

# Pharmaxis Ltd

## Continuous Disclosure and Shareholder Reporting Policy

### 1. Purpose

The purpose of this Policy is to:

- clearly articulate the commitment of Pharmaxis to the continuous disclosure obligations imposed on the Company by Australian law or Listing Rules of the Australian Securities Exchange;
- describe the processes implemented by the Company to ensure compliance with those obligations;
- outline the corporate governance standards and processes adopted by Pharmaxis to ensure timely and accurate information about the Company is provided in a way that allows all interested parties equal opportunity to access the information; and
- outline Pharmaxis' commitment to encouraging effective shareholder participation in shareholder meetings.

### 2. Continuous Disclosure

#### 2.1. Commitment to Continuous Disclosure

Subject to limited exceptions prescribed by law and section 3.7 below, Pharmaxis will notify the market of any information or any events related to the businesses or financial condition of Pharmaxis required to be notified by law or the listing rules of ASX, including information which a reasonable person would expect to have a material effect on the price or value of its securities. Notification to the market will be by way of an announcement to the ASX. Events that may qualify for notification include:

- Material changes in financial performance, financial position or projected financial performance
- Significant development milestones and results
- Board and/or senior executive changes
- Material collaborative relationships
- Significant regulatory agency milestones and pronouncements

The Board has established a Disclosure Committee which is responsible for reviewing material information and determining what information must be disclosed to ensure that Pharmaxis complies with its disclosure obligations.

#### 2.2. Disclosure Committee

The Disclosure Committee manages Pharmaxis' compliance with this Policy. The Committee is responsible for implementing reporting processes and controls and determines guidelines for the release of information.

The members of the Disclosure Committee are:

- Chief Executive Officer;
- Chief Financial Officer/Company Secretary;
- Medical Director; and
- Chairman.

The Board or the Disclosure Committee may determine that the full Board (rather than the Disclosure Committee) will be responsible for managing compliance with this Policy and for implementing reporting processes and controls and determining the guidelines for the release of information, with respect to certain significant corporate events involving the Company.

### 2.3. Responsibility for identifying information for disclosure

Senior Executives are responsible for providing the Chief Executive Officer with material information about their respective areas of responsibility as soon as it comes to their attention. The Chief Executive Officer will promptly notify the Disclosure Committee. The Disclosure Committee is to provide guidance to Senior Executives as to what constitutes material information.

### 2.4. Communications with securities exchanges

The Chief Executive Officer is responsible for communications with the ASX, ASIC and, to the extent applicable, international securities regulators. The Chief Executive Officer is also responsible, together with the Disclosure Committee, to ensure that all information released to the market is factual, does not omit material information, and is expressed in a clear and concise manner to facilitate informed analysis by the market.

All material market announcements are to be promptly provided to all directors.

Pharmaxis will comply with the voluntary Code of Best Practice for Reporting by Life Science Companies issued by AusBiotech and ASX.

## **3. Shareholder Reporting**

### 3.1. General

Pharmaxis has adopted a corporate governance framework that is designed to ensure that:

- timely and accurate information about Pharmaxis is provided equally to all shareholders and market participants, including its financial situation, performance, ownership, strategies, activities and governance;
- procedures for disseminating information are adopted which are fair, timely and cost-efficient;
- measures are taken to improve access to information for shareholders unable to be physically present at meetings; and
- the Company does not communicate material price, or value, sensitive information to any external party before it is disclosed to all shareholders and market participants in compliance with its

continuous disclosure obligations. Certain limited exceptions may apply to this provision under the continuous disclosure obligations.

The specific processes adopted by Pharmaxis to implement these corporate governance standards are set out below.

### 3.2. Communication of disclosable information on the website

All material information released to the ASX will be posted on the Pharmaxis website as soon as practicable following confirmation of receipt by the exchange, preferably within 24 hours. The Pharmaxis website address is: [www.pharmaxis.com.au](http://www.pharmaxis.com.au)

### 3.3. Periodic Reporting

In addition to mandated full year and half year reporting and continuous disclosure obligations, Pharmaxis will provide shareholders with interim updates of the Company's progress across all areas of the business to enable shareholders to better assess the overall progress and performance of the Company.

### 3.4. Investor Conference Calls

Pharmaxis may host investor conference calls as the Disclosure Committee considers appropriate to discuss specific market announcements. When investor conference calls are organised:

- Prior notice of the call including access details will be announced to the market
- A recording or transcript of the call together with any presentation material will be posted on the Pharmaxis website

### 3.5. Shareholder Meetings

- Pharmaxis will use annual general meetings to communicate with shareholders about its financial situation, performance, ownership, strategies and activities, and at all general meetings will allow a reasonable opportunity for informed shareholder participation. In all other cases, the Company Secretary or his delegate will deal with private shareholder enquiries.
- The external auditor will be asked to attend annual general meetings.

### 3.6. Authorised Spokespersons

Details of the Pharmaxis employees authorised to make any public statement on behalf of, or attributable to, Pharmaxis are set out below. No other persons are authorised to make any such statement without prior approval of the Chief Executive Officer.

#### Media:

- Chief Executive Officer;
- Chief Financial Officer/Company Secretary, and
- Chairman.

#### Investor Relations:

- Chief Executive Officer;
- Chief Financial Officer/Company Secretary;
- Chairman.

#### 3.7. Rumours and market speculation

Subject to its obligations under paragraph 3.1 and the requirements of the listing rules of ASX, Pharmaxis will not generally comment on rumours or market speculation.

#### 3.8. Trading halts or suspension

In order to facilitate an orderly, fair and informed market, it may be necessary in certain circumstances to request a trading halt or suspension from ASX. The Disclosure Committee will make recommendations to the Board regarding decisions relating to any trading halt or suspension.

#### 3.9. Trading Blackout Periods

Pharmaxis observes a series of "Trading Blackout Periods" throughout the year to ensure that Directors, certain employees and persons connected with them do not place themselves under suspicion of abusing price sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of results or clinical milestones.

Trading Blackout Periods are defined in the Pharmaxis Share Trading Policy.

During these periods, Pharmaxis will make no comment on analysts' earnings estimates other than to acknowledge the range and average estimates in the market, and will make no comment on the financial performance or financial position of Pharmaxis unless the information has already been released to the market. Pharmaxis will continue to respond to requests for background information and meet with analysts and investors during this period, however the matters discussed/reviewed will be limited to matters already released to the market.

During these periods, Pharmaxis will continue to be subject to the continuous disclosure obligations, and will make such announcements as may be required under paragraph 3.1.

#### 3.10. Financial calendar

Pharmaxis will establish and seek to follow a calendar of regular disclosure to the market on its financial and operational results.

#### 3.11. Analyst and investor briefings

Pharmaxis recognises the importance of its relationship with investors and analysts.

From time to time, Pharmaxis will conduct broker, analyst and investor briefings. In these cases, the

following protocols will apply:

- no information of the kind outlined in paragraph 3.1 will be disclosed at these briefings unless it has been previously or is simultaneously released to the market;
- if material information of the kind outlined in paragraph 3.1 is inadvertently released, it will immediately be released to the market via the ASX and placed on the Pharmaxis website;
- questions at briefings that deal with material information of the kind outlined in paragraph 3.1 not previously disclosed will not be answered; and
- updates to investor presentations will be released to the market in advance of briefings and will be available on the Pharmaxis website.

### 3.12. Analysts' reports and estimates

Pharmaxis encourages analysis by the investment community and a policy of consistent access and treatment will be applied, irrespective of the views and recommendations expressed.

Pharmaxis may review analysts' research reports but will confine its comments to material previously disclosed by Pharmaxis.

Information of the kind outlined in paragraph 3.1 will not be provided by Pharmaxis unless it has already been disclosed to the market.

Subject to the above, Pharmaxis may comment on analysts' earnings' estimates to the extent of:

- acknowledging the current range of estimates;
- questioning an analyst's assumptions or sensitivities if the analyst's estimate is significantly at variance from current market range estimates (that is, based on those market range estimates of which Pharmaxis is aware, and any externally calculated consensus figures); and
- advising factual errors where data is already in the public domain.

### 3.13. Electronic Communications

- Shareholders may elect to receive electronic advice when reports and announcements released to the market have been posted to the Pharmaxis website.
- Beneficial shareholders may register with the company to receive material directly.

### 3.14. Consultants and professional advisers

Pharmaxis will, as it considers appropriate, require certain consultants and professional advisers engaged to undertake work on behalf of Pharmaxis or any of its subsidiaries to abide by this Policy.

### 3.15. Breaches

Failure to comply with this Policy may lead to a breach of applicable legislation or with the Listing Rules of ASX or other regulations, particularly in relation to continuous disclosure. It may also involve a breach of an employee's duty of confidentiality.

This may result in liability for Pharmaxis and in turn may lead to personal penalties for Directors and officers. Breaches of this Policy may lead to disciplinary action being taken, including dismissal in serious cases.

3.16. Review

The Board will evaluate this Policy on an annual basis to determine whether the Policy is effective in ensuring accurate and timely disclosure in accordance with Pharmaxis' disclosure obligations.

3.17. Additional information

If you have any questions arising from Pharmaxis' Continuous Disclosure and Communications Policy, you may contact the Company Secretary.