



NOTICE OF THE 2015 ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT OF PHARMAXIS LTD

TO BE HELD AT THE CHRISTIE CONFERENCE CENTRE
3 SPRING STREET, SYDNEY NSW 2000
ON 19 NOVEMBER 2015 AT 2.30 PM (SYDNEY TIME)

TO BE VALID, PROXY FORMS FOR USE AT THE MEETING MUST BE COMPLETED
AND LODGED NO LATER THAN 17 NOVEMBER 2015 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.

16 October 2015

Dear Shareholder,

The 2015 annual general meeting of shareholders of Pharmaxis Ltd (**Company**) will be held at the Christie Conference Centre, located at 3 Spring Street, Sydney NSW 2000, on 19 November 2015 at 2.30pm (Sydney time) (**Meeting**). The notice of meeting along with a proxy voting form is enclosed.

The formal part of the Meeting will cover the consideration of the Company's financial statements and remuneration report, the re-election of a non-executive director, the grant of securities to our Chief Executive Officer, the renewal of the proportional takeover provisions in our constitution as well as amendments to update our constitution, including to enable the sale of unmarketable securities. 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 in advance of the Meeting. 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,

A handwritten signature in black ink, appearing to read 'D. McGarvey', with a large, sweeping flourish underneath.

David McGarvey
Company Secretary and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 2015 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 2000, on 19 November 2015 at 2.30pm (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 2015.

2. Remuneration Report

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

That the remuneration report of the Company for the year ended 30 June 2015 be adopted.

3. Re-election of Dr Simon Buckingham as a Non-Executive Director

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

That Dr Simon Buckingham, who retires and offers himself for re-election as a director of the Company, be re-elected as a non-executive director of the Company.

SPECIAL BUSINESS

4. Grant of Performance Rights to Mr Gary Phillips

To consider and, if thought fit, to pass item 4 as an **ordinary** resolution:

*That for the purposes of the ASX Listing Rules and for all other purposes, approval be given for the grant of 1,626,000 zero grant price and zero exercise price employee options (**Performance Rights**) to Mr Gary Phillips under the Company's performance rights plan, resolved to be granted by the Board in July 2015 and, upon exercise of those Performance Rights, the acquisition of 1,626,000 ordinary shares underlying those Performance Rights, in accordance with the terms of the performance rights plan and the explanatory statement accompanying this notice of meeting.*

5. Renewal of Proportional Takeover Provision in the Constitution of the Company

To consider and, if thought fit, to pass item 5 as a **special** resolution:

That approval be given for the proportional takeover provision contained in article 45 of the current constitution of the Company to be renewed for a further three years from the date of the 2015 annual general meeting, as detailed in the explanatory statement accompanying this notice of meeting.

6. Amendments to constitution

To consider and, if thought fit, pass item 6 as a **special** resolution:

That, in accordance with section 136(2) of the Corporations Act, approval be given for the constitution of the Company to be amended, with effect from the close of the Meeting, as detailed in the explanatory statement accompanying this notice of meeting. The amendments are set out in the marked-up copy of the constitution that will be available prior to the Meeting on the Company's website and through our registrar, and will be tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification.

NOTES AND IMPORTANT INFORMATION

VOTING RESTRICTIONS

Item 2 – Pursuant to the *Corporations Act 2001* (Cth) (**Corporations Act**), a vote must not be cast (in any capacity) on item 2 by or on behalf of either of the following persons:

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

However, a person described in a) or b) may cast a vote on the resolution as a proxy if the vote is not cast on behalf of a person described a) or b) above and either:

- a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- b) the voter is the chair of the meeting and the appointment of the chair as proxy: (i) does not specify the way the proxy is to vote on the resolution; and (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company or, if the company is part of a consolidated entity, for the entity.

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 or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by the regulations for the purposes of this definition.

Item 4 - As required by the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast on item 4:

- a) by Mr Gary Phillips (being the only director of the Company eligible to participate in the employee incentive scheme); and
- b) an associate of Mr Gary Phillips.

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 directs.

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 17 November 2015.

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 2.30pm (Sydney time) on 17 November 2015.

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 **2.30pm (Sydney time) on 17 November 2015**.

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 2.30pm (Sydney time) on 17 November 2015 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 2015 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) and item 4 (Grant of Performance Rights to Mr Gary Phillips) 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 those items 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 to 6 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 those items 2 to 6, 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) and item 4 (Grant of Performance Rights to Mr Gary Phillips).

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

16 October 2015

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 2015 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 2015 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's 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**) or the Company. The Board will continue to consider and take into account the outcome of the vote and feedback from shareholders on the Remuneration Report when reviewing the Company's remuneration policies.

The Corporations Act provides that if 25% or more of the votes are cast against the adoption of the Remuneration Report at two consecutive annual general meetings, a shareholder vote on whether to convene a special meeting at which all directors (other than our Chief Executive Officer), who were in office at the second annual general meeting, must stand for re-election.

The Chairman will allow a reasonable opportunity for shareholders as a whole to ask questions about, or make comments on, the Remuneration Report at the meeting before calling for a vote.

The Remuneration Report is set out in section 2 of the Company's 2015 statutory annual report.

The Board unanimously recommends that shareholders vote in favour of this item 2.

Item 3 - Re-election of Dr Simon Buckingham as a Non-Executive Director

Dr Simon Buckingham PhD, GAICD (age 53) has been a non-executive director of the Company since 25 July 2012. In accordance with the requirements of the Company's constitution and the ASX Listing Rules, Dr Buckingham retires and offers himself for re-election at this 2015 annual general meeting.

Dr Buckingham has over 25 years' experience in the global pharmaceutical industry across a range of functions and a variety of therapeutic areas. Dr Buckingham is currently a Senior Global Advisor/Consultant to Actelion, one of the world's leading biopharmaceutical companies, and is a Director of Actelion Australia. Dr Buckingham was President, Global Corporate and Business Development at Actelion from 2005-2011, a position which spanned licensing, M&A, alliance management and corporate strategic planning. He served as President, North America and Asia-Pacific at Actelion from 2000-2005, with responsibility for all commercial operations in the region. He was the founding President of Actelion Pharmaceuticals US.

From 1998-2000 he worked in sales and marketing for ParkeDavis (now part of Pfizer) in the US and prior to that served in roles in sales, marketing and development at Roche, both in Switzerland and Australia, for 9 years. Dr Buckingham is currently a non-executive director of Vaxxilon, a European based start-up, founded by the Max Planck Society and Actelion, dedicated to the discovery, development and commercialisation of innovative synthetic carbohydrate vaccines, and also of the Can Too Foundation a non-profit organisation raising funds for cancer research.

He holds a Bachelor of Veterinary Science degree from the University of Sydney (1984), a PhD from the University of Melbourne (1988), a Graduate Management Qualification from the AGSM, University of NSW (1990) and is a Graduate of the Australian Institute of Company Directors.

Dr Buckingham is a member of the Audit Committee and the Remuneration and Nomination Committee.

If re-elected, Dr Simon Buckingham'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 Dr Buckingham abstaining) unanimously recommends that shareholders vote in favour of this item 3.

Item 4 – Grant of Performance Rights to Mr Gary Phillips

The grant of securities to a director under an employee incentive scheme requires the approval of shareholders under Listing Rule 10.14 of the ASX Listing Rules.

Mr Gary Phillips has been the Company's Chief Executive Officer and managing director since March 2013 and prior to this appointment, Mr Phillips served as our Chief Operating Office since November 2003. If approved by shareholders, 1,626,000 zero grant price and zero exercise price options (**Performance Rights**) would be granted to Mr Phillips pursuant to the terms and conditions of our performance rights plan, which is governed by our existing employee option plan (**Performance Rights Plan**). The Performance Rights would be granted to Mr Phillips as soon as practicable after the meeting and in any event, no later than 12 months from the date of the meeting.

The Performance Rights have a life of 10 years and will vest in three instalments, subject to Mr Phillips' continued employment with the Company, as follows:

- 50% (815,000) vesting on 30 June 2016, in recognition of Mr Phillips' exceptional performance including the successful negotiation of multiple agreements, particularly the agreement with Boehringer Ingelheim; and
- 25% (405,500) vesting on each of 30 June 2017 and 30 June 2018 granted under the Performance Rights Plan for the long term reward, incentive and retention of senior managers and other key employees.

In accordance with the Performance Rights Plan, if a formal takeover offer is made for the Company, all Performance Rights which have not yet vested, automatically vest. When exercisable, each Performance Right would entitle Mr Phillips to subscribe for one fully paid ordinary share. Each ordinary share issued on exercise of a Performance Right will rank equally with all other ordinary shares then on issue. While Mr Phillips is our Chief Executive Officer, restrictions will apply to the shares issued on exercise of Performance Rights, including that the shares may only be traded following Board approval. Additionally, the 405,500 Performance Rights which are capable of vesting on 30 June 2017 are not able to be traded until 30 June 2018, and then only after Board approval.

Further information about our remuneration framework for executive officers, including the use of Performance Rights, is set out in the remuneration report contained in the 2015 statutory annual report. The Board considers that Performance Rights are widely accepted in the Australian context to provide equity remuneration to management and employees. Performance Rights typically provide lower potential rewards to managers and employees when compared to traditional options, but by also reducing the risk for employees they provide a stable equity remuneration instrument to retain and reward employees over the longer term.

As approval of shareholders is being sought pursuant to Listing Rule 10.14, Listing Rule 7.2 Exception 14 provides that the Company is not required to seek approval under Listing Rule 7.1.

The Board (with Mr Phillips abstaining) recommends that shareholders vote in favour of this item 4.

Additional ASX Listing Rule disclosures for Item 4: The Company will not provide any loans or other financial assistance in connection with the grant or exercise of Performance Rights. Mr Phillips is the only executive director and the only director entitled to participate in our employee option plan. The Board has resolved that no other directors are entitled to participate. On 27 November 2013, following receipt of necessary shareholder approval at the 2013 annual general meeting, the Company granted 2,000,000 zero grant price and zero exercise price employee options to Mr Gary Phillips. No other equity securities have since been issued by the Company to any other director under our employee option plan or any other employee incentive scheme.

Item 5 - Renewal of Proportional Takeover Provision in our Constitution

Pharmaxis' constitution contains a proportional takeover provision which provides that if a person makes a takeover offer for less than all of our shares, shareholders are entitled to vote to determine whether the proportional takeover offer may proceed. In accordance with the Corporations Act, a company's proportional takeover approval provisions cease to apply at the end of 3 years. These provisions were last renewed at the 2012 annual general meeting and therefore may be renewed by special resolution of shareholders at this Meeting. The Board considers that it is in the best interests of shareholders for the constitution to contain a proportional takeover provision and is therefore seeking approval for it to be renewed.

Effect of the Renewal of the Proportional Takeover Provision - In conjunction with the Corporations Act, article 45 of our constitution provides that if a person makes a takeover offer for less than all of our shares, our Board must ensure that an approving shareholder resolution is voted on no more than 14 days before the last day of the bid period. The Board will decide whether the vote is to be taken at a general meeting or by a postal ballot. If the resolution seeking the approval of shareholders for the specific proportional takeover offer is rejected by simple majority within the time permitted under the Corporations Act, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited. If no approval resolution is voted on more than 14 days before the last day of the bid period, the approval resolution will be deemed to have been approved. If the approval resolution is passed by simple majority, the relevant transfers of shares will be registered provided they otherwise comply with the provisions of our constitution and the Corporations Act.

If renewed, the proportional takeover provisions will expire three years after its adoption unless renewed by a further special resolution of shareholders. The proportional takeover provisions do not apply to full takeover bids.

Reasons for Renewing the Proportional Takeover Provision - In the absence of a proportional takeover provision, a person holding or acquiring less than a majority interest in us may be able to gain control of us without acquiring a majority interest and without shareholders having the opportunity to dispose of all of their shares to the potential buyer. The Board considers that shareholders should have the opportunity to vote on a proposed proportional takeover bid. Accordingly, our Board has proposed the renewal of the proportional takeover provisions of our constitution.

No Present Acquisition Proposals - Our Board is not aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in us.

Potential Advantages to the Directors and shareholders - The Board considers that the primary advantage of the proportional takeover provision is to give all shareholders an opportunity to consider and vote upon a proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting, excluding the shares of the offeror and their associates. The ability to vote on a proportional takeover bid gives shareholders the opportunity to prevent the proportional takeover from proceeding if they so desire and should ensure that the terms of any future proportional takeover bids are structured in a way which would be attractive to the majority of shareholders. Our Board also considers that the opportunity for shareholders to vote is an advantage for the directors because it enables the directors to formally obtain the views of shareholders in respect of a proportional takeover bid.

Potential Disadvantages to the Directors and shareholders - A potential disadvantage of the proposed provision is that it makes it more difficult for a proportional takeover bid to proceed and may discourage proportional takeover bids. However, our Board believes that the requirement that the views of shareholders be obtained prior to a proportional takeover should not adversely affect any offer which is attractive to the majority of shareholders.

The Board unanimously recommends that shareholders vote in favour of this item 5 to renew article 45 for the Company's constitution for a further three years from the date of the 2015 annual general meeting to ensure that the provision continues to apply.

Item 6 – Amendments to constitution

The current constitution of the Company was adopted around the time of its initial public offering and admission to ASX in 2003 and was updated in 2007 to reflect changes in the law. Since that time, there have been a number of changes to the Corporations Act and ASX Listing Rules and further developments in commercial practice for ASX listed companies. The Company proposes to update and amend its constitution to ensure it is consistent with applicable regulatory requirements and to facilitate the efficient operation of the Company.

Under section 136(2) of the Corporations Act, a company may amend its constitution with a special resolution of its shareholders. A summary of the principal amendments are set out in the table below.

Subject	Summary of amendment	Constitution clause reference
Terminology	A number of minor amendments are proposed to be made throughout the constitution to bring the terminology in line with current law and the ASX Listing Rules.	For example, references to “ASX Settlement” in clause 21
Small holdings	<p>These new provisions would allow the Company to procure the disposal of shares where a shareholder holds a ‘small holding’ (otherwise known as an ‘unmarketable parcel’) of securities within the meaning of the ASX Listing Rules (being currently a holding worth less than \$500).</p> <p>A ‘small holding’ facility would allow the Company to sell small, unmarketable parcels of shares on behalf of their holder. This ability is beneficial to the Company because it reduces the high administrative costs in maintaining a large number of small shareholdings. The Company is not permitted to sell the shares of a shareholder without such power being included in the Company’s constitution.</p> <p>If the Company elects to operate this facility, the Company must first give notice to the relevant shareholder that the Company intends to sell or dispose of its shares and provide details of the terms of the relevant facility. The shareholder may then elect not to have their shares sold. If the shares are sold, the proceeds of the sale, minus costs of effecting the sale, would be sent to the relevant shareholder.</p>	Clause 13A
Adjournment and changes to general meetings	<p>The existing constitution requires that shareholders consent to the adjournment of a general meeting by the chairman. It is proposed that the chairman have the discretion to adjourn a shareholder meeting, without seeking shareholder consent. Clause 38.2, which allows a majority of shareholders to require the adjournment of a meeting, is proposed to remain unchanged.</p> <p>In addition to adjournment, it is proposed that under certain circumstances, the Directors may make changes to when and where a general meeting is held, including if the Directors take the view that the venue or date of meeting is not convenient or practical, or the meeting has become unnecessary. Shareholders will be given notice of any such change, which could be a postponement or cancellation. The only business that may be transacted at a postponed meeting is the business specified in the original notice of meeting.</p>	Clause 38
Removal of casting vote of the chairman	In addition to his or her deliberative vote, the chairman currently has a casting vote in the event of an equality of votes in a general meeting. The proposed amendment removes this casting vote, which is considered to be more in line with current market practice.	Clause 42.2
Dividends and distributions	The proposed changes reflect changes to the Corporations Act concerning the payment of dividends.	Clause 69
Notice and documents to shareholders	The notice and service provisions have been expanded to more expressly allow the Company to provide electronic communications in accordance with applicable legislation.	Clause 96

A copy of the Company’s existing constitution as well as a marked-up version of the proposed amendments, are available on the Company’s website at: <http://www.pharmaxis.com.au/corporate-governance> or copies can be obtained from Computershare Investor Services Pty Limited on 1300 855 080. A copy of the Constitution incorporating the proposed amendments will also be available at the Meeting.

The Board unanimously recommends that shareholders vote in favour of item 6 to amend the Company’s constitution.

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

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:

SRN/HIN:

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 2.30pm (Sydney time) on Tuesday, 17 November 2015**

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 →**

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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 2000 on Thursday, 19 November 2015 at 2.30pm (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.

ORDINARY BUSINESS

	For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Dr Simon Buckingham as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

4 Grant of Performance Rights to Mr Gary Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Renewal of Proportional Takeover Provision in the Constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Amendments to constitution	<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 / / _____