



NOTICE OF EXTRAORDINARY GENERAL MEETING
AND EXPLANATORY STATEMENT OF PHARMAXIS LTD

TO BE HELD AT THE OFFICES OF COMPUTERSHARE, LEVEL 4, 60 CARRINGTON STREET,
SYDNEY NSW 2000
ON 17 SEPTEMBER 2018 AT 2.30 PM (SYDNEY TIME)

TO BE VALID, PROXY FORMS FOR USE AT THE MEETING MUST BE COMPLETED AND
LODGED NO LATER THAN 15 SEPTEMBER 2018 AT 2.30 PM (SYDNEY TIME)

IMPORTANT

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

17 August 2018

Dear Shareholder,

An extraordinary general meeting of shareholders of Pharmaxis Ltd (**Company**) will be held at the offices of Computershare, located at Level 4, 60 Carrington Street, Sydney NSW 2000, on 17 September 2018 at 2.30 pm (Sydney time) (**Meeting**). The notice of meeting along with a proxy voting form is enclosed.

On 6 August 2018, the Company announced that it was undertaking a placement of ordinary shares (**Shares**) to sophisticated and professional investors to raise approximately A\$24.0m (**Placement**). The Placement is being conducted in two tranches:

- an initial placement of 38,288,432 Shares to sophisticated and professional investors to raise approximately A\$12.44m, which was completed on 14 August 2018 (**Tranche 1 Placement**); and
- a subsequent placement of an additional 35,557,722 Shares to raise approximately A\$11.56m which, subject to shareholder approval, is anticipated to complete on or about 21 September 2018 (**Tranche 2 Placement**).

The issue price under the Placement is A\$0.325, which represents a 3.1% premium to the closing price on 2 August 2018, being the last closing price prior to the announcement of the Placement on 6 August 2018. The funds raised through the Placement will be used to strengthen the Company's balance sheet as the Company conducts partnering negotiations for its clinical development program into Lysyl Oxidase 2 Inhibitors (LOXL2) expected to occur in 2H18. In addition, the funds will be used to further invest in pre-clinical programs, general working capital and expenses associated with the Placement.

The Placement received strong support from specialist global healthcare investors. UK based Arix Bioscience plc has committed to invest A\$14.2m and will (subject to shareholder approval to allow it to participate in the Tranche 2 Placement) emerge with a 11.1% shareholding in the Company. Arix is a global healthcare and life science company based in the United Kingdom and is listed on the main market of the London Stock Exchange. In conjunction with the investment by Arix, the Board of Directors of the Company has approved the nomination of Arix Investment Director, Mr Edward Rayner, to join the Board.

The resolutions to be considered at this Meeting relate to obtaining shareholder approval under ASX Listing Rules 7.1 and 7.4 in relation to the issue of Shares under the Placement; under ASX Listing Rule 10.11 to allow the Directors (or their nominees) to participate in the Placement; and the election of Mr Rayner as a Director. Details of the resolutions to be considered at the Meeting are contained in the explanatory statement which accompanies the notice of meeting.

If you plan to attend the Meeting, please bring the enclosed proxy form to facilitate your prompt registration. If you are unable to attend the Meeting, you are able to appoint a proxy to attend and vote on your behalf online at www.investorvote.com.au or by using the enclosed proxy form.

We look forward to welcoming you at the Meeting.

Yours faithfully



David McGarvey
Company Secretary and Chief Financial Officer

Notice of Extraordinary General Meeting

Notice is hereby given that an extraordinary general meeting (**Meeting**) of shareholders of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held at the offices of Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000, on 17 September 2018 at 2.30 pm (Sydney time).

ITEMS OF BUSINESS

1. Ratification of issue of shares under Tranche 1 Placement (Resolution 1)

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

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 38,288,432 fully paid ordinary shares at A\$0.325 per share to sophisticated and professional investors under the Tranche 1 Placement, as described in the Explanatory Statement accompanying this Notice of Meeting, be ratified and approved.

2. Approval of issue of shares to Non-Related Party Investors under Tranche 2 Placement (Resolution 2)

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

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 35,305,000 fully paid ordinary shares at A\$0.325 per share to sophisticated and professional investors under the Tranche 2 Placement, on the terms and conditions described in the Explanatory Statement accompanying this Notice of Meeting.

3. Approval of issue of shares to Related Parties under Tranche 2 Placement

a) Approval of issue of shares to Mr Malcolm McComas, Independent Chairman (Resolution 3a)

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

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 122,568 fully paid ordinary shares to Mr Malcolm McComas or his nominee(s), on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

b) Approval of issue of shares to Mr William Delaat, Non-Executive Director (Resolution 3b)

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

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 20,000 fully paid ordinary shares to Mr William Delaat or his nominee(s), on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

c) Approval of issue of shares to Dr Simon Buckingham, Non-Executive Director (Resolution 3c)

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

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 44,000 fully paid ordinary shares to Dr Simon Buckingham or his nominee(s), on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

d) Approval of issue of shares to Dr Kathleen Metters, Non-Executive Director (Resolution 3d)

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

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 20,000 fully paid ordinary shares to Dr Kathleen Metters or her nominee(s), on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

e) Approval of issue of shares to Mr Gary Phillips, Managing Director and Chief Executive Officer (Resolution 3e)

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

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 46,154 fully paid ordinary shares to Mr Gary Phillips or his nominee(s), on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

4. Election of Edward Rayner as a Non-Executive Director (Resolution 4)

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

That Mr Edward Rayner be elected as a non-executive director of the Company.

NOTES AND IMPORTANT INFORMATION

VOTING RESTRICTIONS

Resolution 1 – As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a) any person who participated in the Tranche 1 Placement (as defined in the Explanatory Statement); or
- b) any associates of any such person.

However the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed share issue under the Tranche 2 Placement (except a benefit solely by reason of being a holder of ordinary shares in the Company); or
- b) any associates of any such person.

However the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 3a to 3e (inclusive) – As required by the ASX Listing Rules, in respect of each of Resolutions 3a to 3e (inclusive), the Company will disregard any votes cast in favour of that Resolution by or on behalf of:

- a) the Director identified in that Resolution or his/her nominee(s) who is to receive shares in the Company, and any other person who will obtain a material benefit as a result of the proposed share issue (except solely in the capacity of a holder of ordinary shares); or
- b) any associates of any such person.

However the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING ENTITLEMENTS

For the purpose of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company has determined that the holders of the Company's ordinary shares for the purpose of the Meeting, will be the registered holders of ordinary shares as at 7:00 pm (Sydney time) on 15 September 2018.

PROXIES

Shareholders have the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes that each proxy is appointed to exercise. A proxy form has been included with this Notice of Meeting. Proxy voting instructions are provided with the proxy form.

You may submit your proxy form online by visiting www.investorvote.com.au. To use the online facility you will require the secure access information set out on your proxy form. You will be taken to have duly executed the proxy form if you lodge it in accordance with the instructions prior to 2.30 pm (Sydney time) on 15 September 2018. Custodians who are subscribers of Intermediary Online, please submit your votes electronically via www.intermediaryonline.com.

Completed proxies can also be lodged with the Company's registrar, Computershare Investor Services Pty Limited:

by hand: Level 4, 60 Carrington Street, Sydney NSW 2000

by post: GPO Box 242, Melbourne VIC 3001

by facsimile: 1800 783 447

or directly to the Company:

by hand or by post: 20 Rodborough Road, Frenchs Forest NSW 2086

by facsimile: +61 (2) 9451 3622

Duly completed proxies must be received by no later than **2.30 pm (Sydney time) on 15 September 2018**.

POWER OF ATTORNEY

If a shareholder has appointed an attorney to attend and vote at the Meeting, or if a proxy form is signed by an attorney, a certified copy of the power of attorney must likewise be received by Computershare Investor Services Pty Limited or the Company by no later than 2.30 pm (Sydney time) on 15 September 2018 by one of the means listed above.

CORPORATE REPRESENTATIVES

If a corporate shareholder wishes to appoint a person to act as a representative at the Meeting, that person should be provided with a letter authorising that person as the company's representative (executed in accordance with that company's constituent documents and the Corporations Act).

HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

Subject to the law, the Chairman of the Meeting will vote undirected proxies on, and in favour of, all proposed resolutions.

Shareholders can appoint the Chairman of the Meeting as their proxy to vote contrary to this stated intention or to abstain from voting on a resolution. Shareholders are encouraged to direct their proxies how to vote.

By order of the Board



Mr David McGarvey,
Company Secretary and Chief Financial Officer

17 August 2018

EXPLANATORY STATEMENT

Resolution 1 – Ratification of issue of shares under Tranche 1 Placement

Background

On 6 August 2018, the Company announced that it was undertaking a placement of ordinary shares (**Shares**) to sophisticated and professional investors to raise approximately A\$24.0m (**Placement**). The Placement is being conducted in two tranches:

- an initial placement of 38,288,432 Shares (**Tranche 1 Shares**) to sophisticated and professional investors to raise approximately A\$12.44m, which was completed on 14 August 2018 (**Tranche 1 Placement**); and
- a subsequent placement of an additional 35,557,722 Shares (**Tranche 2 Shares**) to raise approximately A\$11.56m which, subject to shareholder approval, is anticipated to complete on or about 21 September 2018 (**Tranche 2 Placement**). It is proposed that 35,305,000 of the Tranche 2 Shares will be placed to sophisticated and professional investors that are not related parties (as that term is used in the ASX Listing Rules) of the Company (**Non-Related Party Investors**), and 252,722 of the Tranche 2 Shares will be placed to related parties of the Company (being Directors or their nominees) (**Related Parties**).

The issue price under the Placement is A\$0.325, which represents a 3.1% premium to the closing price on 2 August 2018, being the last closing price prior to the announcement of the Placement on 6 August 2018. Immediately prior to the issue of the Tranche 1 Shares, the Company had 320,162,144 fully paid Shares on issue, of which the Tranche 1 Placement represents approximately 12% and Tranche 2 Placement represents approximately 11%.

The Company is seeking shareholder ratification for the issue of the Tranche 1 Shares pursuant to ASX Listing Rule 7.4.

Purpose of approval

In general terms, ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of its shareholders (**15% Capacity**), subject to certain exceptions.

However, ASX Listing Rule 7.4 allows an issue of securities made without shareholder approval to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if the issue did not breach ASX Listing Rule 7.1 and is subsequently ratified by the shareholders.

Accordingly, if shareholders ratify the issue of Tranche 1 Shares by way of approving Resolution 1, the Tranche 1 Shares will be treated to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1, and will no longer be counted towards the Company's 15% Capacity. This effectively refreshes the Company's 15% Capacity in respect of the Tranche 1 Shares, and the Company will be able to issue further equity securities up to its 15% Capacity in the next 12 months without requiring shareholder approval.

The Directors consider it to be in the best interests of the Company to maintain the Company's ability to issue up to 15% of its fully paid ordinary shares under ASX Listing Rule 7.1.

Other than the Placement, the Board has not made a decision to undertake any further issue of Shares.

Details of the Tranche 1 Placement

The Tranche 1 Shares were issued under the Company's 15% Capacity on 14 August 2018.

The following information, in respect of the issue of Tranche 1 Shares under the Tranche 1 Placement, is provided for the purposes of ASX Listing Rule 7.5:

- **The number of securities issued:** 38,288,432 Shares
- **Issue price of the securities:** A\$0.325
- **Recipients of the securities:** The Shares were issued to certain new and existing sophisticated and professional investors who subscribed under the Tranche 1 Placement following a process conducted by the Company's joint lead managers, Bell Potter Securities Limited and WG Partners LP (**Joint Lead Managers**).
- **Terms of the securities:** The Shares issued rank equally with the Company's existing Shares on issue. The Company has applied to the ASX for official quotation of the Shares.
- **Intended use of the funds raised:** The Company intends to use the proceeds raised through the Tranche 1 Placement to strengthen the Company's balance sheet as the Company conducts partnering negotiations for its clinical development program into Lysyl Oxidase 2 Inhibitors (LOXL2) expected to occur in 2H18. In addition, the funds will be used to further invest in pre-clinical programs, general working capital and expenses associated with the Placement.

Board recommendation

The board of Directors of the Company (**Board**) unanimously recommends that shareholders vote in favour of Resolution 1.

Resolution 2 – Approval of issue of shares to Non-Related Party Investors under Tranche 2 Placement

Background

Details of the Tranche 2 Placement are set out in the notes to Resolution 1 in this Explanatory Statement.

Purpose of approval

Under ASX Listing Rule 7.1, the Company must not issue or agree to issue equity securities in excess of its 15% Capacity within a 12 month period without the approval of its shareholders, subject to certain exceptions. Issues of equity securities made with prior shareholder approval are not included in the Company's 15% Capacity.

The Company is seeking shareholder approval to issue the Tranche 2 Shares to Non-Related Party Investors under the Tranche 2 Placement, for the purposes of ASX Listing Rule 7.1. The Joint Lead Managers have secured commitments to subscribe for the Tranche 2 Shares under the Tranche 2 Placement, subject to shareholder approval being obtained.

If Resolution 2 is not passed by shareholders, the Company will not be able to proceed with the Tranche 2 Placement with respect to the Non-Related Party Investors, and will not be able to raise the proposed funds under the Tranche 2 Placement in accordance with the indicative timetable.

If Resolution 2 is passed by shareholders but Resolution 1 is not passed, then the Company will still be able to proceed with the Tranche 2 Placement with respect to the Non-Related Party Investors, but the Tranche 2 Shares issued to Non-Related Party Investors would count towards the Company's 15% Capacity. The Tranche 2 Shares represent approximately 11% of the Company's share capital.

If both Resolutions 1 and 2 are passed, then none of the Tranche 1 Shares or Tranche 2 Shares will count towards the Company's 15% Capacity, and the Company will preserve the flexibility of being able to issue further equity securities over the next 12 months (within the 15% Capacity), without the delays involved with seeking prior shareholder approval. Other than the Placement, the Board has not made a decision to undertake any further issue of Shares. The Board will only undertake further issues of equity securities if the Board considers it is in the best interests of the Company to do so.

Each of the Company's Directors has also agreed to participate in the Tranche 2 Placement, subject to shareholder approval being obtained pursuant to ASX Listing Rule 10.11. Shareholder approval is being sought separately in relation to the proposed issue of the Tranche 2 Shares to the Related Parties under Resolutions 3a to 3e (inclusive).

Details of the proposed Tranche 2 Placement to Non-Related Party Investors

The following information, in respect of the proposed issue of Tranche 2 Shares under the Tranche 2 Placement to Non-Related Party Investors, is provided for the purposes of ASX Listing Rule 7.3:

- **The maximum number of securities to be issued:** 35,305,000 Shares
- **Date by which the securities are to be issued:** The Shares are anticipated to be issued on or around 21 September 2018 and in any case, no later than 3 months after the date of the Meeting.
- **Issue price of the securities:** A\$0.325
- **Proposed recipients of the securities:** The Shares are to be issued to certain new and existing sophisticated and professional investors who subscribe for Shares under the Tranche 2 Placement following a process conducted by the Joint Lead Managers.

Each of the Directors has also agreed to participate in the Tranche 2 Placement, subject to shareholder approval being obtained pursuant to ASX Listing Rule 10.11. Shareholder approval is being sought separately in relation to the proposed issue of the Tranche 2 Shares to the Related Parties under Resolutions 3a to 3e (inclusive).

- **Terms of the securities:** The Shares to be issued will rank equally with the Company's existing Shares on issue. The Company will apply to the ASX for official quotation of the Shares.
- **Intended use of the funds raised:** The Company intends to use the proceeds raised through the Placement (including the Tranche 2 Placement) to strengthen the Company's balance sheet as the Company conducts partnering negotiations for its clinical development program into Lysyl Oxidase 2 Inhibitors (LOXL2) expected to occur in 2H18. In addition, the funds will be used to further invest in pre-clinical programs, general working capital and expenses associated with the Placement.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 2.

Resolutions 3a to 3e (inclusive) – Approval of issue of shares to Related Parties under Tranche 2 Placement

Background

Each of the Company's Directors, being Mr Malcolm McComas, Mr William Delaat, Dr Simon Buckingham, Dr Kathleen Metters and Mr Gary Phillips, have agreed to support the Company's Placement by participating in the Tranche 2 Placement, subject to shareholder approval.

Purpose of approval

ASX Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to a related party of the company without the approval of its shareholders, subject to certain exceptions. Each of the Company's Directors (and their nominees) is a related party of the Company by virtue of sections 228(2) and 228(4) of the Corporations Act.

Accordingly, Resolutions 3a to 3e (inclusive) seek shareholder approval to allow the issue of Tranche 2 Shares to each of the Related Parties under the Tranche 2 Placement.

If shareholder approval is given for the purposes of ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1, and the Tranche 2 Shares issued to the Related Parties will not be counted towards the Company's 15% Capacity.

Details of proposed issue of Tranche 2 Shares to the Directors

ASX Listing Rule 10.13 requires that a notice of meeting pursuant to which shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 10.11 must include certain specified information in relation to the securities to be issued. This information is set out below:

Proposed recipient of Shares	Number of Shares to be issued	Anticipated date for issue of the Shares	Issue price per Share	Terms of the Shares
Mr Malcolm McComas or his nominee(s)	122,568 Shares	On or around 21 September 2018, but in any case, no later than 1 month after the date of the Meeting	A\$0.325	The Shares to be issued will rank equally with the Company's existing Shares on issue.
Mr William Delaat or his nominee(s)	20,000 Shares	On or around 21 September 2018, but in any case, no later than 1 month after the date of the Meeting	A\$0.325	The Shares to be issued will rank equally with the Company's existing Shares on issue.
Dr Simon Buckingham or his nominee(s)	44,000 Shares	On or around 21 September 2018, but in any case, no later than 1 month after the date of the Meeting	A\$0.325	The Shares to be issued will rank equally with the Company's existing Shares on issue.
Dr Kathleen Metters or her nominee(s)	20,000 Shares	On or around 21 September 2018, but in any case, no later than 1 month after the date of the Meeting	A\$0.325	The Shares to be issued will rank equally with the Company's existing Shares on issue.
Mr Gary Phillips or his nominee(s)	46,154 Shares	On or around 21 September 2018, but in any case, no later than 1 month after the date of the Meeting	A\$0.325	The Shares to be issued will rank equally with the Company's existing Shares on issue.

The Company will apply to the ASX for official quotation of the Shares to be issued to the Related Parties.

Intended use of the funds raised: The Company intends to use the proceeds raised through the Placement to strengthen the Company's balance sheet as the Company conducts partnering negotiations for its clinical development program into Lysyl Oxidase 2 Inhibitors (LOXL2) expected to occur in 2H18. In addition, the funds will be used to further invest in pre-clinical programs, general working capital and expenses associated with the Placement.

Board recommendation

The Board recommends that shareholders vote in favour of Resolutions 3a to 3e (inclusive), with each Director who has an interest in the outcome of the relevant Resolution abstaining from making a recommendation in respect of the Resolution that they have an interest in.

Resolution 4 – Election of Mr Edward Rayner as a Non-Executive Director

Under the Placement, Arix Bioscience plc (**Arix**) committed to invest A\$14.2m as follows:

- A\$6.5m under the Tranche 1 Placement, which has already completed; and
- A\$7.7m under the Tranche 2 Placement, subject to Resolution 2 being approved by shareholders.

This would result in Arix having an 11.1% shareholding in the Company. Arix is a global healthcare and life science company based in the United Kingdom and is listed on the main market of the London Stock Exchange.

In conjunction with the investment by Arix under the Placement, the Board has approved the nomination of Arix Investment Director Mr Edward Rayner for election as a Director of the Company. In assessing the nomination of Mr Rayner the Remuneration and Nomination Committee and the Board assessed the capabilities Mr Rayner could bring to the Board and particularly noted his experience as an investment manager and analyst in the healthcare and biotech space. Because of Mr Rayner's position with Arix the Board would not consider him to be an independent director. The Board has developed guidelines to assist the Company, Mr Rayner and Arix in managing Mr Rayner's position and any potential conflicts of interest and these have been discussed and agreed with Mr Rayner and Arix.

Before joining Arix Bioscience at its inception, Mr Rayner spent 18 years as an equity analyst and Portfolio Manager in Europe and Australia. From 2004 to 2014, he was Head of Research at Alliance Bernstein and then a senior portfolio manager at AMP Capital, a leading Australian investment house with over A\$130bn in funds under management, both in Sydney, Australia. At AMP Capital, he managed the growth equity portfolios and launched a small companies fund. As part of his responsibilities he focused on the Healthcare sector.

Prior to his move to Australia, Mr Rayner analysed European equities at UBS Asset Management and JP Morgan Investment Management. He gained an MA in Chemistry and MSc in Management at the University of Oxford and is a Chartered Financial Analyst.

Mr Rayner has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

If elected, Mr Rayner's term of office will be until the end of the third annual general meeting following his election or three years (whichever is longer), subject to the constitution of the Company, the ASX Listing Rules and the Corporations Act (and subject to any re-election by shareholders).

Board recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 4.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

PXS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your proxy vote to be effective it must be received by 2.30pm (Sydney time) on Saturday, 15 September 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Pharmaxis Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Pharmaxis Ltd to be held at the offices of Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000 on Monday, 17 September 2018 at 2.30pm (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on all items of business as the Chairman decides (except where I/we have indicated a different voting intention below or a voting exclusion applies).

Important Note: The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business unless a voting exclusion applies. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

STEP 2 Items of Business

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

		For	Against	Abstain
1	Ratification of issue of shares under Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval of issue of shares to Non-Related Party Investors under Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a	Approval of issue of shares to Mr Malcolm McComas, Independent Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b	Approval of issue of shares to Mr William Delaat, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3c	Approval of issue of shares to Dr Simon Buckingham, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3d	Approval of issue of shares to Dr Kathleen Metters, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3e	Approval of issue of shares to Mr Gary Phillips, Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Edward Rayner as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /