

Pharmaxis Ltd Diversity Policy

1. Introduction

Pharmaxis is a pharmaceutical research company that develops new pharmaceutical therapies for global markets and diversity of experience and thought at all levels of the organisation is needed if Pharmaxis is to succeed. Identifying and attracting employees, including management, with the relevant international pharmaceutical industry experience to a small Australian based pharmaceutical company has always been challenging, and the Company has as a matter of necessity as well as deliberate policy been required to consider any and all applicants for new or vacated positions. The Company's overriding principle has always been to treat people equally, as articulated by our Code of Conduct. In competing with more established companies for available candidates Pharmaxis has also found an advantage in providing flexible work conditions. To date, the Company's focus on identifying and employing the best people who are willing to join the Company's endeavour has created a diverse workforce. Initial gender objectives set by the Board in 2011 were based on the then current business plan of the time and anticipated the number of people employed by the Company to continue to grow from the then base of 138 employees, providing opportunities to pursue the agreed gender diversity objectives. After peaking at over 160 employees in 2013 the Company restructured its operations. The Company's work force has now been relatively stable in number since 2016 and at 30 June 2019 was 65 FTE, 70 employees. The Company does not expect to grow its workforce significantly in future years. The Boards expectations for gender diversity as at 30 June 2018 were achieved and the Board has reviewed its ongoing expectations consistent with the size and structure of the business. The Board believes its focus on identifying and employing the best people who are willing to join the Company's endeavour should remain the priority, with longer timeframes required to achieve gender diversity outcomes.

2. Policy

Pharmaxis is committed to employment practices that treat all individuals equally and with respect. We are committed to employ and advance people within the Company based on their relevant skills and experience, and regardless of race, ethnicity, language, gender identity, age, marital or family status, religious beliefs, cultural background, socio-economic background, sexual orientation, or disability.

The Board is aware of the difficulty of achieving diversity across all areas of a company with a relatively small and stable workforce, but considers the diversity achieved to date to be a favourable endorsement of the Company's existing policies and encouraging for the future. The Board aims for equal representation of male and female employees across the entire company and also at the Board and senior management levels. It is not possible to place a time frame on when this will be achieved. The Board has therefore set ongoing minimum female representation as follows to take into account

the large percentage change that follows a change of one person at the Board and senior management levels:

	30 June 2019		30 June 2018		Ongoing minimum
	Employees	%	Employees	%	
Non-executive directors	4	25%	4	25%	25%
CEO and direct reports	10	30%	10	30%	30%
Across the entire Company	70	41%	70	41%	40%

Diversity is encouraged by a range of measures, including the following:

- 2.1. A commitment by the Board and senior executives to model the Company's Code of Conduct in all aspects of the business.
- 2.2. Ensuring executives tasked with recruiting new employees or advancing employees within the Company understand the intent and specifics of the Code of Conduct, Diversity Policy, Equal Opportunity Policy and Anti-Discrimination Policy.
- 2.3. Ensuring external organisations assisting with recruiting understand the intent and specifics of the Diversity Policy.
- 2.4. Employee development, training and mentoring programs that encourage and support the career development of all employees based on merit, skills and experience.
- 2.5. Continuation of a flexible approach to work conditions, as described in the Flexible Working Arrangements Policy, to the extent such flexibility is not inconsistent with the requirements of the position.

The Remuneration and Nomination Committee of the Board is responsible for assessing on an annual basis the achievement against gender diversity objectives, including the representation of women at all levels of the Company.