

NOTICE OF THE 2020 ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT OF PHARMAXIS LTD

TO BE HELD AS A VIRTUAL MEETING ON WEDNESDAY, 4 NOVEMBER 2020 AT 10:00 AM
(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.

2 October 2020

Dear Shareholder,

The 2020 annual general meeting of shareholders (**AGM**) of Pharmaxis Ltd (**Company**) will be held on 4 November 2020 at 10:00 am (Sydney time). The notice of meeting along with a proxy voting form is enclosed.

The AGM will be a virtual meeting, which will be conducted online on Wednesday, 4 November 2020 at 10:00am.

The formal part of the meeting will cover the consideration of the Company's financial statements and remuneration report, the re-election of two of our non-executive directors and the grant of securities to our Chief Executive Officer. Details of the resolutions to be considered at the meeting are contained in the explanatory statement which accompanies the notice of meeting.

Even if you plan to attend the meeting online, we encourage you to submit a directed proxy vote online as early as possible. Shareholders wishing to ask questions are also encouraged to ask questions of the Company and/or its auditor before the meeting by emailing questions to info@pharmaxis.com.au ideally no later than 28 October 2020. In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website and lodged with the Australian Securities Exchange.

Yours faithfully,



David McGarvey
Company Secretary and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 2020 annual general meeting (**AGM**) of shareholders of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held virtually on 4 November 2020 at 10:00 AM (Sydney time).

In light of the current limitations on public gatherings due to the novel coronavirus (COVID-19) pandemic, the Company is pleased to provide shareholders with the opportunity to attend and participate in the AGM through an online meeting platform, where shareholders will be able to watch, listen, submit written questions and vote online at www.web.lumiagm.com/332259612 or b) Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM. Please refer to the user guide on our website at www.pharmaxis.com.au.

Even if you plan to attend the meeting online, we encourage you to submit a directed proxy vote online by visiting www.investorvote.com.au by no later than 10:00am (Sydney time) on 2 November 2020.

Attendance via online platform

We recommend logging in to the online platform at least 15 to 30 minutes prior to the scheduled start time for the AGM using the instructions below. Online registration will open 1 hour before the start of the meeting.

- Enter www.web.lumiagm.com/332259612 into a web browser on your computer, online device or download the Lumi AGM app and enter the unique meeting code 332-259-612:
 - Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification
 - Number (HIN) printed at the top of the Proxy Form;
 - Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders will need to enter the 3 digit country code for their country (refer to our website and the Lumi website for the relevant country codes); and
 - Proxyholders will need to obtain a username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.
- Further information on how to participate virtually is set out in the user guide, which is available at www.pharmaxis.com.au/investor-centre/

Questions at the AGM

Please note, only shareholders may ask questions online once they have been verified. It may not be possible to respond to all questions. Accordingly, shareholders are encouraged to lodge questions as early as possible and ideally no later than five (5) business days before the date of the AGM, by email to info@pharmaxis.com.au. We may group our response to similar questions.

A shareholder who is entitled to vote at the meetings may submit a written question to the Company or the auditor in advance of the meetings:

1. about the business of Company and matters being considered at the meeting;
2. about the remuneration report;
3. if the question is directed to the auditor provided it relates to:
 - the preparation and content of the auditor's report;
 - the conduct of the audit or the auditor's independence; or
 - the accounting policies adopted by the Company in relation to the preparation of the financial statements.

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 2020.

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 2020 be adopted.

3. Re-election of Dr Kathleen Metters as a non-executive director

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

That Dr Kathleen Metters, who retires and offers herself for re-election as a director of the Company, be re-elected as a non-executive director of the Company.

4. Re-election of Dr Neil Graham as a non-executive director

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

That Dr Neil Graham, 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

5. Grant of performance rights to Mr Gary Phillips

To consider and, if thought fit, to pass item 5 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 942,000 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 August 2020 and, upon exercise of those Performance Rights, the acquisition of 942,000 ordinary shares underlying those Performance Rights (subject to the terms of the performance rights plan), in accordance with the explanatory statement accompanying this notice of meeting.*

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

- c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- d) 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;
- a child of the member's spouse;
- a dependant of the member or of the member's spouse;
- 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;
- a company the member controls; or
- a person prescribed by the regulations for the purposes of this definition.

Item 5 - As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of the resolution 5 by or on behalf of:

- a) a director of the Company who is eligible to participate in the employee incentive scheme in respect of which approval is sought and if ASX has expressed an opinion under ASX Listing Rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person; and
- b) an associate of that person (or those persons).

However the Company need not disregard a vote on the resolution if:

- c) it is cast by a person as proxy for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- d) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- e) a securityholder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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 2 November 2020.

Securities held by or for an employee incentive scheme must only be voted on a resolution required under the ASX Listing Rules if and to the extent (a) they are held for the benefit of a nominated participant in the scheme; (b) the nominated participant is not excluded from voting on the resolution under the ASX Listing Rules; and (c) the nominated participant has directed how the securities are to be voted.

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. Proxyholders will need to obtain a username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

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 10:00 am (Sydney time) on 2 November 2020. Custodians who are subscribers of Intermediary Online, please submit your votes electronically via www.intermediaryonline.com.

Completed proxies can also be lodged with the Company's registrar, Computershare Investor Services Pty Limited:

by hand: Level 3, 60 Carrington Street, Sydney NSW 2000

by post: GPO Box 242, Melbourne VIC 3001

by facsimile: 1800 783 447

Duly completed proxies must be received by no later than **10:00 am (Sydney time) on 2 November 2020**.

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 10:00 am (Sydney time) on 2 November 2020 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, a completed "Appointment of Corporate Representative" form must be received by Computershare Investor Services Pty Limited or the Company by no later than 10:00 am (Sydney time) on 2 November 2020 by one of the means listed above. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

APPOINTMENT OF THE CHAIR OF THE MEETING 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 remuneration report) or their closely related parties other than the chair of the meeting as your proxy, you are encouraged to direct them how to vote on item 2 (Remuneration report) and item 5 (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 chair of the meeting, who is able to vote undirected proxies where he or she is expressly authorised to do so on the proxy form.

If the chair of the meeting is appointed, or taken to be appointed, as your proxy, you can direct the chair of the meeting to vote “For”, “Against”, or to “Abstain” from voting on, items 2 to 5 by marking the appropriate box opposite the relevant item on the proxy form. However, if the chair of the meeting is your proxy and you do not mark any of the boxes opposite those items 2 to 5, your undirected proxies held by the chair will be taken as an express authorisation for the chair to vote as he or she decides, in which case the chair of the meeting intends to vote in accordance with the stated intention below.

HOW THE CHAIR OF THE MEETING WILL VOTE UNDIRECTED PROXIES

Subject to the law, the chair of the meeting will vote undirected proxies on, and in favour of, all proposed resolutions, including item 2 (Remuneration report) and item 5 (Grant of performance rights to Mr Gary Phillips).

Shareholders can appoint the chair 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

2 October 2020

EXPLANATORY STATEMENT

Item 1 - Financial Statements

In accordance with section 317 of the Corporations Act 2001 (*Cth*) (**Corporations Act**), the financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2020 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 2020 statutory annual report which is available at www.pharmaxis.com.au/investor-centre/.

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. The remuneration report is set out in section 2 of the Company's 2020 statutory annual 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 chair of the meeting 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 Board unanimously recommends that shareholders vote in favour of resolution 2.

Item 3 - Re-election of Dr Kathleen Metters as a Non-executive director

Kathleen M. Metters PhD has been a member of our Board since June 2017. Dr. Kathleen Metters has over 25 years of experience in the discovery and development of novel therapies for treatment of serious diseases. She is currently working as an independent biopharma consultant and as senior advisor for New York-based Bridge Medicines. From 2011-2014 Dr Metters was President and Chief Executive officer for Lycera Corp., a biopharmaceutical company pioneering innovative approaches to novel oral medicines for treatment of autoimmune diseases and cancer. Under her leadership, Lycera developed a robust pipeline of proprietary and partnered immune modulator programs which led, in June 2015, to an exclusive global collaboration with Celgene Corporation. Dr Metters is currently a board member of HemoShear Therapeutics, LLC.

From 1988 to 2011 Dr Metters was employed by Merck & Co. In 2009 she was appointed to design and establish External Discovery and Preclinical Sciences, created to expand Merck's scientific network to the greater research community in academia, biotechnology, and government, building partnerships in life sciences, medicine, engineering, and information technology. From 2005 to 2009 Dr Metters was head of Worldwide Basic Research for Merck & Co. In this role, she had oversight of all research activities at major sites around the globe; across all therapeutic modalities and all therapeutic areas. From 2002 to 2005 Dr Metters was head of Merck Frosst which under her leadership, additional compounds were moved into clinical development for treatment of respiratory, cardiovascular and bone disorders. During this time, she was the Basic Research Therapeutic Area Head for the Respiratory Franchise and from 2003-2005 was chair of the Respiratory Worldwide Business Strategy Team, reporting directly to the CEO, with responsibility for the discovery, development and commercialization strategy for all respiratory products. Prior to that Dr Metters worked in research focused on the arachidonic acid cascade which resulted in the development of SINGULAIR®, a once-daily oral therapy for asthma and allergic rhinitis. For her work on SINGULAIR®, she was one of the team of scientists who won the Prix Galien Canada 2000 for excellence in innovative research.

Dr Metters graduated with a B.S. in biochemistry from the University of Manchester Institute for Science and Technology, and a Ph.D. from Imperial College of Science and Technology in London. She completed post-doctoral training at the Centre National de la Recherche Scientifique in France and at the Clinical Research Institute of Montréal. Dr Metters is chair of the Remuneration and Nomination Committee.

If re-elected, Dr Metters' term of appointment will be until the end of the third annual general meeting following her 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 Metters abstaining) unanimously recommends that shareholders vote in favour of resolution 3.

Item 4 - Re-election of Dr Neil Graham as a Non-executive director

Dr Neil Graham was appointed to the Board of Directors on 4 May 2020. Mr Graham is an infectious diseases epidemiologist with extensive experience working in biotech and pharmaceutical companies in the development of medicines. Dr Graham's career has included senior roles overseeing pipeline development and clinical programs. He is the former VP, Strategic Program Direction, Immunology & Inflammation at Regeneron Inc., a position he held from 2009 until his retirement in 2020. From 2007 to 2009 he was Senior Vice President, Program and Portfolio Management at Vertex Inc, from 2005 to 2007 Sr. Vice President, Program and Portfolio Management at Trimeris Inc. and from 2002 to 2005 CMO/Vice-President, Clinical Development at XTL Biopharmaceuticals.

Dr Graham has considerable depth of scientific expertise in immunology and inflammation and is the author of a number of books and publications including a considerable body of work on respiratory illness. He was educated at University of Adelaide (MBBS, MD, MPH). Between 1993 and 1997 he was Associate Professor of Epidemiology at John Hopkins University School of Hygiene and Public Health with research focused on HIV, tuberculosis and hepatitis.

If re-elected, Dr Graham'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 Graham abstaining) unanimously recommends that shareholders vote in favour of resolution 4.

Item 5 – Grant of Performance Rights to Mr Gary Phillips

The Company is proposing to grant Mr Gary Phillips 942,000 zero grant price and zero exercise price options (**Performance Rights**) pursuant to the terms and conditions of the Company's performance rights plan, which is governed by our existing employee option plan (**Performance Rights Plan**).

ASX Listing Rules provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme: (i) a director of the listed company; (ii) an associate of a director of the listed company; or (iii) a person whose relationship with the listed company or a person referred to under (i) or (ii) is such that, in ASX's opinion, the acquisition should be approved by shareholders, in each case unless it obtains the approval of its shareholders. 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 Officer since November 2003.

The grant of options falls within Listing Rule 10.14.1 and accordingly requires approval of shareholders. As approval of shareholders is being sought pursuant to ASX Listing Rule 10.14, ASX Listing Rule 7.2 Exception 14 provides that the Company is not required to seek approval under ASX Listing Rule 7.1.

The quantum of Performance Rights granted to participants in the Performance Rights Plan is calculated by our Board with reference to the participant's salary and the Pharmaxis share price. In calculating the quantum of Performance Rights to be granted in 2020 the Board used the same Pharmaxis share price as was used in calculating the 2019 grant. The consequence of this approach is that a smaller number of Performance Rights are proposed to be granted than would have been the case if a more recent 2020 share price was used in the calculation.

The Performance Rights have a life of 10 years. The vesting of Mr Phillips' Performance Rights is based on overall Company performance against the annual corporate objectives that have a focus on long term outcomes. Following the end of the 2021 financial year the Board will assess achievement of the 2021 long term related corporate objectives and will lapse Performance Rights to the extent such objectives were not achieved. Corporate objectives are each weighted when set at the beginning of the financial year and at the end of the financial year performance is assessed on each objective individually. The remaining Performance Rights will vest in two equal tranches at each of 30 June 2022 and 30 June 2023, subject to Mr Phillips' continued employment with the Company on those dates. As further described in the Company's 2020 Remuneration Report, 65% of the performance rights granted to Mr Phillips in 2019 were lapsed in August 2020 subsequent to a Board review of 2020 corporate performance.

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 (subject to adjustment in accordance with the terms of the Performance Rights Plan if there is a reconstruction, including consolidation or subdivision, of share capital). 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 Performance Rights which are capable of vesting on 30 June 2022 are not able to be traded until 30 June 2023, 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 2020 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.

The Board (with Mr Phillips abstaining) recommends that shareholders vote in favour of resolution 5.

Additional technical information required by the ASX Listing Rule with respect to Item 5:

Mr Phillips total remuneration package is detailed in the financial statements of the Company. Mr Phillips' current total remuneration package consists of:

- Annual base salary: \$443,939
- Superannuation: \$42,174
- Variable cash incentive 30% of annual base salary
- Equity remuneration in the form of performance rights

Excluding the Performance Rights for which the Company is seeking approval, since commencing as an employee of the Company in 2003, Mr Phillips has been granted an aggregate total of 8,285,000 options over ordinary shares of which 2,372,050 have lapsed and 2,870,000 have been exercised into ordinary shares in the capital of the Company. The options previously granted to Mr Phillips consist of 7,030,000 performance rights with a zero grant price and zero exercise price and 1,255,000 market priced options with a zero grant price and an average exercise price of \$1.65. The Company attributes a value of \$98,910 to the Performance Rights for which approval is sought, which is calculated based on the closing share price on the day of the Board resolution to grant the Performance Rights, and assuming all performance and employment conditions are met such that they fully vest. The Performance Rights would be granted to Mr Phillips on or before 5 November 2020 (unless the AGM is deferred, in which case they will be granted as soon as practicable after the meeting). 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 director entitled to participate in our Performance Rights Plan as the Board has resolved that no other directors are entitled to participate.

The Performance Rights Plan is administered by the Board. Any person considered to be an employee by our Board is eligible to participate in the Performance Rights Plan, but does so at the invitation of our Board. Under the Performance Rights Plan, the Board may issue options (including performance rights) over ordinary shares on such terms, including the issue price, the exercise price and the vesting conditions, as it determines. Any vesting conditions must be satisfied before the employee options vest and become exercisable. When exercisable, each option issued under the Performance Rights Plan entitles the holder to subscribe for one fully paid ordinary share in the Company. The employee options lapse on such date as determined by the Board at the time of grant. Unless otherwise determined by the Board, if an optionholder ceases to be regarded as an employee by our Board, all of his or her options which have not yet vested lapse and all options which have already vested lapse after 30 days. If an employee is terminated for cause, his or her options lapse immediately on ceasing to be an employee. If an employee dies, all options which have not vested lapse and all options which have vested, lapse on the expiry of 12 months after the death of the employee. The employee options do not confer a right to notices of general meetings (except as may be required by law) or a right to attend, speak or vote at general meeting. A holder of employee options may only participate in new issues of securities in respect of options

which have been exercised and ordinary shares issued prior to the record date for the entitlements to the new issue. In the event of a consolidation, subdivision or similar reconstruction of our issued share capital, the number of shares to which a holder of options is entitled on exercise of an option will be adjusted in the same proportion as our issued share capital is consolidated, subdivided or reconstructed (as applicable) and an appropriate adjustment will be made to the exercise price with the effect that the total amount payable on an exercise of all options by each holder will not change. If any pro-rata offer is made by us to at least all holders of shares, the exercise price of the relevant employee options will be reduced according to a formula set out in the Performance Rights Plan. If we make a bonus issue of shares to ordinary shareholders, the number of shares over which the employee options are exercisable may be increased by the Board by the number of shares the relevant option holder would have received if the option had been exercised prior to the record date of the bonus issue. If we make a return of capital to our shareholders generally, the exercise price of the employee options will be proportionately reduced by the amount of the return of capital. Except by transmission on death or with the prior written consent of our Board, employee options may not be transferred, encumbered, assigned or otherwise disposed of by the relevant holder. The Company seeks quotation of any shares issued on exercise of an option on the Australian Securities Exchange. The Performance Rights Plan may be amended by the Board, subject to any necessary approvals under the Corporations Act 2001 and ASX Listing Rules. The Corporations Act 2001 and the ASX Listing Rules prevail over the Performance Rights Plan to the extent of any inconsistency.

Details of any securities issued under the employee incentive scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rules 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the employee incentive scheme after the resolution is approved and who are not named in the notice of meeting will not participate until approval is obtained under that rule.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

PXS

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) Monday 2 November 2020**.

Pharmaxis Ltd Annual General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of Pharmaxis Ltd will be a virtual meeting, which will be conducted online on Wednesday, 4 November 2020 at 10:00am.

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors and/or the Company's auditor questions online and submit your vote in real time.

To participate online you will need to visit web.lumiagm.com/332259612 on your smartphone, tablet or computer or Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at www.investorvote.com.au/pxs.

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



PXS

MR SAM SAMPLE
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 10:00am (AEDT) Monday 2 November 2020.

Proxy Form

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 THIS MEETING ONLINE

You will need the information on this form to register for the online meeting.

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate completed "Appointment of Corporate Representative" form to Computershare prior to the meeting. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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.



I 9999999999

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 virtually (refer to the Notice of Meeting) on Wednesday, 4 November 2020 at 10:00am 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 Items 2 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 2 and 5 are 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 Items 2 and 5 by marking the appropriate box in step 2.

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 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 Dr Kathleen Metters as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Dr Neil Graham as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of performance rights to Mr Gary Phillips	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

PXS

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Computershare



Virtual Meeting Guide

Getting Started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time and you will need to either:

- a) Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge and Firefox. Please ensure your browser is compatible; or
- b) Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

Meeting ID: 332-259-612

To log in, you must have the following information:

Australian Residents

Username (SRN or HIN) and Password (postcode of your registered address)

Overseas Residents

Username (SRN or HIN) and Password (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN. A full list is provided at the end of this guide.

Appointed Proxy

To receive your username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Online registration will open 1 hour before the start of the meeting

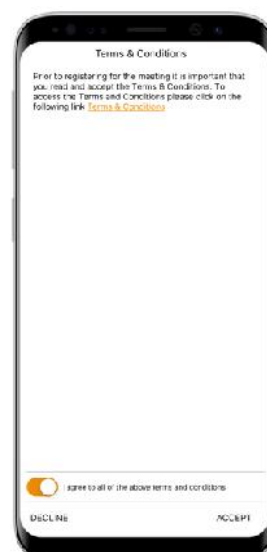
1 To participate in the meeting, you will be required to enter the unique 9 digit Meeting ID provided above.



2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



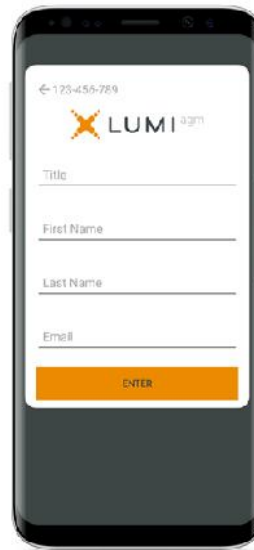
OR



3 To register as a securityholder, select 'I have a login' and enter your username (SRN or HIN) and password (postcode or country code).





3a If you are a visitor, select 'I am a guest' and enter your name and email details. Please note, visitors will not be able to ask questions or vote at the meeting.



4 Once logged in, you will see the home page, which displays the meeting documents and information on the meeting. Icons will be displayed in different areas, depending on the device you are using.



5 View the webcast

To view proceedings you must tap the broadcast arrow  on your screen. Video and/or slides of the meeting will appear after approx. 30 seconds*. Toggle between the up or down arrow  to view another screen.

(*Dependant on the speed of your internet)



The broadcast bar allows you to view and listen to the proceedings



Home page icon, displays meeting information




Questions icon, used to ask questions



Voting icon, used to vote. Only visible when the chairman opens poll

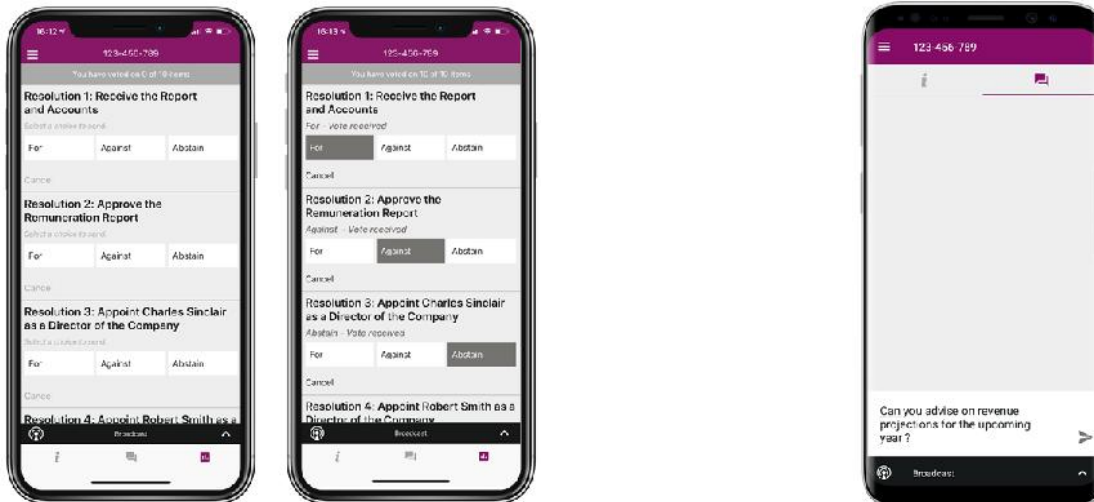
6 To Vote

When the Chairman declares the poll open:



- A voting icon  will appear on your device and the Meeting Resolutions will be displayed.
- To vote tap one of the voting options. Your response will be highlighted.
- To change your vote, simply press a different option to override.

The number of items you have voted or yet to vote on, is displayed at the top of the screen.

Votes may be changed up to the time the chairman closes the poll.



7 To Ask Questions

Tap on the Questions icon  to submit a question, type your question in the chat box at the bottom of the screen and then select the send icon .

Confirmation that your message has been received will appear.

On some devices, to vote, you may need to minimise the webcast by selecting the arrow in the broadcast bar, audio will still be available. To return to the webcast after voting, select the arrow again.

For Assistance

If you require assistance prior to or during the Meeting, please call +61 3 9415 4024



COUNTRY CODES

Select your country code from the list below and enter it into the **password** field.

ABW ARUBA	CPV CAPE VERDE	ISM BRITISH ISLES	NPL NEPAL	TKM TURKMENISTAN
AFG AFGHANISTAN	CRI COSTA RICA	ISR ISRAEL	NRU NAURU	TLS EAST TIMOR
AGO ANGOLA	CUB CUBA	ITA ITALY	NZL NEW ZEALAND	DEMOCRATIC REP OF
AIA ANGUILLA	CXR CHRISTMAS ISLAND	JAM JAMAICA	OMN OMAN	TMP EAST TIMOR
ALA ALAND ISLANDS	CYM CAYMAN ISLANDS	JEY JERSEY	PAK PAKISTAN	TON TONGA
ALB ALBANIA	CYP CYPRUS	JOR JORDAN	PAN PANAMA	TTO TRINIDAD & TOBAGO
AND ANDORRA	CZE CZECH REPUBLIC	JPN JAPAN	PCN PITCAIRN ISLANDS	TUN TUNISIA
ANT NETHERLANDS ANTILLES	DEU GERMANY	KAZ KAZAKHSTAN	PER PERU	TUR TURKEY
ARE UNITED ARAB EMIRATES	DJI DJIBOUTI	KEN KENYA	PHL PHILIPPINES	TUV TUVALU
ARG ARGENTINA	DMA DOMINICA	KGZ KYRGYZSTAN	PLW PALAU	TWN TAIWAN
ARM ARMENIA	DNK DENMARK	KHM CAMBODIA	PNG PAPUA NEW GUINEA	TZA TANZANIA UNITED REPUBLIC OF
ASM AMERICAN SAMOA	DOM DOMINICAN REPUBLIC	KIR KIRIBATI	POL POLAND	UGA UGANDA
ATA ANTARCTICA	DZA ALGERIA	KNA ST KITTS AND NEVIS	PRI PUERTO RICO	UKR UKRAINE
ATF FRENCH SOUTHERN TERRITORIES	ECU ECUADOR	KOR KOREA REPUBLIC OF	PRK KOREA DEM PEOPLES REPUBLIC OF	UMI UNITED STATES MINOR OUTLYING
ATG ANTIGUA AND BARBUDA	EGY EGYPT	KWT KUWAIT	PRT PORTUGAL	URY URUGUAY
AUS AUSTRALIA	ERI ERITREA	LAO LAO PDR	PRY PARAGUAY	USA UNITED STATES OF AMERICA
AUT AUSTRIA	ESH WESTERN SAHARA	LBN LEBANON	PSE PALESTINIAN TERRITORY OCCUPIED	UZB UZBEKISTAN
AZE AZERBAIJAN	ESP SPAIN	LBR LIBERIA	PYF FRENCH POLYNESIA	VAT HOLY SEE (VATICAN CITY STATE)
BDI BURUNDI	EST ESTONIA	LBY LIBYAN ARAB JAMAHIRIYA	QAT QATAR	VCT ST VINCENT & THE GRENADINES
BEL BELGIUM	ETH ETHIOPIA	LCA ST LUCIA	REU REUNION	VEN VENEZUELA
BEN BENIN	FIN FINLAND	LIE LIECHTENSTEIN	ROU ROMANIA	VGB BRITISH VIRGIN ISLANDS
BFA BURKINA FASO	FJI FIJI	LKA SRI LANKA	RUS RUSSIAN FEDERATION	VIR US VIRGIN ISLANDS
BGD BANGLADESH	FLK FALKLAND ISLANDS (MALVINAS)	LSO LESOTHO	RWA RWANDA	VNM VIETNAM
BGR BULGARIA	FRA FRANCE	LTU LITHUANIA	SAU SAUDI ARABIA KINGDOM OF	VUT VANUATU
BHR BAHRAIN	FRO FAROE ISLANDS	LUX LUXEMBOURG	SCG SERBIA AND MONTENEGRO	WLF WALLIS AND FUTUNA
BHS BAHAMAS	FSM MICRONESIA	LVA LATVIA	SDN SUDAN	WSM SAMOA
BIH BOSNIA & HERZEGOVINA	GAB GABON	MAC MACAO	SEN SENEGAL	YEM YEMEN
BLM ST BARTHELEMY	GBR UNITED KINGDOM	MAF ST MARTIN	SGP SINGAPORE	YMD YEMEN DEMOCRATIC FED REP
BLR BELARUS	GEO GEORGIA	MAR MOROCCO	SGS STH GEORGIA & STH SANDWICH ISL	YUG YUGOSLAVIA SOCIALIST FED REP
BLZ BELIZE	GGY GUERNSEY	MCO MONACO	SHN ST HELENA	ZAF SOUTH AFRICA
BMU BERMUDA	GHA GHANA	MDA MOLDOVA REPUBLIC OF	SJM SVALBARD & JAN MAYEN	ZAR ZAIRE
BOL BOLIVIA	GIB GIBRALTAR	MDG MADAGASCAR	SLB SOLOMON ISLANDS	ZMB ZAMBIA
BRA BRAZIL	GIN GUINEA	MDV MALDIVES	SLE SIERRA LEONE	ZWE ZIMBABWE
BRB BARBADOS	GLP GUADELOUPE	MEX MEXICO	SLV EL SALVADOR	
BRN BRUNEI DARUSSALAM	GMB GAMBIA	MHL MARSHALL ISLANDS	SMR SAN MARINO	
BTN BHUTAN	GNB GUINEA-BISSAU	MKD MACEDONIA FORMER YUGOSLAV REP	SOM SOMALIA	
BUR BURMA	GNQ EQUATORIAL GUINEA	MLI MALI	SPM ST PIERRE AND MIQUELON	
BVT BOUVET ISLAND	GRC GREECE	MLT MALTA	SRB SERBIA	
BWA BOTSWANA	GRD GRENADA	MMR MYANMAR	STP SAO TOME AND PRINCIPE	
BLR BELARUS	GRL GREENLAND	MNE MONTENEGRO	SUR SURINAME	
CAF CENTRAL AFRICAN REPUBLIC	GTM GUATEMALA	MNG MONGOLIA	SVK SLOVAKIA	
CAN CANADA	GUF FRENCH GUIANA	MNP NORTHERN MARIANA ISLANDS	SVN SLOVENIA	
CCK COCOS (KEELING) ISLANDS	GUM GUAM	MOZ MOZAMBIQUE	SWE SWEDEN	
CHE SWITZERLAND	GUY GUYANA	MRT MAURITANIA	SWZ SWAZILAND	
CHL CHILE	HKG HONG KONG	MSR MONTSERRAT	SYC SEYCHELLES	
CHN CHINA	HMD HEARD AND MCDONALD ISLANDS	MTQ MARTINIQUE	SYR SYRIAN ARAB REPUBLIC	
CIV COTE D'IVOIRE	HND HONDURAS	MUS MAURITIUS	TCA TURKS AND CAICOS ISLANDS	
CMR CAMEROON	HRV CROATIA	MWI MALAWI	TCD CHAD	
COD CONGO DEMOCRATIC REPUBLIC OF	HTI HAITI	MYS MALAYSIA	TGO TOGO	
COG CONGO PEOPLES REPUBLIC OF	HUN HUNGARY	MYT MAYOTTE	THA THAILAND	
COK COOK ISLANDS	IDN INDONESIA	NAM NAMIBIA	TJK TAJIKISTAN	
COL COLOMBIA	IMN ISLE OF MAN	NCL NEW CALEDONIA	TKL TOKELAU	
COM COMOROS	IND INDIA	NER NIGER		
	IOT BRITISH INDIAN OCEAN TERRITORY	NFK NORFOLK ISLAND		
	IRL IRELAND	NGA NIGERIA		
	IRN IRAN ISLAMIC REPUBLIC OF	NIC NICARAGUA		
	IRQ IRAQ	NIU NIUE		
	ISL ICELAND	NLD NETHERLANDS		
		NOR NORWAY		