

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

**Notice is given that a General Meeting of shareholders
of Parnell Pharmaceuticals Holdings Ltd (Company) will be held on:**

Thursday 22 February 2018 at 9.00 a.m. (Australian Eastern Standard Time)

Meeting to be held in person at the Company headquarters, First Floor, Unit 4, 476 Gardener's
Road, Alexandria, NSW, 2015, Australia

11 January 2018

Dear Shareholder,

On behalf of the Board of Directors of Parnell Pharmaceuticals Holdings Limited (ACN 137 904 413) (**Company**), I invite you to join us at a General Meeting of shareholders (**GM**), which has been scheduled as follows:

Date: Thursday 22 February 2018 (AEST)

Time: 9.00 a.m. (AEST)

Venue: Held by physical attendance at First Floor, Unit 4, 476 Gardeners Road,
Alexandria New South Wales 2015, Australia

Outline of the items of business

At this GM, shareholders will consider the following item of business:

- Removal of Alan Bell as director of the Company.

Details of this item are contained in the enclosed Notice of GM and Explanatory Memorandum.

The Board is unanimously opposed to carriage of this resolution: it considers that the request is a waste of time and resources.

Voting at the meeting or by proxy

A proxy form accompanies the enclosed Notice of Meeting. If you wish to attend the GM in person, please bring a copy of the proxy form with you. Registration will be available from 8.45 a.m. (AEST). If you are unable to attend in person, I encourage you to appoint a proxy to vote on the resolution contained in the Notice of Meeting on your behalf, by completing and returning the enclosed proxy form. Details of how to submit the proxy form are included with the form.

This meeting has been called by the Board of Directors, upon receipt of a notice from Robert Thomas Joseph (holding not less than 5% of the issued shares in the Company) requiring the Board (pursuant to s.249D of the Corporations Act 2001) to call this meeting.

Yours sincerely,



Alan Bell
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Parnell Pharmaceuticals Holdings Ltd

ACN 137 904 413

NOTICE IS HEREBY GIVEN that the general meeting (“**GM**”) of shareholders (“**Shareholders**”) of Parnell Pharmaceuticals Holdings Ltd (ACN 137 904 413) (the “**Company**”) will be held by physical attendance in person or by proxy on 22 February 2018 at 9.00 a.m. (Australian Eastern Standard Time) at First Floor, Unit 4, 476 Gardeners Road, Alexandria New South Wales 2015, Australia.

An Explanatory Memorandum and instructions on how to vote (including how to vote by proxy) are set out in this Notice of GM.

BUSINESS OF THE GENERAL MEETING


1. Removal of Alan Bell as director of the Company

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

That Alan Bell be removed as director of Parnell Pharmaceuticals Holdings Ltd (ACN 137 904 413) effective immediately.

Further information about this item of business is set out in the Explanatory Memorandum.

By order of the Board.



Alan Bell

Chairman

11 January 2018

EXPLANATORY MEMORANDUM

Parnell Pharmaceuticals Holdings Ltd

ACN 137 904 413

This Explanatory Memorandum is dated 11 January 2018 and has been prepared in connection with the Notice of GM and serves as an explanation of, and contains information about, the items of business and resolutions to be considered by Shareholders at the GM. It is given to Shareholders of the Company to help them determine how to vote on the resolutions.

This Explanatory Memorandum does not constitute financial product advice and does not constitute an offer to sell, or an offer to buy, securities in Australia, the United States or any other jurisdiction.

1. ITEMS OF BUSINESS

The purpose of the GM is to consider the following business:

ITEM 1 – REMOVAL OF ALAN BELL AS A DIRECTOR OF THE COMPANY

Item 1 seeks approval for the removal of Alan Bell as a director of the Company.

Alan Bell has been a director of the Company since 25 June 2009 and has been the Chairman of the Company during that time. He is currently an Executive Chairman, with the agenda to handle a large number of special projects related to the growth of the Company. The other Executive Director (Brad McCarthy) is responsible for the regular operations of the Company Group.

Mr Joseph, the requisitioner of this meeting, is a former Chief Executive of the Company who was dismissed (for cause) by the Company. His appointment as a Director of the Company was terminated by a vote of Shareholders on 29 December 2017. He was terminated from the employment with the Company and its subsidiaries, with cause, on 14 December 2017.

The Board believes this action by Mr Joseph, who remains a shareholder of the Company, is a waste of time and resources.

The Company relies upon its release of today's date concerning the business and future anticipated results of the Company.

Directors' Recommendation

The Directors (with Alan Bell abstaining) unanimously recommend that Shareholders vote against the resolution removing Alan Bell as a director of the Company.

2. VOTING INSTRUCTIONS

2.1 VOTING ELIGIBILITY AND VOTING IN PERSON

Shareholders appearing on the Company's register of members as at 5.00pm on 21 February 2018 (AEST) will be entitled to attend and vote at the Meeting ("**Register Date**").

To vote in person, Shareholders are required to attend the Meeting at the time, date and place set out in the Notice of Meeting.

2.2 PROXY INSTRUCTIONS

A Proxy Form accompanies the Notice of Meeting and this Explanatory Memorandum ("**Proxy Form**"). The Proxy Form is an integral part of the Notice of Meeting and Explanatory Memorandum, and these documents should be read together.

To ensure the Meeting proceeds efficiently, Shareholders are strongly urged to complete the Proxy Form (together with any certified copy of the power of attorney or other instruments or authorities, if any, under which the Proxy Form was signed) and return it by one of the following methods:

- by mail: Attn: Company Secretary
Parnell Pharmaceuticals Holding Ltd
Unit 4, Century Estate
476 Gardeners Road
Alexandria NSW 2015
Australia
- by email: brad.mccarthy@parnell.com; or
- by facsimile: +61 2 9667 4139.

The Proxy Form (and the power of attorney, if any, under which it is signed) must be signed by the Shareholder or his/her duly authorised attorney. In the case of shares jointly held by two or more

persons, all joint shareholders must sign the Proxy Form.

To be effective, Proxy Forms must be received by the Company **by 5.00 p.m. on 21 February 2018 (AEST)**. Proxy Forms received after this time will be invalid.

Appointment of proxies

A proxy may, but need not, be a Shareholder of the Company.

In accordance with the Act and cl. 11.4 of the Company's Constitution, where a Shareholder is entitled to attend and vote at the Meeting and has two or more votes that can be cast at the Meeting, that Shareholder is entitled to appoint up to two individuals to act as their proxy at the Meeting.

Where two proxies are appointed by a Shareholder, each proxy may be appointed to represent a specific portion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes.

Body corporate who is either a Shareholder or proxy

A Shareholder that is a body corporate, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the Meeting.

The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the Shareholder's corporate representative.

Shares held by brokers (or other instruments)

If you hold your shares in the Company through a broker, bank, or other nominee, you must direct the institution that holds your shares to vote them in accordance with your instructions. You are not entitled to vote directly unless the institution holding your shares provides a proxy authorising you to vote the shares at the Meeting. Your broker, bank, or nominee will provide instructions on how to instruct them to vote your shares.

3. WHO MAY ATTEND

All Shareholders recorded on the Company's register of shareholders as at the Register Date, and their duly appointed proxies and representatives, may attend the Meeting in person.

4. FURTHER INFORMATION

For more information on the Meeting, please contact the Company's Chief Financial Officer, Brad McCarthy, by telephone on +61 2 8338 2832 or, by email at brad.mccarthy@parnell.com.

GENERAL MEETING PROXY FORM

This Proxy Form has been prepared for Parnell Pharmaceuticals Holdings Ltd (ACN 137 904 413) (“**Company**”) in connection with the Notice of Meeting and Explanatory Memorandum dated 10 January 2018 in relation to the General Meeting (“**GM**”) of the Company to be held at First Floor, Unit 4, 476 Gardeners Road, Alexandria New South Wales 2015, Australia on 22 February 2018 at 9.00 a.m. (Australian Eastern Standard Time). Unless otherwise stated, all capitalised terms have the meaning given in the Notice of Meeting and Explanatory Memorandum.

I/We

being a member/s of the Company entitled to attend and vote at the Meeting, hereby appoint:

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting, or the Chairman’s nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Meeting and at any adjournment thereof. If no directions are given, the Chairman intends to vote proxies for which he is the proxy holder in favour of each resolution.

Proxies will only be valid and accepted by the Company if they are signed and received **no later than by 5.00 p.m. on 21 February 2018 (AEST)**. Please read the voting instructions set out in the Section 2 of the Explanatory Memorandum before marking any boxes with an X.

Items of Business

	FOR	AGAINST	ABSTAIN
Item 1 Removal of Alan Bell as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature of Shareholders

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

_____ / _____ / 2018
Contact Name

_____ / _____ / 2018
Contact Daytime Telephone

_____ / _____ / 2018
Date