

HESKA CORP  
Form DEF 14A  
March 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240 Rule 14a-12

**HESKA CORPORATION**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:  
(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

March 30, 2015

Dear Heska Corporation Stockholder:

I am pleased to invite you to attend the Annual Meeting of Stockholders of Heska Corporation to be held on Tuesday, May 5, 2015 at 9:00 a.m., local time, at the Hilton Hotel, 425 West Prospect Road, Fort Collins, CO 80526.

Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of 2015 Annual Meeting and Proxy Statement. This notice and all proxy materials in connection with this Annual Meeting are also available on <http://www.heska.com/>\_\_\_\_\_.

Your vote is important. Whether or not you plan to attend the 2015 Annual Meeting, I hope you will vote as soon as possible. You may vote by proxy or in person at the annual meeting. Please review the instructions in the proxy statement and on the proxy card regarding your voting options.

Thank you for your ongoing support of and continued interest in Heska Corporation.

Sincerely,

Robert B. Grieve

*Executive Chair,*

*Heska Corporation*

Loveland, Colorado

**YOUR VOTE IS IMPORTANT**

In order to ensure your representation at the meeting if you will not attend, please follow the corresponding instructions on any enclosed proxy to indicate your voting preferences.

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NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

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**TIME** 9:00 a.m., local time, on Tuesday, May 5, 2015  
Hilton Hotel

**PLACE** 425 West Prospect Road

Fort Collins, Colorado 80526

**ITEMS OF BUSINESS**

1. To elect two Directors to a three-year term.

To approve an amendment to Article 8 of our amended and restated bylaws, as amended, allowing us to issue our employees the option to purchase our shares at a discount to fair market value in an employee stock purchase plan intended to qualify under section 423 of the Internal Revenue Code of 1986, as amended.

2. To amend and restate our 1997 Employee Stock Purchase Plan to increase the authorized number of shares by 75,000, as well as to change the manner of calculating an offering period base price and offer an additional payroll withholding alternative, among other changes.

3. To ratify the appointment of EKS&H LLLP as Heska Corporation's independent registered public accountant.

4. To offer approval of our executive compensation in a non-binding advisory vote.

5. To consider such other business as may properly come before the 2015 Annual Meeting, including such other business properly comes before the 2015 Annual Meeting.

**RECORD DATE**

You can vote if you were a stockholder of record at the close of business on March 16, 2015.

**FORM 10-K**

Our corporate 2014 annual report on Form 10-K for the year ended December 31, 2014, which is not a part of the proxy soliciting material, is enclosed.

**VOTING BY PROXY**

If you will not attend the meeting, please submit a proxy as soon as possible so that your shares can be voted at the 2015 Annual Meeting in accordance with your preferences. For specific instructions on voting, please refer to the instructions on any enclosed proxy card

March 30, 2015 By Order of the Board of Directors

Jason A. Napolitano

*Executive Vice President, Chief Financial Officer*

*And Secretary, Heska Corporation*

*This proxy statement and accompanying proxy card are being distributed on or about March 30, 2015.*

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 5, 2015**

**The Proxy Statement, the Proxy Card and our annual report on Form 10-K for the year ended December 31, 2014 are available at <http://www.heska.com/>\_\_\_\_\_.**

TABLE OF CONTENTS

**Page**

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE 2015 ANNUAL MEETING	1
<u>Why am I receiving these materials?</u>	1
<u>What information is contained in these materials?</u>	1
<u>What items of business will be voted on at the 2015 Annual Meeting?</u>	1
<u>How does the Board recommend I vote on the proposals?</u>	1
<u>Who is entitled to vote?</u>	1
<u>Will you be able to confirm I am a stockholder entitled to vote if I attend the 2015 Annual Meeting in person?</u>	2
<u>How can I tell if my shares are held in Street Name?</u>	2
<u>How do I vote?</u>	2
<u>How can I change my vote or revoke my proxy?</u>	3
<u>Who can help answer my questions?</u>	3
<u>What does it mean if I get more than one proxy card?</u>	3
<u>Who will serve as inspector of elections?</u>	3
<u>How do you expect votes will be counted for quorum and other purposes?</u>	3
<u>What are the quorum and voting requirements for the 2015 Annual Meeting?</u>	4
<u>Who can attend the 2015 Annual Meeting?</u>	4
<u>What happens if additional matters are presented at the 2015 Annual Meeting?</u>	4
<u>What happens if one or more of the nominees for Director is unable to stand for election?</u>	5
<u>Is a corporate 2014 Annual Report available?</u>	5
<u>Where can I find the voting results of the meeting?</u>	5
<u>May I propose actions for consideration at next year's Annual Meeting or nominate individuals to serve as Directors?</u>	5
<u>Who bears the costs of soliciting votes for the 2015 Annual Meeting?</u>	6
<b><u>BOARD STRUCTURE AND COMMITTEES</u></b>	7
<u>Board Leadership Structure</u>	7
<u>Board Risk Oversight</u>	7
<u>Board Independence</u>	8
<u>Audit Committee</u>	8
<u>Compensation Committee</u>	9
<u>Corporate Governance Committee</u>	9
<u>Director Qualification and Nomination</u>	10
<u>Stockholder Communication with our Board</u>	11
<b><u>DIRECTOR COMPENSATION</u></b>	11
<b><u>PROPOSALS TO BE VOTED ON</u></b>	13

<u>PROPOSAL NO. 1: Election of Directors</u>	13
<u>PROPOSAL NO. 2: Amendment to Bylaws</u>	16
<u>PROPOSAL NO. 3: Amendment and Restatement of 1997 Employee Stock Purchase Plan</u>	17
<u>PROPOSAL NO. 4: Ratification of Independent Registered Public Accountant</u>	23
<u>PROPOSAL NO. 5: Offer Approval of Executive Compensation in a Non-Binding Advisory Vote</u>	24
<u>POTENTIAL VOTE NO. 6: Advisory Vote with Respect to Discretionary Voting by Proxyholders</u>	25
<u>COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	26
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	30
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	30
<u>SIGNIFICANT RELATIONSHIPS AND TRANSACTIONS WITH DIRECTORS, OFFICERS OR PRINCIPAL STOCKHOLDERS</u>	30
<u>EXECUTIVE COMPENSATION</u>	34
<u>Compensation Discussion and Analysis</u>	34
<u>Historical Compensation Table</u>	46
<u>Summary Compensation Table</u>	48
<u>Grants of Plan-Based Awards in Last Fiscal Year</u>	49
<u>Outstanding Equity Awards at Fiscal Year-End</u>	50
<u>Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values</u>	50
<u>Potential Payments Upon Termination or Change-in-Control</u>	52
<u>Compensation Committee Report</u>	53
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	54
<u>AUDITOR FEES AND SERVICES</u>	54
<u>REPORT OF OUR AUDIT COMMITTEE</u>	55
<u>ADDITIONAL INFORMATION: "Householding" of Proxy Materials</u>	57
<u>OTHER MATTERS</u>	57
<u>APPENDIX A: Proposed Amended and Restated Bylaws, as amended.</u>	A-1
<u>APPENDIX B: Proposed 1997 Employee Stock Purchase Plan, as amended and restated</u>	B-1
<u>APPENDIX C: Proxy Card</u>	C-1

## QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS

### AND THE 2015 ANNUAL MEETING

**Q: *Why am I receiving these materials?***

**A:** The Board of Directors (the "Board") of Heska Corporation, a Delaware corporation ("Heska" or the "Company"), is providing these proxy materials for you in connection with Heska's Annual Meeting of Stockholders (the "Annual Meeting"). The 2015 Annual Meeting will take place on Tuesday, May 5, 2015. As a stockholder, you are invited to attend the 2015 Annual Meeting and are entitled to and requested to vote on the items of business described in this proxy statement.

***What information is contained in these materials?***

The information included in this proxy statement relates to the proposals to be voted on at the 2015 Annual Meeting, the voting process, the compensation of our Directors and most highly paid Executive Officers, and certain other required information. Our annual report on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission (the "SEC"), is also enclosed.

**Q: *What items of business will be voted on at the 2015 Annual Meeting?***

The items of business scheduled to be voted on at the 2015 Annual Meeting are:

- (1) The election of two nominees to serve on our Board of Directors for a three-year term;
- (2) To approve an amendment to Article 8 of our amended and restated Bylaws, as amended (the "Bylaws"), allowing us to issue our employees the option to purchase our shares at a discount to fair market value in an employee stock purchase plan intended to qualify under section 423 of the Internal Revenue Code of 1986, as amended;

increase the authorized number of shares by 75,000, as well as to change the manner of calculating an offering period base price and offer an additional payroll withholding alternative, among other changes;

(4) To ratify the appointment of our independent registered public accountant for fiscal 2015;

(5) To offer approval of our executive compensation in a non-binding advisory vote;

We will also consider other business that properly comes before the 2015 Annual Meeting, including if possible conducting an advisory vote with respect to discretionary voting by proxyholders, if, and only if, such other business properly comes before the 2015 Annual Meeting.

***How does the Board recommend I vote on the proposals?***

The Board recommends a vote FOR the election of each of the Director nominees, FOR approval of the amendment to the Bylaws, FOR the approval of the amendment and restatement of the 1997 Employee Stock Purchase Plan, FOR the ratification of EKS&H LLLP as the Company's independent registered public accountant, FOR the offering of approval of the Company's executive compensation policies, and FOR your preference being that the proxyholders exercise their voting discretion in a manner they determine to be in the best interest of the Company's stockholders, if other business properly comes before the 2015 Annual Meeting and you are

**Q:** voting by proxy.

***Who is entitled to vote?***

**A:** Stockholders as of the close of business on March 16, 2015 (the "Record Date") are entitled to vote at the 2015 Annual Meeting. As of the Record Date, 6,388,698 shares of our common stock were issued and



(3) To amend and restate our 1997 Employee  
Stock Purchase Plan to

**Q:**

**A:**

**Q:**

**A:**

outstanding. Each stockholder is entitled to one vote for each share of common stock held on the Record Date. A list of stockholders entitled to vote at the 2015 Annual Meeting will be available at the 2015 Annual Meeting and for ten days prior to the meeting during normal business hours at our offices at 3760 Rocky Mountain Avenue, Loveland, Colorado 80538, by contacting our Secretary as outlined under "Who can help answer my questions?" below.

***Will you be able to confirm I am a stockholder entitled to vote if I attend the 2015 Annual Meeting in person?***

Probably not as we expect to be able to confirm you as such only under certain limited circumstances. A list of stockholders is maintained and provided to us by Computershare Trust Company, Inc. ("Computershare"), our registrar and transfer agent. This list forms the basis for tracking votes from given shares. We, through Computershare, should be able to confirm you are a stockholder entitled to vote if you hold shares registered in your name with Computershare ("Registered" shares). However, a large portion of our shares are held by Cede & Co., a nominee of Depository Trust Company ("DTC shares") – as we believe is typical for publicly traded companies. We believe DTC shares are more conveniently publicly traded than other Registered shares and thus represent most of our daily trading

**Q:** volume. If a broker buys a position in DTC shares from another broker, we believe the identity of the parties is typically not reported to Computershare or us. We believe Depository Trust Company maintains records of the DTC shares allocated to different entities, such as brokers and banks, and in the case of a broker buying a position in DTC shares from another broker will record an increase in the number of DTC shares allocated to the first broker  
**A:** equal to the number of shares involved as well as a corresponding decrease in the number of shares allocated to the second broker. DTC shares allocated to a given broker in this

way may represent many client accounts for which the broker or the broker's agent maintains internal records, which we do not believe are generally shared with Depository Trust Company or Computershare.

If your shares are held through a broker, bank or other nominee and are not registered in your name with Computershare, such shares are herein referred to as being held in "Street Name", and you probably received these materials through such broker, bank or other nominee. Computershare will generally not be able to identify the holders of shares held in Street Name as stockholders entitled to vote without further arrangements by the corresponding broker, bank or other nominee.

***How can I tell if my shares are held in Street Name?***

If these proxy materials were mailed to you by an entity other than Computershare, your shares

**Q:** are probably held in Street Name. We believe over 90% of our shares are held in Street Name.

***A: How do I vote?***

There are two ways you can vote Registered shares:

(1) Vote by proxy for which you may (a) sign, date and indicate your voting preferences by

**Q:** following the corresponding instructions on each proxy card

**A:** you receive and return each such proxy card in the postage prepaid envelope; (b) indicate your voting preferences via the telephone by

following the corresponding instructions, or (c) indicate your voting preferences via the internet by following the corresponding instructions; and

(2) Vote in-person at the 2015 Annual Meeting.

If you have shares held in Street Name, you should vote the shares via any procedure(s) adopted by your broker, bank or other nominee. These may include proxy voting communicated by mail, telephone or the

internet. If you wish to vote these shares at the 2015 Annual Meeting, you must contact your broker, bank or other nominee to obtain the proper documentation - which at a minimum should be documentation entitling you to vote a certain number of Registered shares at the Annual Meeting which we can verify as legitimate - and bring it with you to the 2015 Annual Meeting.

***How can I change my vote or revoke my proxy?***

For Registered shares, you have the right to revoke your proxy and change your vote at any time before the meeting by notifying our Secretary, or returning a later-dated proxy card, updating your vote via the telephone by

**Q:** following the corresponding instructions or updating your vote via the internet by following the corresponding instructions. You may also revoke your proxy and change your **A:** vote by voting in person at the meeting.

For shares held in Street Name, you should follow any corresponding procedure(s) adopted by your broker, bank or other nominee. These may include procedures as simple as a later vote via telephone or the internet to change your vote.

***Who can help answer my questions?***

If you have any questions about the 2015 Annual Meeting or how to vote or revoke your proxy, you should contact:

Heska Corporation

Attn: Secretary

3760 Rocky Mountain Avenue

Loveland, Colorado 80538

(970) 493-7272

**A:** The inspector of elections is to be a representative of Computershare.

***How do you expect votes will be counted for quorum and other purposes?***

We intend to count shares underlying proxies containing a "for", "withhold", "against", or "abstain" vote, as well as any **A:** signed and returned proxies without any voting instructions as "present" for purposes of determining a quorum.

We intend to consider an abstention or a non-vote on a given matter to be a forfeiture of the right to vote on that matter and a forfeiture of the voting power present at the 2015 Annual Meeting underlying the forfeited votes regarding that matter. Accordingly, if you abstain or do not vote on a given matter, your shares will not be voted "for" or "against" that matter and will not be considered as present and entitled to vote on that matter. An abstention or a non-vote on any matter will not affect your ability to vote on any other matter.

The underlying broker, bank or other nominee of shares held in Street Name generally report consolidated proxy vote totals to Computershare and may not treat votes such as non-votes in the same manner we intend to. For example, if you do not vote on a given matter the underlying broker may be permitted by law, rule and policy to exercise voting discretion on this matter and may vote the corresponding shares accordingly. Similarly, if you do not vote on a given matter the underlying broker may be permitted by law, rule and policy not to vote the underlying shares on this or any other matter and may not vote the corresponding shares at all.

If you hold shares in Street Name through a broker, bank or other nominee, your broker, bank or nominee may not be permitted by law, rule or policy to exercise voting discretion with respect to certain matters to be acted upon. If you do not give your broker, bank or nominee specific instructions, your underlying shares may not be voted on those matters and, if so, will not

If you need additional copies of this proxy statement or voting materials, please contact our Secretary as described above.

*What does it mean if I get more than one proxy card?*

**Q:**

It probably means that you hold shares in more

**A:** than one account. Sign and return all proxies to ensure that all of your shares are voted.

*Who will serve as inspector of elections?*

**Q:**

**A:**

**Q:**

-3-

be considered as present and entitled to vote with respect to those matters. In some cases, your broker, bank or other nominee may not be permitted by law, rule or policy to exercise voting discretion with respect to any matters to be acted upon and, in the absence of specific instructions from you, may not vote or submit a proxy card to anyone at all regarding these matters. In such a circumstance, your underlying shares will not be considered present at the Annual Meeting in person or by proxy and will not be voted on any matters to be acted upon therein.

***What are the quorum and voting requirements for the 2015 Annual Meeting?***

The quorum requirement for holding the 2015 Annual Meeting and transacting business is that holders of a majority of the outstanding shares of our common stock entitled to vote must be present in person or represented by proxy at the meeting. Based on shares outstanding as of the Record Date, this requires 3,194,350 shares.

Election of Directors is to be determined by a plurality of the votes of the shares having voting power present in person or by proxy, and entitled to vote, on the subject matter (a "Plurality Vote").

**Q:**

The amendment to our Bylaws is to be approved by a majority of our shares outstanding (an "Absolute Majority").

**A:**

The amendment and restatement of our 1997 Employee Stock Purchase Plan is to be approved by both (1) the vote of the majority of the shares having voting power present in person or by proxy, and entitled to vote on the subject matter and (2) a minimum affirmative vote of a majority of our quorum requirement (with a vote meeting both criteria (1) and criteria (2) defined as a "Quorum Majority"), if the amendment to our Bylaws is approved. Based on shares outstanding as of the Record Date, the affirmative vote of a minimum of 1,597,176 shares will be required to achieve a Quorum Majority. The

amendment and restatement of our 1997 Employee Stock Purchase Plan is to be approved by an Absolute Majority if the amendment to our Bylaws is not approved.

The ratification of our independent registered public accountant for 2015 is to be approved by the vote of a majority of the shares having voting power present in person or by proxy, and entitled to vote, on the subject matter (a "Voting Majority").

An offer of approval of our executive compensation in a non-binding advisory vote is to be obtained by a Voting Majority.

Any other business which may properly come before the 2015 Annual Meeting is to be determined by a Voting Majority, provided that enough votes to constitute a majority of a quorum shall be cast in favor of the business to be determined, unless the matter is one upon which by express provision of law, of our Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), or of our Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

***Who can attend the 2015 Annual Meeting?***

All holders of Registered Shares as of the Record Date can attend. If you wish to vote your shares at the 2015 Annual Meeting and your shares are held in Street Name by a broker, bank or other nominee, you must contact your broker, bank or other nominee to obtain the proper documentation - which at a minimum should be documentation entitling you to vote a certain number of Registered shares at the Annual Meeting which we can verify as legitimate - and bring it with you to the 2015 Annual Meeting.

***What happens if additional matters are presented at the 2015 Annual Meeting?***

Other than the five specific items of business described in this proxy statement, we are not aware of any other business to be acted upon at the 2015 Annual Meeting. If

**Q:**

**A:**

**Q:**

**A:**

other business properly comes before the 2015 Annual Meeting, we will intend to try to conduct an advisory vote of stockholders who have granted the persons named below as proxyholders a proxy regarding the preference of these stockholders' regarding the manner in which the below persons named as proxyholders exercise their voting discretion or otherwise communicate any related information in this regard to such proxyholders, and then proceed to consideration of the other business which has properly come before the 2015 Annual Meeting. If you grant a proxy, the persons named as proxyholders - Robert B. Grieve, Ph.D., our Executive Chair, Jason A. Napolitano, our Executive Vice President, Chief Financial Officer and Secretary, and Nancy Wisnewski, Ph.D., our Executive Vice President, Product Development and Customer Support - will have the discretion to vote your shares on any additional matters presented for a vote at the meeting. It is important to note that while the proxyholders may consider any advisory vote or related information in such a circumstance, the proxyholders retain full discretion to vote as they may determine regardless of outcome of any advisory vote or related information.

***What happens if one or more of the nominees for Director is unable to stand for election?***

If for any unforeseen reason any of our nominees is not available as a candidate for Director, the persons named as proxyholders - Dr. Grieve, Mr. Napolitano and Dr. Wisnewski - expect to vote your proxy for such other candidate or candidates who may be nominated by the Board, although the proxyholders retain full discretion to vote as they may determine.

***Is a corporate 2014 Annual Report available?***

Yes. A corporate 2014 Annual Report was posted to the investor relations portion of our Corporate website on \_\_\_\_\_, 2015. We have not mailed physical copies of our corporate 2014 Annual Report with this

mailing in order to reduce the cost of conducting the 2015 Annual Meeting as compared to comparable costs in previous years. If you wish to obtain a hardcopy of our corporate 2014 Annual Report, please contact our Secretary as follows:

Heska Corporation

Attn: Secretary

3760 Rocky Mountain Avenue

Loveland, Colorado 80538

(970) 493-7272

***Where can I find the voting results of the meeting?***

We intend to announce preliminary voting results at the 2015 Annual Meeting, and publish final voting results in a Form 8-K filing with the SEC within 4 business days of the 2015 Annual Meeting. If final voting results are not available within 4 business days of the 2015 Annual Meeting, we intend to publish preliminary voting results in a Form 8-K filing with the SEC on the fourth business day following the 2015 Annual Meeting and then publish final voting results in an amended Form 8-K filing with the SEC within 4 business days of the final voting results becoming known.

***May I propose actions for consideration at next year's Annual Meeting or nominate individuals to serve as Directors?***

Yes. You may submit proposals, including Director nominations, for consideration at future stockholder meetings. All proposals or nominations should be addressed to: Secretary, Heska Corporation, 3760 Rocky



**Q:** Mountain Avenue, Loveland, Colorado  
80538.

**Q:**

**Stockholder Proposals:** For a stockholder proposal to be considered for inclusion in our proxy statement for

**A:**

**A:** the annual meeting next year, the written proposal must be received by our Secretary at our principal executive offices under either (1) Rule 14a-8 under the Securities Exchange Act of 1934, as amended (a "Rule 14 Proposal") or (2) the Bylaws of Heska (a "Bylaws Proposal"). A Rule 14 Proposal must be received by our Secretary at our

**Q:**

**A:**

-5-

principal executive offices no later than December 1, 2015. If the date of next year's annual meeting is moved more than 30 days before or after the anniversary date of this year's annual meeting, the deadline for inclusion of proposals in our proxy statement is instead a reasonable period of time before we begin to print and mail our proxy materials. Such proposals also will need to comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding the inclusion of stockholder proposals in company-sponsored proxy materials. For a Bylaws Proposal, the stockholder must deliver a written notice of intent to propose such action in accordance with our Bylaws, which in general require that the notice be received by us not less than 60 days nor more than 90 days prior to the first anniversary of the date on which notice of the prior year's annual meeting was mailed to stockholders. These proxy materials for the 2015 Annual Meeting are to be mailed on or about March 30, 2015. This means that for the 2016 Annual Meeting, any such proposal must be received no earlier than December 31, 2015 and no later than January 30, 2016.

**Director Nominees:** You may propose Director candidates for consideration by the Board's Corporate Governance Committee. Any such recommendations should be directed to our Secretary at our principal executive offices. In addition, you may nominate a Director for consideration by Heska's stockholders if you give timely and adequate notice to our Secretary of your intention to make such nomination in accordance with our Bylaws, which require that the notice be received by the Secretary within the time periods described above under "Stockholder Proposals" and with the detail regarding your nomination as is required by our Bylaws.

**Copy of Bylaw Provisions:** You may contact our Secretary at our principal executive offices for a copy of the relevant Bylaw provisions regarding the

requirements for making stockholder proposals and nominating Director candidates. A copy of our current Bylaws has also been filed with the SEC with our Annual Report on Form 10-K for the year ended December 31, 2014. A copy of our Bylaws, assuming the proposed amendment to the Bylaws is approved by our Stockholders, is attached as Appendix A. This document is accessible at the website of the SEC at [www.sec.gov](http://www.sec.gov).

**Q:** *Who bears the costs of soliciting votes for the 2015 Annual Meeting?*  
**A:**