SEC Form 4

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* Hart Daniel R (Last) (First) (Middle) 2642 MICHELLE DRIVE, SUITE 200 (Street) TUSTIN CA 92780 (City) (State) (Zip)	2. Issuer Name **and** Ticker or Trading Symbol Avid Bioservices, Inc. [CDMO] 3. Date of Earliest Transaction (Month/Day/Year) 07/09/2021 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title below) Other (specify below) **Chief Financial Officer** 6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8) Code	V	4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) Amount	(A) or (D)	Price	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock, $0.001 par value	07/10/2021		M		5,866	A	(1)	26,656	D	
Common Stock, $0.001 par value	07/10/2021		M		4,856	A	(1)	31,512	D	
Common Stock, $0.001 par value	07/12/2021		S		2,959(2)	D	$25.6111	28,553	D	
Common Stock, $0.001 par value	07/12/2021		S		2,450(2)	D	$25.6103	26,103	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8) Code	V	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A)	(D)	6. Date Exercisable and Expiration Date (Month/Day/Year) Date Exercisable	Expiration Date	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) Title	Amount or Number of Shares	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Restricted Stock Units	(1)	07/09/2021		A		24,320		10/09/2021(3)	(3)	Common Stock	24,320	$0.0000	61,344	D	
Performance Stock Units	(4)	07/09/2021		A		48,641		04/30/2022(5)	(5)	Common Stock	48,641	$0.0000	48,641	D	
Restricted Stock Units	(1)	07/10/2021		M			5,866	(6)	(6)	Common Stock	5,866	$0.0000	55,478	D	
Restricted Stock Units	(1)	07/10/2021		M			4,856	(7)	(7)	Common Stock	4,856	$0.0000	50,622	D	

Explanation of Responses:

1. Each Restricted Stock Unit ("RSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.

2. Represents the shares automatically sold by the reporting person pursuant to an election to satisfy tax withholding obligations in connection with the vesting of the RSUs described in footnotes 6 and 7. This sale does not represent a discretionary trade by the reporting person.

3. RSUs granted to the reporting person on July 9, 2021, vest in sixteen (16) equal quarterly installments over a four (4) year period beginning October 9, 2021 and each quarter thereafter until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.

4. Each Performance Stock Unit ("PSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.

5. The vesting of the PSUs granted to the reporting person on July 9, 2021 is subject to the Issuer achieving certain fiscal year revenue and adjusted net profit milestones, weighted 60% and 40%, respectively, over three (3) fiscal year performance periods beginning with the Issuer's fiscal year ending April 30, 2022 and continuing through the fiscal year ending April 30, 2024 (each a "Performance Period"). Subject to the Issuer attaining the applicable fiscal year milestones, 1/3rd of the PSUs will vest on the last day of each fiscal year during the Performance Period, subject to the reporting person's continuous service to the Issuer on such vesting dates. The number of PSUs listed is based on a maximum 200% achievement of each milestone during each Performance Period (the "Maximum Performance Target"). In the event that a milestone is achieved at a rate below the Maximum Performance Target, or is not achieved, the corresponding portion of the PSUs that do not vest will be forfeited.

6. RSUs granted to the reporting person on July 10, 2019, vest at the rate of 25% on each anniversary of the date of grant until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.

7. RSUs granted to the reporting person on July 10, 2020, vest at the rate of 25% on each anniversary of the date of grant until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.

/s/ Daniel R. Hart   07/13/2021

** Signature of Reporting Person   Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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