



NOTICE OF 2021 ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT OF PHARMAXIS LTD

TO BE HELD AS A VIRTUAL MEETING ON WEDNESDAY,
3 NOVEMBER 2021, AT 10:00 AM (SYDNEY TIME)

TO BE VALID, DULY COMPLETED PROXY FORMS MUST BE RECEIVED BY NO LATER
THAN MONDAY, 1 NOVEMBER 2021 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 professional adviser immediately.

1 October 2021

Dear Shareholder,

The 2021 Annual General Meeting (**Meeting**) of Pharmaxis Ltd (**Company**) will be held as a virtual meeting via live webcast on Wednesday, 3 November 2021, at 10:00 am (Sydney time). The Notice of Meeting along with a proxy voting form is enclosed.

The ordinary business of the Meeting will cover the consideration of the Company's financial statements and remuneration report and the re-election of one of our non-executive directors. The special business of the Meeting will cover the approval of:

- the grant of performance rights to Mr Gary Phillips, our Managing Director and Chief Executive Officer, under our employee Performance Rights Plan;
- certain minor amendments to the constitution of the Company, primarily to more easily facilitate virtual meetings in the future and to reflect recent and potential changes to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules;
- the issue of securities by the Company in the 12 months prior to the date of the Meeting under a Placement and to employees under the Company's employee incentive schemes, in order to refresh the Company's capacity to issue securities under ASX Listing Rule 7.1 in the future; and
- the terms of the Company's employee incentive schemes.

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 by visiting www.investorvote.com.au as early as possible and in any event by no later than 10:00 am (Sydney time) on Monday, 1 November 2021. Shareholders wishing to ask questions are also encouraged to ask questions of the Company and/or its auditor before the Meeting by emailing questions or any comments to David.McGarvey@pharmaxis.com.au, by no later than Monday, 1 November 2021.

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.

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 2021 Annual General Meeting (**Meeting**) of shareholders of Pharmaxis Ltd ABN 75 082 811 630 (**Company**) will be held as a virtual meeting via live webcast on Wednesday, 3 November 2021, at 10:00 am (Sydney time).

Attendance via online platforms

The Company will be using two separate platforms to conduct the meeting. To both participate and vote you will need to use both platforms. We recommend logging in to **both platforms** at least 15 to 30 minutes prior to the scheduled start time for the Meeting using the instructions below.

To watch and listen to the live webcast of the Meeting enter the link to the Zoho platform <https://meeting.zoho.com/meeting/register?sessionId=1097708579> into a web browser on your computer. Please use the link after 9.30am on 3 November to directly access the Meeting waiting room. If you plan to use your mobile device you are encouraged to register in advance using the same link to ensure systems compatibility and if necessary download the Zoho app.

To participate in live online voting shareholders and proxyholders should:

- visit web.lumiagm.com on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer 11, Edge and Firefox) or access the following link web.lumiagm.com/354386087; and
- use unique meeting ID 354-386-087

Online voting registration will commence 30 minutes prior to the start of the meeting. For full details on how to log on and vote online, please refer to the user guide www.investorvote.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 as early as possible and in any event by no later than 10:00 am (Sydney time) on Monday, 1 November 2021.

Questions and comments

Shareholders and proxyholders can participate during the Meeting by asking questions or making comments verbally on the Zoho platform at <https://meeting.zoho.com/meeting/register?sessionId=1097708579>. Please note, only shareholders and proxyholders may ask questions or make comments.

It may not be possible to respond to all questions and we may group our response to similar questions. Accordingly, shareholders are encouraged to lodge questions and comments as early as possible prior to the meeting by email to David.McGarvey@pharmaxis.com.au, ideally by no later than Monday, 1 November 2021.

For further information on how to participate at the Meeting, please see the Meeting guide which is available at www.pharmaxis.com.au/investor-centre/.

ITEMS OF BUSINESS

ORDINARY BUSINESS

Financial report, directors' report and auditor's report

To receive and consider the financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2021.

Resolution 1 – Remuneration report

To consider and, if thought fit, pass resolution 1 as an **ordinary** resolution (advisory vote only):

That the remuneration report of the Company for the year ended 30 June 2021 be adopted.

Resolution 2 – Re-election of Mr Malcolm McComas as a non-executive director

To consider and, if thought fit, pass resolution 2 as an **ordinary** resolution:

That Mr Malcolm McComas, 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

Resolution 3 – Grant of Performance Rights to Mr Gary Phillips

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

*That, for the purposes of the ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 2,374,000 zero grant price and zero exercise price employee options (**Performance Rights**) to Mr Gary Phillips, the Company's Chief Executive Officer, under the Company's Performance Rights Plan, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting and the rules of the Company's Performance Rights Plan.*

Resolution 4 – Amendment of the Constitution of the Company

To consider and, if thought fit, to pass resolution 4 as a **special** resolution:

That, in accordance with section 136(2) of the Corporations Act, the constitution of the Company be amended in the manner set out in the Explanatory Statement accompanying this Notice of Meeting, with effect from the close of the Meeting.

Resolution 5 – Ratification of issue of shares under April 2021 Placement

To consider and, if thought fit, pass resolution 5 as an **ordinary** resolution:

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 54,586,141 fully paid ordinary shares at \$0.08 per share to sophisticated and professional investors under the April 2021 Placement, as described in the Explanatory Statement accompanying this Notice of Meeting, is ratified and approved.

Resolution 6 – Ratification of issue of securities under First Tranche Employee Incentive Issuance

To consider and, if thought fit, pass resolution 6 as an **ordinary** resolution:

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 4,055,600 Performance Rights and 522,000 fully paid ordinary shares issued under First Tranche Employee Incentive Issuance for nil consideration, as described in the Explanatory Statement accompanying this Notice of Meeting, is ratified and approved.

Resolution 7 – Approval of the Company’s employee incentive schemes

To consider and, if thought fit, pass resolution 7 as an **ordinary** resolution:

That, for the purpose of Exception 13(b) of ASX Listing Rule 7.2 and for all other purposes, the terms of the Company’s Employee Option Plan/Performance Rights Plan and Employee Share Plan, as described in the Explanatory Statement accompanying this Notice of Meeting, be approved.

NOTES AND IMPORTANT INFORMATION

VOTING RESTRICTIONS

Resolution 1 – Pursuant to the *Corporations Act 2001* (Cth) (**Corporations Act**), a vote must not be cast, and the Company with disregard any votes cast, on resolution 1:

- a) by or on behalf of a member of the Company’s key management personnel (**KMP**, as defined below), details of whose remuneration are included in the remuneration report, or their closely related parties, regardless of the capacity in which the vote is cast; or
- b) by a member of the Company’s KMP at the date of the Meeting or their closely related parties, as a proxy.

However, a person described in a) or b) above may cast a vote on the resolution as a proxy for a person entitled to vote on the resolution if the person casting the vote:

- c) is appointed as a proxy that specifies the way the proxy is to vote on the resolution; or
- d) 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 Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Key management personnel or KMP 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 KMP 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.

Resolution 3 - As required by the ASX Listing Rules and Corporations Act, the Company will disregard any votes cast:

- a) in favour of resolution 3 by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s performance rights plan, or an associate of that person or those persons; or
- b) on resolution 3 by a KMP at the date of the Meeting or their closely related parties, as a proxy.

The Company need not disregard a vote cast in favour of resolution 3 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 chair of 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, even if the resolution is connected directly or indirectly with the remuneration of a KMP; 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:

- 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
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

- a) any person who participated in the issue or is a counterparty to the agreement being approved; or
- b) an associate of that person or those persons.

The Company need not disregard a vote cast in favour of resolution 5 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 chair of 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, even if the resolution is connected directly or indirectly with the remuneration of a KMP; 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:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of resolution 6 by or on behalf of:

- a) any person who participated in the issue or is a counterparty to the agreement being approved; or
- b) an associate of that person or those persons.

The Company need not disregard a vote cast in favour of resolution 6 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 chair of 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, even if the resolution is connected directly or indirectly with the remuneration of a KMP; 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:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of resolution 7 by or on behalf of:

- a) any person who is eligible to participate in the Company's employee incentive schemes; and
- b) an associate of that person or those persons.

The Company need not disregard a vote cast in favour of resolution 7 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 chair of 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, even if the resolution is connected directly or indirectly with the remuneration of a KMP; 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:
 - o 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
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING ENTITLEMENTS

The Company has determined that the shareholders eligible to attend and vote at the Meeting will be the registered holders of ordinary shares in the Company at 7:00 pm (Sydney time) on Monday, 1 November 2021.

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. Online voting registration will commence 30 minutes prior to 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 Monday, 1 November 2021. 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 within Australia or +61 3 9473 2555 outside of Australia

Duly completed proxies must be received by no later than **10:00 am (Sydney time) on Monday, 1 November 2021.**

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 Monday, 1 November 2021 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 Monday, 1 November 2021 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 the KMP 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 resolution 1 (Remuneration report), resolution 3 (Grant of Performance Rights to Mr Gary Phillips), resolution 5 (Ratification of issue of shares under April 2021 Placement), resolution 6 (Ratification of issue of securities under First Tranche Employee Incentive Issuance) and resolution 7 (Approval of Company employee incentive schemes) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant resolution of business. If you do not direct such a proxy how to vote on those resolutions, 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, resolutions 1 to 7 by marking the appropriate box opposite the relevant resolution 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 resolutions 1 to 7, 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. 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

1 October 2021

EXPLANATORY STATEMENT

Financial report, directors' report and auditor's report

Purpose of consideration

The financial report, directors' report and the auditor's report of the Company for the financial year ended 30 June 2021 are contained in the Company's 2021 Annual Report, available at <https://www.pharmaxis.com.au/investor-centre/annual-reports/>.

Shareholders will be provided with a reasonable opportunity to ask questions about and to make comments on the reports, and the business and management of the Company. Shareholders are not required to approve these reports so there will be no formal resolution put to the shareholders at the Meeting.

Shareholders will also be given a reasonable opportunity to ask questions of the Company's external auditor in relation to the conduct of the audit of the Company, the preparation and content of the auditor's report, the accounting policies adopted and the independence of the auditor.

Resolution 1 - Remuneration Report

Purpose of approval

Section 250R(2) of the Corporations Act requires that shareholders vote in respect of the adoption of the Company's remuneration report at each annual general meeting of the Company. The remuneration report is set out in section 2 of the Company's 2021 Annual Report, available at <https://www.pharmaxis.com.au/investor-centre/annual-reports/>.

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, and make comments on, the remuneration report at the Meeting before calling for a vote.

Board recommendation

The Board unanimously recommends that shareholders vote in favour of resolution 1.

Resolution 2 - Re-election of Mr Malcolm McComas as a non-executive director

Background

Malcolm J. McComas has been a member of the Board of Directors since July 2003 and was appointed Chairman of the Board on 1 May 2012. Mr McComas was last re-elected as a director at the Company's 2018 Annual General Meeting on 22 November 2018.

Mr McComas is a company director and a former investment banker and commercial lawyer. Mr McComas is the principal of McComas Capital and was previously a consultant and a director of Grant Samuel, an investment banking and funds management group, from 1999 to 2009. Mr McComas previously served for 10 years as Managing Director of Investment Banking at County NatWest and its successor organization Citi Group) and in various executive roles with Morgan Grenfell (now Deutsche Bank) in Melbourne, Sydney and London.

Mr McComas has worked with many high growth companies across various industry sectors and has experience in debt and equity finance, mergers and acquisitions and privatisations. Mr McComas has led more than 50 initial public offerings and significant secondary offerings for companies, institutions and governments. Mr McComas has long term experience working with healthcare and life sciences businesses and is currently a director of the blood cancer co-operative clinical trials group Australasian Leukaemia and Lymphoma Group (ALLG), Actinogen

Medical Limited (ACW) and Core Lithium Limited (CXO) and is Chairman of Fitzroy River Corporation Limited (FZR).

In the three years prior to this Notice of Meeting, Mr McComas was a director of Saunders International Limited (SND) and Royalco Resources Limited.

Mr McComas is a member of the Audit Committee and the Remuneration and Nomination Committee.

Purpose of approval

In accordance with the requirements of the ASX Listing Rules and the Company's constitution, Mr McComas will retire and offer himself for re-election at the Meeting.

If re-elected, Mr McComas' 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.

Board recommendation

The Board (with Mr McComas abstaining) unanimously recommends that shareholders vote in favour of this resolution 2.

In considering Mr McComas' suitability for re-election, the Board has considered the specific time commitments of Mr McComas' other company board responsibilities and has determined that those other board responsibilities do not conflict with Mr McComas' commitments to the Company. Additionally, the Board considers that Mr McComas' prior extensive experience as a non-executive director and his skills in capital markets and the biotechnology industry complements the Board's existing skills and experience.

Resolution 3 – Grant of Performance Rights to Mr Gary Phillips

Background

The Company is proposing to grant Mr Gary Phillips 2,374,000 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 the Company's existing employee option/performance rights plan (**Performance Rights Plan**).

Purpose of approval

ASX Listing Rule 10.14 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.

ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of its shareholders (**15% Capacity**), subject to certain exceptions. ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue of securities made with the approval of holders of the Company's ordinary shares under ASX Listing Rule 10.11 or 10.14.

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 Performance Rights to Mr Phillips, falls within Listing Rule 10.14.1 and accordingly requires approval of shareholders. If shareholder approval is not obtained, the Performance Rights detailed below will not be granted.

The quantum of Performance Rights granted to participants in the Performance Rights Plan is calculated by our Board with reference to a percentage of the participant's salary based on responsibility within the Company, and the Pharmaxis share price. In calculating the quantum of Performance Rights to be granted to the Chief Executive Officer the relevant percentage is 30%.

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 2022 financial year the Board will assess achievement of the 2022 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 2023 and 30 June 2024, subject to Mr Phillips' continued employment with the Company on those dates. As further described in the Company's 2021 Remuneration Report, 50% of the performance rights granted to Mr Phillips in 2020 were lapsed in August 2021 subsequent to a Board review of 2021 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 2023 are not able to be traded until 30 June 2024, 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 2021 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, and as such, are an appropriate type of security to be used for the purpose of incentivising Mr Phillips.

Board recommendation

The Board (with Mr Phillips abstaining) unanimously recommends that shareholders vote in favour of resolution 3.

Additional technical information required by the ASX Listing Rules with respect to resolution 3:

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: \$44,394
- 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 9,227,000 options over ordinary shares of which 2,843,050 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 7,972,000 Performance Rights 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 \$221,952 to the Performance Rights for which approval is sought, which is

calculated based on the 30 day VWAP prior to 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 3 November 2021 (unless the Meeting 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 the Company's Performance Rights Plan as the Board has resolved that no other directors are entitled to participate.

The terms of the Performance Rights Plan are summarised in the section of this explanatory statement relating to resolution 7.

Details of any securities issued under the Performance Rights Plan 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 Performance Rights Plan 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.

Resolution 4 – Amendment of the Constitution

Background

In anticipation of certain recent and potential changes to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, it is proposed that certain amendments be made to the Company's constitution (**Constitution**). A copy of the Constitution showing the proposed amendments is available on the Company's website at <http://www.pharmaxis.com.au/corporate-governance>. A printed copy can be obtained, at no charge, by contacting Computershare by telephone on 1300 855 080.

Under the Corporations Act, resolution 4 needs to be passed as a special resolution. This requires it to be passed by at least 75% of the votes cast by members entitled to vote on the special resolution.

A summary of the principal amendments to the Constitution are set out in the table below.

Subject	Summary of amendment	Constitution clause reference(s)
Registered joint holders	The ASX has indicated that it is planning to replace the current Australian Clearing House Electronic Subregister System (CHES) in 2023, with a new system that uses distributed ledger technology (e.g. 'blockchain technology'), which is to be known as the ASX Clearing and Settlement Platform (CSP). Currently ASX limits the number of registered holders to be a maximum of three joint holders. The new CSP will record holder registration details in a different format, which is currently anticipated to enable up to 4 joint holders to be recorded in relation to shares. The Constitution currently limits the number of joint holders to no more than 3 holders. It is therefore proposed that the Constitution be amended to specify that the Company will register the number of joint holders permitted under the ASX Settlement Operating Rules, to ensure that Constitution enables the maximum number of joint holders once the CSP becomes operative.	10.2

Restricted securities	On 1 December 2019, changes were made to ASX Listing Rule 15.12 to include further requirements in relation to restricted securities. In particular, the amended Listing Rule 15.12 added that: • if restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored subregister and to have a holding lock applied for the duration of the escrow period applicable to those securities; and • a holder of restricted securities is not entitled to participate in any return of capital on those securities except as permitted by the ASX Listing Rules or ASX. The Company does not currently have any restricted securities on issue that are subject to Listing Rule 15.12 and has no current intention to issue such securities. However, it is proposed to amend the Constitution so that it is consistent with the amended Listing Rule 15.12.	13
Holding general meetings using technology and electronic signing	The <i>Treasury Laws Amendment (2021 Measures No. 1) Act 2021</i> has made temporary changes to the Corporations Act to enable companies to conduct wholly virtual general meetings and sign documents electronically, permit the electronic signing of documents, up to 1 April 2022. There is a further bill to be considered by the Australian Parliament later in later 2021 to permanently change the Corporations Act to allow wholly virtual general meetings and electronic signing of documents. While the final wording of the permanent changes are not known at this stage, the Board thinks that it is appropriate for the Company's Constitution to: • expressly authorise the holding of virtual general meetings after expiry of the temporary legislative changes, to the extent permitted by the Corporations Act; • clarify that electronic signing of documents is permitted; and • clarify that communications and documents can be provided using electronic means. Certain other related and flow-on amendments are also proposed to be made to the Constitution to facilitate the use of technology. A copy of the Constitution showing all of the proposed amendments is available on the Company's website.	30A, 44A, 96, 97, 101, 104.11

Board recommendation

The Board unanimously recommends that shareholders vote in favour of resolution 4.

Resolutions 5 and 6 – Ratification of issue of securities under the April 2021 Placement and First Tranche Employee Incentive Issuance

Background

The Company is seeking shareholder ratification for the issue of certain securities issued by the Company in the prior 12 month period, pursuant to ASX Listing Rule 7.4.

Purpose of approval

As previously described, in general terms, ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities that exceed its 15% Capacity, subject to certain exceptions.

However, ASX Listing Rule 7.4 allows an issue of securities made without shareholder approval to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if the issue did not breach ASX Listing Rule 7.1 and is subsequently ratified by the shareholders.

Accordingly, if shareholders ratify the issue of:-

- 54,586,141 fully paid ordinary shares at \$0.08 per share to sophisticated and professional investors under the April 2021 Placement (**Placement Shares**) (which are further described below) by way of approving resolution 5, the Placement Shares will be treated to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1, and will no longer be counted towards the Company's 15% Capacity. If resolution 5 is not approved, the Placement Shares will continue to be counted towards the Company's 15% Capacity.
- 4,055,600 Performance Rights and 522,000 fully paid ordinary shares issued under the First Tranche Employee Incentive Issuance for nil consideration) by way of approving resolution 6, the securities issued under the First Tranche Employee Incentive Issuance will be treated to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1, and will no longer be counted towards the Company's 15% Capacity. If resolution 6 is not approved, the securities issued under the First Tranche Employee Incentive Issuance will continue to be counted towards the Company's 15% Capacity.

The ratification of both the Placement Shares and the securities issued under the First Tranche Employee Incentive Issuance would effectively refresh the Company's 15% Capacity in respect of the securities issued in the prior 12 months, and the Company will be able to issue further equity securities up to its 15% Capacity in the next 12 months without requiring shareholder approval. If resolutions 5 and/or 6 are not approved, unless an exception applies, the Company will need to seek shareholder approval in the future if it wishes to issue securities in excess of its 15% Capacity.

The Board consider it to be in the best interests of the Company to maintain the Company's ability to issue up to 15% of its fully paid ordinary shares under ASX Listing Rule 7.1.

As at the date of this Notice, other than the proposed issuance of Second Tranche Employee Incentive Issuance (defined below) to employees described in this explanatory statement, the Board has not made a decision to undertake any further capital raisings or grant further shares. The Board will only undertake further issues of equity securities if the Board considers it is in the best interests of the Company to do so.

A. Placement undertaken in April 2021

In April 2021 the Company undertook a placement of the Placement Shares raising approximately ~A\$4.4 million within the 15% Capacity (**April 2021 Placement**).

- **Recipients of the securities:** The Placement Shares were issued to certain new and existing sophisticated and professional investors who subscribed under the April 2021 Placement following a process conducted by Bell Potter Securities Limited which acted as the sole lead manager and bookrunner of the April 2021 Placement. The April 2021 Placement received strong support from Hong Kong and Sydney based Karst Peak Capital

Limited which invested ~A\$3.2 million for approximately 40.2 million Placement Shares. Existing shareholder BVF Partners LP also committed to invest a further ~A\$0.8m for approximately ~10.6 million Placement Shares.

- **The number and class of securities issued:** 54,586,141 fully paid ordinary shares
- **Terms of the securities:** The Placement Shares issued rank equally with the Company's existing fully paid ordinary shares on issue and are quoted on ASX.
- **Date of issue:** 21 April 2021
- **Issue price of the securities:** A\$0.08 per Placement Share
- **Purpose of the issue:** The funds were raised to strengthen the Company's balance sheet while the Company conducts a phase 1c/2 study in myelofibrosis with its lead drug PCD-5505 that is already recruiting and a phase 1c study in patients with problematic skin scarring with its topical drug PXS-6302.

B. First Tranche Employee Incentive Issuance

In August 2021 the Company announced that it intended to issue an aggregate total of 12,513,000 Performance Rights under the Company's Performance Right Plan and 522,000 ordinary shares under the Company's Employee Share Plan. However, the total issuance would have exceeded the 15% Capacity and the portion of the issuance to Mr Phillips, Managing Director and Chief Executive Officer of the Company, also required shareholder approval. Accordingly, the Company divided the issuances into two tranches.

In August 2021 the Company granted 4,055,600 Performance Rights and issued 522,000 ordinary shares within the Company's 15% Capacity to employees of the Company, other than Mr Phillips, under the Company's employee incentive schemes (**First Tranche Employee Incentive Issuance**). Subject to receipt of relevant shareholder approval, the Company intends to grant a second tranche of 8,457,400 Performance Rights to employees (including the Performance Rights proposed to be granted to the Chief Executive Officer the subject of resolution 3) (**Second Tranche Employee Incentive Issuance**).

The following information, is provided with respect to the First Tranche Employee Incentive Issuance for the purposes of ASX Listing Rule 7.5:

- **Recipients of the securities:** Employees of the Company as determined by the Board.
- **The number and class of securities issued:** 4,055,600 Performance Rights issued under the Company's Performance Rights Plan and 522,000 ordinary shares issued under the Company's Employee Share Plan.
- **Date of issue:**

Performance Rights: 12 August 2021

Ordinary shares: 26 August 2021
- **Terms of the securities:** Each Performance Right entitles the holder to subscribe for one 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. The ordinary shares are issued under the Company's Employee Share Plan, which rank equally with the Company's existing ordinary shares on issue. The Company applied to the ASX for official quotation of the shares issued under the Company's Employee Share Plan. In order for the shares to qualify for the A\$1,000 income tax reduction referred to above, the shares are restricted, and not able to be sold, transferred or encumbered until the earlier of the following: (i) three years from the date on which you are issued the shares; or (ii) the date that the holder ceases to be an employee of the Company or any of its subsidiaries;

- **Issue price of the securities:** Nil. Securities are being issued for nil consideration under the Employee Share Plan and Performance Rights Plan.
- **Purpose of the issue:** Equity incentive to attract, incentivise and retain employees of the Company.

Board recommendation

The Board unanimously recommends that shareholders vote in favour of resolutions 5 and 6.

Resolution 7 – Approval of the Company’s Employee Incentive Schemes

Equity remuneration is an important component of attracting, incentivising and retaining talented individuals for the Company.

The Company has two equity remuneration plans to provide for the long term reward, incentive and retention of all employees (**Employee Incentive Schemes**):

- The Pharmaxis Employee Option Plan (also known as the Performance Rights Plan) enables the grant of employee options with a zero grant price and a zero exercise price, known commonly as “Performance Rights” to eligible employees of the Group. Senior Executive Officers and other eligible employees are invited by the Remuneration and Nomination Committee to participate in this plan.
- The Pharmaxis Employee Share Plan grants up to \$1,000 of fully paid Pharmaxis ordinary shares to eligible employees of the Group. Senior Executive Officers do not participate in this plan.

As noted above, ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities that total more than its 15% Capacity in a 12 month period without the approval of its shareholders, subject to certain exceptions.

Exception 13(b) of ASX Listing Rule 7.2 provides that Listing Rule 7.1 does not apply in relation to, among other things, an issue of securities under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity’s ordinary securities approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

If this approval is not granted, the issue of any shares and options (including Performance Rights) under the Employee Incentive Schemes would need to be counted to the 15% Capacity. If this approval is given, the issue of shares and options (including Performance Rights) under the Employee Incentive Schemes will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

The Company has not sought shareholder approval for the employee incentive schemes in the prior three years. The following information is provided for the purposes of Listing Rule 7.2 Exception 13(b):

- **A summary of the terms of the Employee Incentive Schemes:** Set out below.
- **The number of securities issued under the Employee Incentive Schemes since the Company was listed:** The Company has granted approximately 68.8 million options / Performance Rights since the Company was listed on ASX in 2003 of which approximately 24.8 million have lapsed and approximately 18.9 million are still outstanding. The number of ordinary shares issued under the Employee Share Plan since its establishment in 2010 is approximately 2.8 million.
- **The maximum number of securities proposed to be issued following approval:** The Company announced in August 2021 that it would grant the Second Tranche Employee Incentive Issuance. If this resolution (and resolution 3) is approved, the Company intends to make the Second Tranche Employee Incentive Issuance, which would involve the issue of 8,457,400 Performance Rights (including the Performance Rights proposed to be granted to the Chief Executive Officer). The maximum number of Performance Rights and options that may be granted under the Performance Rights Plan is limited to: (a) 15% of the total

number of shares on issue in the capital of the Company (calculated as if all securities convertible into shares had been converted into shares); (b) such number as is consistent with any applicable ASX Listing Rules requirements; and (c) such number having regard to regulatory constraints under the Corporations Act or any other applicable law. As at the date of this explanatory statement, the maximum number of Performance Rights and options that may be granted under the Performance Rights Plan is 70,869,610 Performance Rights and options based on the limitations described above. The maximum number of shares able to be offered under the Employee Share Plan is limited to (a) when aggregated with: (A) the number of shares which would be issued on exercise of outstanding options; and (B) the number of shares issued under the Employee Share Plan in the prior five years, but excluding any options and shares: (C) issued to a person outside of Australia at the time of offer; (D) that did not need disclosure to investors because of section 708 of the Corporations Act; or (E) issued under a disclosure document, 5% of the total number of shares on issue at the time of the offer; (b) such number as is consistent with any applicable ASX Listing Rules requirements; and (c) such number having regard to regulatory constraints under the Corporations Act or any other applicable law. As at the date of this explanatory statement, the maximum number of ordinary shares that may be issued under the Employee Share Plan is 2,969,580 ordinary shares based on the limitations described above.

Summary of Employee Option Plan/ Performance Rights Plan

Options, including Performance Rights, are issued under the Company's Employee Option Plan/ Performance Rights Plan, which was first approved by shareholders in 1999. The Employee Option Plan is administered by the Board.

Eligibility

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.

Vesting, exercise and lapse of employee options

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.

Rights attaching employee options

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.

Changes to issued capital

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 the Company 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 the Company makes 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 the Company makes a return of capital to its shareholders generally, the exercise price of the employee options will be proportionately reduced by the amount of the return of capital.

Restrictions on employee options

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 and ASX Listing Rules. The Corporations Act and the ASX Listing Rules prevail over the Performance Rights Plan to the extent of any inconsistency.

Summary of Employee Share Plan

The Company's Employee Share Plan was established in September 2010 and enables the Company to grant up to A\$1,000 worth of fully paid Shares to eligible employees of the Company in any given 12 month period.

Eligibility

Senior Executive Officers do not participate in the Employee Share Plan. The Employee Share Plan is administered by the Board. Any person considered to be an employee by our Board is eligible to participate in the Employee Share Plan, but does so at the invitation of our Board.

Restrictions and rights attaching to shares issued under the Employee Share Plan

Shares issued under the Employee Share Plan are fully paid, rank equally with all other existing ordinary shares on issue and are subject to any restrictions of conditions as determined by the Company. A holder of Shares issued under the Employee Share Plan is entitled to receive any dividend paid on the Shares and may exercise any voting rights attaching to those Shares. The Company applies for official quotation of any new Shares issued under or for the purposes of the Employee Share Plan. Holders of Shares issued under the Employee Share Plan must not transfer, sell or otherwise dispose of, or grant any security interest of any Shares acquired under the Employee Share Plan while they are restricted.

The restrictions apply until the earlier of:

- three years after issue of the relevant date the Shares or such other date as may be determined by the Company; or
- 30 days after the date on which the holders ceases to be an employee.

If a takeover bid is made or other formal scheme is proposed for the acquisition of some or all of the shares in the capital of the Company, and:

- if acceptance of the bid or scheme is recommended by the Board; and
- the Board resolves to end the restriction on sale, a holder may accept the bid on such terms the holder decides in respect of some or all of the Shares registered in his or her name.

Board recommendation

The Board unanimously recommends that shareholders vote in favour of resolution 7.

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

Pharmaxis Ltd 2021 Annual General Meeting

The Pharmaxis Ltd 2021 Annual General Meeting will be held on Wednesday, 3 November 2021 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

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

For your proxy appointment to be effective it must be received by 10:00am (AEDT) on Monday, 1 November 2021.



ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit <https://meeting.zoho.com/meeting/register?sessionId=1097708579>

To vote online during the meeting you will need to visit <https://web.lumiagm.com/354386087>
For instructions refer to the online user guide www.computershare.com.au/onlinevotingguide



PXS

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

Need assistance?



Phone:
1300 855 080 (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) on Monday, 1 November 2021.**

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.

PARTICIPATING IN THE 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 "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

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

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 2021 Annual General Meeting of Pharmaxis Ltd to be held as a virtual meeting on Wednesday, 3 November 2021 at 10:00am (AEDT) 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 1 and 3 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 3 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 1 and 3 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 show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Remuneration report	☐	☐	☐
2 Re-election of Mr Malcolm McComas as a non-executive director	☐	☐	☐
3 Grant of Performance Rights to Mr Gary Phillips	☐	☐	☐
4 Amendment of the Constitution of the Company	☐	☐	☐
5 Ratification of issue of securities under April 2021 Placement	☐	☐	☐
6 Ratification of issue of securities under First Tranche Employee Incentive Issuance	☐	☐	☐
7 Approval of the Company's employee incentive schemes	☐	☐	☐

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

P X S

2 7 9 3 6 2 A



Computershare





Pharmaxis Ltd
ABN 75 082 811 630

PXSRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Pharmaxis Ltd. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Pharmaxis Ltd