

Pharmaxis Ltd Whistleblower Policy

1. General

The Pharmaxis Ltd Code of Conduct requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Company, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. Unlawful activity of any kind is prohibited.

2. Reporting responsibility

It is the responsibility of all directors, officers and employees to comply with the Code of Conduct and to report violations or suspected violations in accordance with this Whistleblower Policy.

3. Conduct covered by this policy

Please refer to the Company's Code of Conduct, which establishes general standards of conduct for directors, officers and employees. Any unlawful conduct or a violation of the Code of Conduct should be reported in accordance with this policy.

4. No retaliation

No director, officer or employee who in good faith reports a violation of the Code of Conduct shall suffer harassment, retaliation or adverse employment consequence as a consequence of that reporting. An employee that retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

5. Reporting potential violations

The Chief Executive Officer, Chief Financial Officer and Directors of the Company should contact the Chairman of the Board for reporting violations of the Code of Conduct or other misconduct. The Chairman will advise the Board and the Compliance Officer of any reports received. Other officers and employees should follow the procedures set forth in this Policy for reporting violations of the Code of Conduct or other misconduct.

The Company encourages an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you

are encouraged to speak with someone in Administration or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Company's Compliance Officer (details set out below), who has specific responsibility to investigate all reported violations.

For suspected fraud or securities law violations, or when you are not satisfied or comfortable with following the Company's open door policy, individuals should contact the Company's Compliance Officer directly.

6. Compliance officer

The Company's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code of Conduct and, at his discretion, shall advise the CEO, the CFO and/or the Audit Committee. He has direct access to the Audit Committee of the Board of Directors and is required to report to the Committee at least annually on his compliance activity. The Company's Compliance Officer is Cameron Billingsley. Mr Billingsley's direct telephone line is +61 2 8115 9801 or +61 2 410 626 421 and his email address is Cameron.billingsley@pharmaxis.com.au. If you are not comfortable speaking with Mr Billingsley or he is unavailable and the matter is urgent, you may contact the Chairman of the Audit Committee, Mr Will Delaat, via email at willdelaat50@gmail.com or the Company's Chief Financial Officer, Mr David McGarvey on +61 438 880 106.

7. Accounting and auditing matters

The Audit Committee of the Board of Directors shall address all reported concerns or complaints regarding Company accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Audit Committee of any such complaint and work with the Committee until the matter is resolved.

8. Acting in good faith

Anyone filing a complaint concerning a violation of the Code of Conduct must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offence.

9. Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

10. Handling of reported violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

11. Reporting to the Board

The Board is to be informed of any material incidents reported under this policy.

Pharmaxis