

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:

28th December 2017 at 4.00 p.m. (Central Standard Time) and 29th December 2017 at 9.00 a.m. (Australian Eastern Standard Time)

Meeting to be held by teleconference (Dial-in details below):

United States	1 800 444 2801
Australia	1 800 422 547 / 02 9037 8402
New Zealand	0 800 440 176
Switzerland	0800 564 606
Netherlands	8000 220 915
United Kingdom	0 800 234 6984
Hong Kong	800 903 191

Participant Code: 5687312

21 November 2017

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: 28th December 2017 (CST), 29th December 2017 (AEST)
Time: 4.00 p.m. (CST), 9.00 a.m. (AEST)
Venue: Held by telephone conference (dial-in details above) or by physical attendance at Unit 4, 476 Gardeners Road, Alexandria New South Wales 2015, Australia

Outline of the items of business

At this GM, we will provide an opportunity for shareholders to consider the following item of business:

- Removal of Robert Joseph as director of the Company.

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

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 resolutions 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.

On behalf of all of the Directors, we look forward to hearing from you at the GM.

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 teleconference (dial in details above), on 28th December 2017 at 4.00 p.m. (Central Standard Time) and 29th December at 9.00 a.m. (Australian Eastern Standard Time). Shareholders are also welcome to attend in person at 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 Robert Joseph as director of the Company

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

That Robert Joseph 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

21 November 2017

EXPLANATORY MEMORANDUM

Parnell Pharmaceuticals Holdings Ltd

ACN 137 904 413

This Explanatory Memorandum is dated 21 November 2017 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 ROBERT JOSEPH AS A DIRECTOR OF THE COMPANY

Item 1 seeks approval for the removal of Robert Joseph as a director of the Company.

Robert Joseph has been a director of the Company since July 2009 and has been the CEO of the Company during that time.

On 14 October 2017 formal notice was given to Mr Joseph terminating his employment as CEO of the Company, pursuant to clause 18.1 of his employment contracts with Parnell Corporate Services Pty Ltd and Parnell Corporate Services U.S. Inc. Clause 18.1 provides that Mr Joseph's employment may be terminated at any time with 6 months notice. Termination of Mr Joseph's employment will therefore take effect upon the expiry of his 6 month notice period. However, his duties and responsibilities have been suspended effective immediately and he no longer has any role in the management of the Company's business.

This resolution is put to Shareholders to approve the removal of Mr Joseph as a director of the company so as to give full effect to the termination of his employment and the suspension of his duties and responsibilities.

Directors' Recommendation

The Directors (with Robert Joseph abstaining) unanimously recommend that Shareholders vote in favour of the resolution removing Robert Joseph 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 28th December 2017 (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 2.00 pm on 28th December 2017 (CST) or 7.00 am on 29th December 2017 (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 or telephonically.

Any other person may attend the Meeting in person or telephonically by invitation of the Board of Company.

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 21 November 2017 in relation to the General Meeting (“**GM**”) of the Company to be held at Unit 4, 476 Gardeners Road, Alexandria New South Wales 2015, Australia and via teleconference on 28th December 2017 at 4.00 p.m. (Central Standard Time) and 29th December 2017 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 2.00 pm on 28th December 2017 (CST) or 7.00 am on 29th December 2017 (AEST)**. Please read the voting instructions set out in the Section 0 of the Explanatory Memorandum before marking any boxes with an X.

Items of Business

	FOR	AGAINST	ABSTAIN
Item 1 Removal of Robert Joseph 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

Contact Name

Contact Daytime Telephone

____/____/2017
Date