ 4,696,230	(3)	$ 4,696,230	(3)	$ 4,696,230	(3)
Vesting of PSUs	$ 9,957,420	(3)	$ 9,957,420	(3)	$ 9,957,420	(3)
Health and welfare benefits	$ 16,074	(4)	-		$ 16,074	(4)
Excise tax reimbursement and related gross up	-		-		$ 0	(5)
Total	$ 17,519,724		$ 14,653,650		$ 17,519,724	
Ross Taylor						
Salary and bonus	-		-		$ 1,515,000	
Vesting of RSUs	-		-		$ 2,273,964	(3)
Vesting of PSUs	-		-		$ 3,389,760	(3)
Health and welfare benefits	-		-		$ 46,124	(6)
Excise tax reimbursement and related gross up	-		-		-	(7)
Total	-		-		$ 7,224,848	(8)
Kenneth P. Aron, Ph.D.						
Salary and bonus	-		-		$ 1,597,400	
Vesting of RSUs	-		$ 2,224,530	(3)	$ 2,224,530	(3)
Vesting of PSUs	-		$ 4,802,160	(3)	$ 4,802,160	(3)
Health and welfare benefits	-		-		$ 46,808	(6)
Excise tax reimbursement and related gross up	-		-		$ 0	(5)
Total	-		$ 7,026,690		$ 8,670,898	
Craig M. Tockman, DVM						
Salary and bonus	-		-		$ 1,597,400	
Vesting of RSUs	-		-		$ 2,224,530	(3)
Vesting of PSUs	-		-		$ 4,519,680	(3)
Health and welfare benefits	-		-		$ 47,102	(6)
Excise tax reimbursement and related gross up	-		-		-	(7)
Total	-		-		$ 8,388,712	(8)
Donald P. Wood						
Salary and bonus	-		-		$ 1,921,000	
Vesting of RSUs	-		$ 2,224,530	(3)	$ 2,224,530	(3)
Vesting of PSUs	-		$ 4,802,160	(3)	$ 4,802,160	(3)
Health and welfare benefits	-		-		$ 32,200	(6)
Excise tax reimbursement and related gross up	-		-		$ 0	(5)

Total	-	$ 7,026,690	$ 8,979,890

(1) The amounts listed for Mr. Severson are payments upon a termination without cause or upon his resignation for good reason, and are based on the aggregate of two years of salary, bonus, unvested RSUs, unvested PSUs and benefits if his employment with us is terminated for any reason other than cause or if he resigns for good reason (as defined in Mr. Severson's amended and restated employment agreement effective October 2010).

(2) Amounts assume that the Named Executive Officer was terminated without cause or due to constructive termination during the 18-month period following a change in control.

(3) The values of the RSUs and PSUs assume that the market price per share of our common stock on the date of termination of employment was equal to the closing price of our common stock of $70.62 on March 30, 2018, the last day of trading for our fiscal year ended March 31, 2018 as reported on the Nasdaq Global Market.

(4) Health and welfare benefits include payment of 24 months of premiums for medical, dental, vision, disability, life insurance and long-term care benefits.

(5) For purposes of computing the Excise Tax reimbursement and related gross up payments, base amount calculations are based on the Named Executive Officer's taxable wages for fiscal years 2014 through 2018. No Excise Tax reimbursement or related gross up is estimated for Mr. Severson, Dr. Aron or Mr. Wood because the payment or benefit they may receive that would be a "parachute payment" within the meaning of 280G of the Code is estimated to be less than the Code safe harbor limit and thus not subject to Excise Tax.

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(6) Health and welfare benefits include payment of 24 months of premiums for medical, dental, vision, disability and life insurance benefits.

(7) Mr. Taylor and Dr. Tockman do not receive an excise tax reimbursement or related gross-up benefit.

(8) Pursuant to the "best after tax" provision of the Severance Plan, as adjusted by each of Mr. Taylor's and Dr. Tockman's respective offer letters, any payment or benefit each may receive that would be a "parachute payment" within the meaning of 280G of the Code subject to an Excise Tax imposed under Section 4999 of the Code will be either paid in full and subject to such Excise Tax or cut back to an amount that will not trigger the Excise Tax, whichever results in the greatest economic benefit to the participant. Based on this provision, Mr. Taylor would have received the greatest economic benefit to receive his full severance amount and personally pay his Excise Tax liability. Dr. Tockman would have received the greatest economic benefit by reducing his payment of approximately $97,000. The estimated Excise Tax liability that Mr. Taylor and Dr. Tockman would have been responsible for personally paying was $579,000 and $559,000, respectively.

Pay Ratio Disclosure

Under SEC rules, we are required to calculate and disclose the annual total compensation of our median employee, as well as the ratio of the annual total compensation of our median employee as compared to the annual total compensation of our CEO ("CEO Pay Ratio"). To identify our median employee, we used the following methodology:

- To determine our total population of employees, we included all full-time employees as of March 31, 2018.

- To identify our median employee from our employee population, we calculated the aggregate amount of each employee's fiscal 2018 base salary (using the hours worked and overtime actually paid during fiscal 2018 for hourly employees and actual salary paid for our remaining employees), annual cash incentive awards earned during fiscal 2018, and the value of equity awards granted in fiscal 2018 using the same methodology we use for estimating the value of the equity awards granted to our named executive officers and reported in our Summary Compensation Table.

- In making this determination, compensation of employees who were employed by us for less than the entire calendar year were not annualized.

- Compensation paid in foreign currencies was converted to U.S. dollars based on the average exchange rates during fiscal 2018

Using this approach, we determined our median employee and then calculated the annual total compensation of this employee for fiscal 2018 in accordance with the requirements of the Summary Compensation Table.

For fiscal 2018, the median of the annual total compensation of our employees (other than our CEO) was $74,408 and the annual total compensation of our CEO, as reported in the Summary Compensation Table included in this Annual Report on Form 10-K/A, was $3,897,269. Based on this information, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 52 to 1.

The CEO Pay Ratio above represents our reasonable estimate calculated in a manner consistent with SEC rules and applicable guidance. SEC rules and guidance provide significant flexibility in how companies identify the median employee, and each company may use a different methodology and make different assumptions particular to that company. As a result, and as explained by the SEC when it adopted these rules, in considering the pay ratio disclosure, stockholders should keep in mind that the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand and assess each particular company's compensation practices and pay ratio disclosures.

Neither the Compensation Committee nor our management used our CEO Pay Ratio measure in making compensation decisions.

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DIRECTOR COMPENSATION

Director Compensation Table

The table below summarizes the compensation paid to our non-employee directors for fiscal 2018.

Name (1)	Fees Earned or Paid in Cash ($)	Stock Awards ($) (2) (3)	Total ($)
Vernon E. Altman	37,750	252,120	289,870
Richard J. Bastiani, Ph.D.	38,250	252,120	290,370
Michael D. Casey	30,750	252,120	282,870
Henk J. Evenhuis	42,250	252,120	294,370
Prithipal Singh, Ph.D.	36,750	252,120	288,870

(1) Clinton H. Severson, our Chief Executive Officer and Director, is not included in this table as he is an employee of Abaxis and receives no compensation for his services as a director. The compensation received by Mr. Severson as an employee is shown in the "Summary Compensation Table" above.

(2) Each non-employee director listed in the table above was granted an award of 5,500 RSUs on May 1, 2017 under our 2014 Plan. Amounts listed in this column represent the grant date fair value of the awards in accordance with ASC 718. Amounts shown do not reflect whether the non-employee director has actually realized a financial benefit from the awards (such as by vesting in a RSU award). For a discussion of the assumptions used in determining the fair value of awards of RSUs in the above table, see Note 15 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K filed with the SEC on May 30, 2018. No stock awards were forfeited by our non-employee directors during fiscal 2018.

(3) As of March 31, 2018, each of our non-employee directors held 5,500 shares subject to outstanding RSUs.

Overview

Our Compensation Committee regularly reviews the elements of our non-employee director compensation program, including, with input as appropriate from outside advisors. In 2016, concurrent with review of the executive compensation programs, Pay Governance also reviewed our non-employee director compensation programs against those of our Compensation Peer Group. We did not implement any modifications to our non-employee director compensation program following such review. The current components of our non-employee director compensation program include cash retainers and meeting fees, as well as reasonable expense reimbursement, as well as discretionary equity awards. We also maintain stock ownership guidelines for directors as indicated above under "Compensation Discussion and Analysis—Other Compensation Policies and Benefits—Stock Ownership Guidelines." All of our directors meet these guidelines.

Cash Compensation Paid to Board Members

During fiscal 2018, all non-employee directors received an annual retainer of $15,000, pro-rated based on the period of services provided by the non-employee director. The non-employee Chairs of our Audit Committee, Compensation Committee and Nominating Committee received an annual supplement of $13,500, $7,500, and $5,000, respectively. Our non-employee directors each received $1,250 per board meeting attended and $1,000 per committee meeting attended. Mr. Altman is our lead independent director and receives an annual supplement of $7,000 in connection therewith. We also reimburse our non-employee directors for reasonable travel expenses incurred in connection with attending board and committee meetings. Directors who are employees receive no compensation for their service as directors.

Equity Compensation Paid to Board Members

Non-employee directors are eligible to receive equity awards under our equity compensation plans, as applicable, but such awards are discretionary and not automatic. In fiscal 2018, 2017 and 2016, each non-employee director received an annual equity award of 5,500, 5,500 and 5,000 RSUs, respectively, under our equity compensation plans, as applicable, for the services provided by the non-employee director during the respective period. Each RSU represents the right of the participant to receive, without payment of monetary consideration, on the vesting date, a number of shares of common stock equal to the number of units vesting on such date. Subject to the director’s continued service with us through the applicable vesting date, each RSU award will vest in full 12 months after the grant date. Under the terms of the 2005 Plan and of the director awards under the 2014 Plan, the vesting of each non-employee director RSU award will also be accelerated in full in the event of a “change in control,” as defined in the applicable equity compensation plan.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of June 26, 2018 by (i) each of the Named Executive Officers in the Summary Compensation Table; (ii) each of our directors; (iii) all of our executive officers and directors as a group and (iv) holders of at least 5% of our common stock. The information in the table below regarding the beneficial owners of 5% or more of our common stock is based on our review of Schedule 13D and Schedule 13G filings with the Securities and Exchange Commission.

The persons named in the table have sole or shared voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the footnotes to this table.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Abaxis Common Stock Beneficially Owned (1)	
5% Holders:			
Brown Capital Management, LLC (3)	1,104,822	4.83	%
Kayne Anderson Rudnick Investment Management, LLC (4)	3,664,960	16.02	%
PRIMECAP Management Company (5)	2,217,300	9.69	%
BlackRock, Inc. (6)	2,828,850	12.37	%
The Vanguard Group, Inc. (7)	2,075,656	9.08	%
Named Executive Officers: (2)			
Clinton H. Severson +	584,041	2.55	%
Kenneth P. Aron, Ph.D. (8)	115,499	0.51	%
Donald P. Wood	65,551	0.29	%
Craig M. Tockman, DVM	25,678	0.11	%
Ross Taylor	15,500	0.07	%
Outside Directors: (2)			
Richard J. Bastiani, Ph.D. (9)	57,700	0.25	%
Prithipal Singh, Ph.D.	26,500	0.12	%
Michael D. Casey	29,200	0.13	%
Vernon E. Altman	32,303	0.14	%
Henk J. Evenhuis	18,900	0.08	%
Executive officers and directors as a group (11 persons)	1,040,822	4.55	%

* Less than 1%.

\+ Mr. Severson is also a director.

(1) The percentages shown in this column are calculated based on 22,870,967 shares of common stock outstanding on June 26, 2018 and include shares of common stock that such person or group had the right to acquire on or within sixty days after that date, including, but not limited to, upon the vesting of RSUs and PSUs.

(2) The business address of the beneficial owners listed is c/o Abaxis, Inc., 3240 Whipple Road, Union City, CA 94587.

(3) Based on information set forth in a Schedule 13G/A filed with the SEC on June 8, 2018 by Brown Capital Management, LLC, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), reporting sole power to vote

and dispose of 868,218 and 1,104,822, of the reported shares, respectively. All of the reported shares are owned by various investment advisory clients of Brown Capital Management, LLC, which is deemed to be a beneficial owner of those shares pursuant to Rule 13d-3 under the Exchange Act, due to its discretionary power to make investment decisions over such shares for its clients and/or its ability to vote such shares. The business address for Brown Capital Management, LLC is 1201 North Calvert Street, Baltimore, MD 21202.

(4) Based on information set forth in a Schedule 13G/A filed with the SEC on February 13, 2018 by Kayne Anderson Rudnick Investment Management, LLC, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), reporting sole power to vote and dispose of 2,098,660 of the reported shares and shared power to vote and dispose of 1,566,300 of the reported shares. The business address for Kayne Anderson Rudnick Investment Management, LLC is 1800 Avenue of the Stars, Second Floor, Los Angeles, CA 90067.

(5) Based on information set forth in a Schedule 13G/A filed with the SEC on February 27, 2018 by PRIMECAP Management Company, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) and a church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 reporting sole power to vote and dispose of 2,066,300 and 2,217,300 of the reported shares, respectively. The business address for PRIMECAP Management Company is 177 E. Colorado Boulevard, 11th Floor, Pasadena, CA 91105.

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(6) Based on information set forth in a Schedule 13G/A filed with the SEC on January 19, 2018 by BlackRock, Inc., a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G), reporting sole power to vote and dispose of 2,775,662 and 2,828,850 of the reported shares, respectively. The business address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(7) Based on information set forth in a Schedule 13G/A filed with the SEC on February 8, 2018 by The Vanguard Group, Inc., an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), reporting sole power to vote and dispose of 42,572 and 2,031,580 of the reported shares, respectively; and shared power to vote and dispose of 3,202 and 44,076 of the reported shares, respectively. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 40,874 of the reported shares and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 4,900 of the reported shares. The business address for The Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, PA 19355.

(8) Includes:

- 114,999 shares held by Dr. Aron; and
- 500 shares held by Mrs. Aron's IRA.

(9) Includes:

- 57,400 shares held by Dr. Bastiani; and
- 300 shares held by Dr. Bastiani's wife.

Securities Authorized for Issuance Under Equity Compensation Plans

As of March 31, 2018, Abaxis had two equity incentive plans, the 2005 Plan and the 2014 Plan, under which our equity securities are authorized for issuance to our employees, directors and consultants. Each of these plans was approved by our shareholders.

From time to time we issue warrants to purchase shares of our common stock to non-employees, such as service providers and purchasers of our preferred stock. As of March 31, 2018, there were no warrants outstanding to purchase common stock.

The following table provides aggregate information as of March 31, 2018 regarding (i) outstanding unvested RSUs and PSUs and shares reserved under our equity compensation plans and (ii) outstanding warrants to purchase our common stock.

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Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (1)
Equity compensation plans approved by our shareholders:			
Equity Incentive Plan (2)	1,132,509	$ 0.00 (3)	990,699
Equity compensation plans not approved by our shareholders:			
Warrants to purchase common stock	—	—	—
Total:	1,132,509	$ 0.00 (3)	990,699

(1) The shares are available for award grant purposes under the 2014 Plan and exclude shares listed under the column "Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights."

(2) The 2014 Plan, which was approved by our shareholders on October 22, 2014, is the successor to and continuation of the 2005 Plan.

(3) Represents outstanding and unvested RSU and PSU awards for which there is no exercise price.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

In May 2016, we entered into a distribution agreement with Visual Dynamix. Dr. Craig Tockman, Abaxis' Vice President of Animal Health Sales and Marketing for North America, is an executive officer of Abaxis, Inc. Mr. Gary Tockman, Dr. Tockman's brother, is the President and owner of Visual Dynamix. Under the distribution agreement, we agreed to purchase a minimum of 100 units of microscopes or microscopes and camera systems for exclusive worldwide distribution rights. The price per unit is variable and dependent on the volume of units ordered. The initial term of the distribution agreement ended in May 2017, and after the initial term, renews automatically for successive one-year periods unless terminated by either party based upon a notice of non-renewal of sixty days. We purchased from Visual Dynamix inventory products of $0.9 million and $0.5 million, during fiscal 2018 and 2017, respectively. We market the products purchased from Visual Dynamix worldwide as the VetScan HDmicroscope.

Other than the distribution agreement with Visual Dynamix, there was not, nor is there any currently proposed transaction or series of similar transactions to which we were or are to be a party in which the amount involved exceeded or exceeds $120,000 and in which any of our executive officers, directors or holder of more than 5% of any class of our voting securities and members of that person's immediate family had, has or will have a direct or indirect material interest, other than as set forth in "Executive Compensation" and "Director Compensation" above and in "Indemnification Agreements" below.

Indemnification Agreements

We generally enter into indemnity agreements with our directors and executive officers. These indemnity agreements require us to indemnify these individuals to the fullest extent permitted by law.

Related-Person Transactions Policy and Procedures

We have adopted a written policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock, any members of the immediate family of any of the foregoing persons and any firm, corporation or other entity in which any of the foregoing persons is an executive partner or principal or which such person has a 5% or greater beneficial ownership interest (each a “Related Person”), are not permitted to enter into a transaction with us without the prior consent of the Audit Committee. Any request for us to enter into a transaction with a Related Person, in which the amount involved exceeds $120,000 and such Related Person would have a direct or indirect interest, must first be presented to the Audit Committee for review, consideration and approval. In approving or rejecting any such proposal, the Audit Committee is to consider the material facts of the transaction, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Person’s interest in the transaction. In addition, the charter of our Audit Committee provides that our Audit Committee is responsible for reviewing and approving any related-party transactions, after reviewing each such transaction for potential conflicts of interests and other improprieties.

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Director Independence

As required under the Nasdaq listing standards, a majority of the members of a listed company's Board of Directors must qualify as "independent," as affirmatively determined by the Board of Directors. The Board consults with our counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in the Nasdaq listing standards, as in effect from time to time. Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and Abaxis, its senior management, and its independent registered public accounting firm, the Board has affirmatively determined that the following five directors are independent directors within the meaning of the applicable Nasdaq listing standards: Mr. Altman, Mr. Casey, Mr. Evenhuis and Drs. Bastiani and Singh. In making this determination, the Board found that none of the directors had a material or other disqualifying relationship with Abaxis. Mr. Severson, our Chairman and Chief Executive Officer, is not an independent director by virtue of his employment with Abaxis. Mr. Altman currently serves as the Board's lead independent director.

Item 14. Principal Accounting Fees and Services

For the fiscal years ended March 31, 2018 and 2017, our independent registered public accounting firm, BPM LLP billed the approximate fees set forth below. All fees included below were approved by the Audit Committee.

	Year Ended March 31,	
	2018	2017
Audit Fees (1)	$ 889,000	$ 782,000
Audit-Related Fees (2)	45,000	28,000
Tax Fees	—	—
All Other Fees	—	—
Total All Fees	$ 934,000	$ 810,000

(1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly condensed consolidated financial statements, including attestation services related to Section 404 of the Sarbanes-Oxley Act of 2002.

(2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees." In fiscal 2018, services included attestation services related to Abaxis' tax deferral savings plan and financial due diligence services related to the Merger with Zoetis. In fiscal 2017, services included attestation services related to Abaxis' tax deferral savings plan.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy requiring the pre-approval of all audit and non-audit services to be performed for Abaxis by the independent registered public accounting firm. The Audit Committee has considered the role of BPM LLP in providing audit and audit-related services to Abaxis and has concluded that such services are compatible with BPM LLP's role as Abaxis' independent registered public accounting firm.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following financial statements, schedules and exhibits are filed as part of this report:

1. Financial Statements - The Financial Statements required by this item are listed on the Index to Consolidated Financial Statements in Part II, Item 8 of the Original 10-K.

2. Financial Statement Schedules –

- Schedule II – Valuation and Qualifying Accounts and Reserves is included in the Original 10-K.

- Other financial statement schedules are not included because they are not required or the information is otherwise shown in the consolidated financial statements or notes thereto.

3. Exhibits - The exhibits listed below on the Exhibit Index are filed as part of, or are incorporated by reference into, this report.

(b) See Item 15(a)(3) above.

(c) See Item 15(a)(2) above.

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Exhibit Index

Exhibit No.	Description of Document
2.1**	Agreement and Plan of Merger, dated as of May 15, 2018, by and among Zoetis Inc., Zeus Merger Sub, Inc. and Abaxis, Inc. (filed with the Securities and Exchange Commission on May 16, 2018 as Exhibit 2.1 to our Current Report on Form 8-K and incorporated herein by reference).
3.1	Amended and Restated Articles of Incorporation, as amended (filed with the Securities and Exchange Commission on May 30, 2014 as Exhibit 3.1 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2014 and incorporated herein by reference).
3.2	By-laws, as amended (filed with the Securities and Exchange Commission on May 30, 2014 as Exhibit 3.2 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2014 and incorporated herein by reference).
10.1	Lease Agreement with Principal Development Investors, LLC, dated June 21, 2000 (filed with the Securities and Exchange Commission on January 10, 2001 as Exhibit 10.10 to our Registration Statement on Form S-3 and incorporated herein by reference).
10.2*	Amended and Restated Executive Employment Agreement with Mr. Clinton H. Severson, dated October 27, 2010 (filed with the Securities and Exchange Commission on February 9, 2011 as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2010 and incorporated herein by reference).
10.3*	2005 Equity Incentive Plan, as amended and restated through November 8, 2012 (filed with the Securities and Exchange Commission on February 11, 2013 as Exhibit 10.4 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2012 and incorporated herein by reference).
10.4*	Form of Notice of Grant of Restricted Stock Units (time vesting) under the 2005 Equity Incentive Plan (filed with the Securities and Exchange Commission on June 14, 2013 as Exhibit 10.7 to our Annual Report on Form 10-K for the year ended March 31, 2013 and incorporated herein by reference).
10.5*	Form of Notice of Grant of Restricted Stock Units (performance vesting) under the 2005 Equity Incentive Plan (filed with the Securities and Exchange Commission on June 14, 2013 as Exhibit 10.8 to our Annual Report on Form 10-K for the year ended March 31, 2013 and incorporated herein by reference).
10.6*	2014 Equity Incentive Plan, as amended (filed with the Securities and Exchange Commission on November 1, 2016 as Exhibit 10.1 to our Current Report on Form 8-K and incorporated herein by reference).
10.7*	Forms of Restricted Stock Unit (time vesting) Grant Notice and Award Agreements under the Abaxis, Inc. 2014 Equity Incentive Plan (filed with the Securities and Exchange Commission on February 9, 2015 as Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2014 and incorporated herein by reference).
10.8*	Forms of Restricted Stock Unit (performance vesting) Grant Notice and Award Agreements under the Abaxis, Inc. 2014 Equity Incentive Plan (filed with the Securities and Exchange Commission on February 9, 2015 as Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2014 and incorporated herein by reference).
10.9*	Abaxis, Inc. Executive Change of Control Severance Plan, as amended as of December 23, 2008 (filed with the Securities and Exchange Commission on February 9, 2009 as Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2008 and incorporated herein by reference).
10.10*	Fiscal 2017 Base Salary and Target Bonus for the Named Executive Officers (filed with the Securities and Exchange Commission on April 28, 2016 as a part of our Current Report on Form 8-K and incorporated herein by reference, as amended and filed with the Securities and Exchange Commission on January 31, 2017 as a part of our Current Report on Form 8-K and incorporated herein by reference).
10.11*	Form of Indemnity Agreement entered into by Abaxis, Inc. with each of its directors and executive officers (filed with the Securities and Exchange Commission on June 13, 2008 as Exhibit 10.22 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2008 and incorporated herein by reference).

10.12*	Offer Letter Agreement between Abaxis, Inc. and Dean Ross Taylor, dated April 29, 2015 (filed with the Securities and Exchange Commission on May 4, 2015 as Exhibit 99.2 to our Current Report on Form 8-K and incorporated herein by reference).
10.13*	Executive Employment Agreement, dated as of May 1, 2014, with Craig M. Tockman (filed with the Securities and Exchange Commission on August 11, 2014 as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and incorporated herein by reference).
10.14	First Amendment to Lease Agreement with Principal Development Investors, LLC, dated as of August 28, 2000 (filed with the Securities and Exchange Commission on June 14, 2010 as Exhibit 10.23 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and incorporated herein by reference).
10.15	Second Amendment to Lease Agreement with Principal Development Investors, LLC, dated as of November 20, 2000 (filed with the Securities and Exchange Commission on June 14, 2010 as Exhibit 10.24 with our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and incorporated herein by reference).
10.16	Third Amendment to Lease Agreement with Crossroads Technology Partners and Nearon Crossroads, LLC, as successors in interest to Principal Development Investors, LLC, dated as of April 10, 2002 (filed with the Securities and Exchange Commission on June 14, 2010 as Exhibit 10.25 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and incorporated herein by reference).

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10.17	Fourth Amendment to Lease Agreement with Whipple Road Holdings, LLC, SFP Crossroads, LLC and Woodstock Bowers, LLC, dated March 11, 2010 (filed with the Securities and Exchange Commission on June 14, 2010 as Exhibit 10.26 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and incorporated herein by reference).
10.18	Exclusive Agreement, dated October 26, 2012, by and between Abaxis, Inc. and Abbott Point of Care, Inc. (filed with the Securities and Exchange Commission on July 2, 2013 as Exhibit 10.1 to the Amendment to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2012 and incorporated herein by reference).
10.19	Non-Exclusive Distributor Agreement, dated as of September 28, 2012, by and between MWI Veterinary Supply, Inc. ("MWI") and Abaxis, Inc. (filed with the Securities and Exchange Commission on November 27, 2012 as Exhibit 10.27 to MWI's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 and incorporated herein by reference).
10.20	Amendment to Exclusive Agreement between Abaxis, Inc. and Abbott Point of Care Inc., dated September 30, 2013 (filed with the Securities and Exchange Commission on November 12, 2013 as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 and incorporated herein by reference).
10.21+	Asset Purchase Agreement, dated as of March 19, 2015, between Antech Diagnostics, Inc. and Abaxis, Inc. (filed with the Securities and Exchange Commission on June 1, 2015 as Exhibit 10.25 to our Annual Report on Form 10-K for the year ended March 31, 2015 and incorporated herein by reference).
10.22*	Service Agreement between Abaxis Europe GmbH, Abaxis, Inc. and Achim Henkel, dated May 30, 2008 (filed with the Securities and Exchange Commission on July 29, 2015 as Exhibit 10.26 to Amendment No. 1 to our Annual Report on Form 10-K/A for the year ended March 31, 2015 and incorporated herein by reference).
10.23	Fifth Amendment to Lease Agreement, dated as of December 17, 2015, among Abaxis, Inc. and Whipple Road Holdings, LLC, SFP Crossroads, LLC and Woodstock Bowers, LLC (filed with the Securities and Exchange Commission on February 9, 2016 as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended December 31, 2015 and incorporated herein by reference).
10.24*	Fiscal 2018 Base Salary and Target Bonus for the Named Executive Officers (filed with the Securities and Exchange Commission on April 26, 2017 as a part of our Current Report on Form 8-K and incorporated herein by reference).
10.25+	Distribution Agreement, dated as of October 1, 2014, between Patterson Management, LP and Abaxis, Inc. (filed with the Securities and Exchange Commission on May 31, 2016 as Exhibit 10.27 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and incorporated herein by reference).
10.26	Second Amendment to the Exclusive Agreement between Abaxis, Inc. and Abbott Point of Care Inc. dated as of March 7, 2017 and effective as of April 19, 2017 (filed with the Securities and Exchange Commission on August 9, 2017 as Exhibit 10.26 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).
10.27+	Third Amendment to the Exclusive Agreement between Abaxis, Inc. and Abbott Point of Care Inc. dated as of July 11, 2017 (filed with the Securities and Exchange Commission on August 9, 2017 as Exhibit 10.27 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).
10.28*	Fiscal 2019 Base Salary and Target Bonus for the Named Executive Officers (filed with the Securities and Exchange Commission on April 26, 2018 as a part of our Current Report on Form 8-K and incorporated herein by reference).
21.1	Subsidiaries of Abaxis, Inc. (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 21.1 to the Original 10-K and incorporated herein by reference).
23.1	Consent of BPM LLP, Independent Registered Public Accounting Firm (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 23.1 to the Original 10-K and incorporated herein by reference).
24.1	

	Power of Attorney (included on the Signature Page to the Original 10-K and incorporated herein by reference).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 31.1 to the Original 10-K and incorporated herein by reference).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 31.2 to the Original 10-K and incorporated herein by reference).
31.3	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 32.1 to the Original 10-K and incorporated herein by reference).
32.2#	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 32.2 to the Original 10-K and incorporated herein by reference).
101.INS	XBRL Instance Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.INS to the Original 10-K and incorporated herein by reference).
101.SCH	XBRL Taxonomy Extension Schema Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.SCH to the Original 10-K and incorporated herein by reference).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.CAL to the Original 10-K and incorporated herein by reference).

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101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.LAB to the Original 10-K and incorporated herein by reference).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.PRE to the Original 10-K and incorporated herein by reference).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed with the Securities and Exchange Commission on May 30, 2018 as Exhibit 101.DEF to the Original 10-K and incorporated herein by reference).

+ Confidential treatment of certain portions of this agreement has been granted by the Securities and Exchange Commission.

* Management contract or compensatory plan or arrangement.

** Schedules omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a supplemental copy of any omitted schedule to the SEC upon request.

This certification is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on July 30, 2018.

ABAXIS, INC.

By: /s/ Clinton H. Severson
Clinton H. Severson
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Clinton H. Severson Clinton H. Severson	Chief Executive Officer and Director (Principal Executive Officer)	July 30, 2018
/s/ Ross Taylor Ross Taylor	Chief Financial Officer and Vice President of Finance (Principal Financial and Accounting Officer)	July 30, 2018
* Vernon E. Altman	Director	July 30, 2018
* Richard J. Bastiani, Ph.D.	Director	July 30, 2018
* Michael D. Casey	Director	July 30, 2018
* Henk J. Evenhuis	Director	July 30, 2018
* Prithipal Singh, Ph.D.	Director	July 30, 2018

*By: /s/ Clinton H. Severson
Clinton H. Severson
As Attorney-in-Fact