
NOTICE OF THE 2014 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT OF PHARMAXIS LTD

TO BE HELD AT THE CHRISTIE CONFERENCE CENTRE,
3 SPRING STREET, SYDNEY NSW
ON 27 NOVEMBER 2014 AT 2:30 PM (SYDNEY TIME)

TO BE VALID, PROXY FORMS FOR USE AT THE MEETING
MUST BE COMPLETED AND LODGED NO LATER THAN
25 NOVEMBER 2014 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 October 2014

Dear Shareholder,

The 2014 annual general meeting of shareholders of Pharmaxis Ltd (**Company**) will be held at the Christie Conference Centre, located at 3 Spring Street, Sydney NSW, on 27 November 2014 at 2:30 pm (Sydney time). The notice of meeting along with a proxy voting form is enclosed.

The Chairman, the Chief Executive Officer and the Chief Financial Officer will each give presentations at the meeting in relation to the Company. Additional details of the Company's performance and operations are set out at www.pharmaxis.com.au and in the Company's 2014 annual report.

The formal part of the meeting will cover the consideration of the Company's financial statements and remuneration report and the re-election of a non-executive 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. Shareholders will have an opportunity to ask questions during the meeting or by submitting written questions. Shareholders are also invited to join the board of directors for light refreshments at the conclusion of the meeting.

We look forward to welcoming you at the meeting.

Yours faithfully,



David McGarvey
Company Secretary and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 2014 annual general meeting of shareholders of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held at the Christie Conference Centre, located at 3 Spring Street, Sydney NSW, on 27 November 2014 at 2:30 pm (Sydney time).

ORDINARY BUSINESS

1. Financial Statements

To receive and consider the financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2014.

2. Remuneration Report

To consider and, if thought fit, to pass item 2 as an ordinary resolution (advisory vote only):

That the remuneration report of the Company for the year ended 30 June 2014 be adopted.

3. Re-election of Mr William Delaat as a Non-Executive Director

To consider and, if thought fit, to pass item 3 as an ordinary resolution:

That Mr William Delaat be re-elected as a non-executive director of the Company.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the constitution of the Company and the Corporations Act, 2001 (Cth) (**Corporations Act**).

VOTING RESTRICTIONS

Item 2 – Pursuant to the Corporations Act, a vote must not be cast (in any capacity) on item 2 by or on behalf of the following persons:

- a) a member of the Company's key management personnel (whose remuneration is disclosed in the remuneration report); or
- b) a closely related party of such a member.

However a person described above may cast a vote on item 2 if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on item 2;
- d) the person is the Chairman of the meeting, and the appointment of the proxy expressly authorises the Chairman of the meeting to exercise the undirected proxies on item 2 even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel; and
- e) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of the Company's key management personnel include its directors and certain senior executives.

A closely related party of a member of the key management personnel means any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice of meeting, no additional persons have been prescribed by regulation).

VOTING ENTITLEMENTS

For the purpose of the Corporations Act, the Company has determined that the holders of the Company's ordinary shares for the purpose of the annual general meeting, will be the registered holders of ordinary shares as at 7:00 pm (Sydney time) on 25 November 2014.

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 25 November 2014. 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 25 November 2014**.

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 25 November 2014 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).

APPOINTMENT OF THE CHAIRMAN OR OTHER KEY MANAGEMENT PERSONNEL AS YOUR PROXY

Due to voting exclusions and requirements referred to in this Notice of Meeting, if you intend to appoint a member of key management personnel (which includes each of the directors and executives named in the Company's 2014 Remuneration Report) or their closely related parties other than the Chairman as your proxy, you are encouraged to direct them how to vote on item 2 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business. If you do not direct such a proxy how to vote on item 2 (Remuneration Report) they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies where he or she is expressly authorised to do so on the proxy form.

If the Chairman of the meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chairman of the meeting to vote "For", "Against", or to "Abstain" from voting on, items 2 and 3 by marking the appropriate box opposite the relevant item on the proxy form. However, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite item 2 and/or item 3, your undirected proxies held by the Chairman will be taken as an express authorisation for the Chairman to vote as he or she decides, in which case the Chairman intends to vote in accordance with the stated intention below.

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, including item 2 (Remuneration Report).

Shareholders always have the ability to appoint the Chairman of the meeting as their proxy to cast the votes contrary to the 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

A handwritten signature in black ink, appearing to read 'D. McGarvey', with a long horizontal flourish extending to the right.

Mr David McGarvey,
Company Secretary and Chief Financial Officer

17 October 2014

EXPLANATORY STATEMENT

Item 1 - Financial Statements

In accordance with section 317 of the Corporations Act, the financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2014 will be presented to the meeting. Shareholders will be provided with an opportunity to ask questions in relation to the reports, however, in accordance with the Corporations Act there will be no formal resolution put to the meeting. The reports are contained in the Company's 2014 statutory annual report which is available at www.pharmaxis.com.au.

Item 2 - Advisory Vote in Relation to the Remuneration Report

Section 250R(2) of the Corporations Act requires that shareholders vote in respect of the adoption of the Company remuneration report. Section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory only and does not bind the Company's board of directors (**Board**).

If at least 25% of the votes cast on the resolution are voted against adoption of the remuneration report at this meeting and then again at next year's annual general meeting, the Company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (spill resolution). If more than 50% of shareholders vote in favour of the spill resolution, the Company is required to convene the extraordinary general meeting (spill meeting) within 90 days of the 2015 annual general meeting. At this time, all of the directors of the Company with the exception of the managing director will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following any such spill meeting, those persons whose election or re-election as directors is approved will be the directors of the Company.

The remuneration report is set out in section 2 of the Company's 2014 statutory annual report. Noting that each director has a personal interest in their own remuneration, as set out in the remuneration report, the Board recommends that shareholders vote in favour of this resolution.

Item 3 - Re-election of Mr William Delaat as a Non-Executive Director

Mr William Delaat has been a non executive director of the Company since June 2008. In accordance with the requirements of the Company's constitution and the ASX Listing Rules, Mr William Delaat retires and offers himself for re-election.

Mr William Delaat has over 40 years' experience in the global pharmaceutical industry, most recently as the managing director of the Australian subsidiary of Merck & Co., a position he held from 1997 until his retirement in 2008. During his career Mr. William Delaat has held executive positions in both Europe and Australia for Merck and AstraZeneca. Mr. William Delaat is experienced in sales and marketing and has been responsible for international product launches and commercialisation of respiratory products. Mr. William Delaat was chairman of Medicines Australia, and the Pharmaceuticals Industry Council from 2008 to 2012. He is Chairman of EnGeneIC Ltd, an unlisted Australian biotech company, and a member of other Government appointed Councils and Not-for-Profit Boards. Mr. William Delaat holds a Bachelor of Science, Physiology & Chemistry from the University of London. Mr. William Delaat is a member of the Audit Committee and has been its chairman since 1 May 2012.

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

The Board (with Mr William Delaat abstaining) recommends that shareholders vote in favour of this resolution.

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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

┌ 000001 000 PXS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report 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 vote to be effective it must be received by 2:30 pm (Sydney Time) on Tuesday 25 November 2014**

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.



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I ND

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 Annual General Meeting of Pharmaxis Ltd to be held at the Christie Conference Centre, 3 Spring Street, Sydney NSW on Thursday, 27 November 2014 at 2:30 pm (Sydney Time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: 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 Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

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
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr William Delaat as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. 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.

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 / /

PXS

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