

PARNELL PHARMACEUTICALS HOLDINGS LTD

FORM 6-K (Report of Foreign Issuer)

Filed 03/24/15 for the Period Ending 03/24/15

Telephone	61 2 9667 4411
CIK	0001603429
SIC Code	2834 - Pharmaceutical Preparations
Fiscal Year	06/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Month of March 2015

Commission File Number: 333-196065

PARNELL PHARMACEUTICALS HOLDINGS LTD

Unit 4, Century Estate
476 Gardeners Road
Alexandria 2015 NSW
Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

PARNELL PHARMACEUTICALS HOLDINGS LTD

Form 6-K

TABLE OF CONTENTS

On March 24, 2015, Parnell Pharmaceuticals Holdings Ltd (the "Company") sent to its shareholders a Notice of Annual General Meeting and Explanatory Statement (the "Notice"). The Notice describes the matters to be voted upon by the shareholders at the Annual General Meeting and includes an Appointment of Proxy for shareholders unable to attend the Meeting in person or by telephone. The Notice has been uploaded on the Company's website: www.parnell.com.

A copy of the Notice is attached as Exhibit 99.1 and is incorporated herein by reference.

A summary of the proposed changes to the proposed alterations to the Constitution is attached as Exhibit 99.2

A summary of the proposed changes to the 2014 Omnibus Equity Incentive Plan is attached as Exhibit 99.3.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Parnell Pharmaceuticals Holdings Ltd

By: /s/ Robert Joseph
Name: Robert Joseph
Title: President and CEO

Date: March 24, 2015



Unit 4, Cen
476 Garde
Alexandria

PO Box 10:
Mascot
NSW 1460

Telephone:
Facsimile:
Website:
Email:

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

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

Tuesday 21 April 2015 at 3:00 p.m. (Central Standard Time) and Wednesday 22 April 2015 at 6:00 a.m. (Australian Eastern Standard Time).

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

United States	1866 3005 202
Australia	1800 200 232
New Zealand	0800 1702 23
Switzerland	0800 5618 73
Netherlands	0800 0235 165
United Kingdom	0800 9170 557
Hong Kong	800 9687 88

Participant Code: 802546





Unit 4, Cent
476 Garden
Alexandria T

PO Box 1031
Mascot
NSW 1460

Telephone:
Facsimile:
Website:
Email:

24 March 2015

Dear Shareholder,

On behalf of the Board of Directors of Parnell Pharmaceuticals Holdings Limited (**Company**), I invite you to join us at our Annual General Meeting (**AGM**), which has been scheduled as follows:

Date: 21 April 2015 (CST), 22 April 2015 (AEST)
Time: 3:00 p.m. (CST), 6:00 a.m. (AEST)
Venue: Held by telephone conference (dial-in details above) or by physical attendance at:
7015 College Boulevard, Level 6, Overland Park, Kansas

As previously announced, on 8 December 2014 the Board resolved to change the Company's financial year end date from 30 June to 31 December to synchronise reporting with existing management processes that use calendar year planning and simplify communications with shareholders.

As a result of the change, the Company will now hold its annual general meeting prior to 31 May in each calendar year. At this AGM, we will provide an opportunity for shareholders to consider the following:

- the Company's financial report and related documents;
- ratification of appointment of Company auditor;
- re-election of Director;
- amendment of the Company's Constitution; and
- amendment of the Company's 2014 Omnibus Equity Incentive Plan.

Details of these items are contained in the enclosed Notice of Meeting.

A proxy form accompanies the enclosed Notice of Meeting. If you are able to attend the AGM, please bring the proxy form with you. Registration will be available from 2:30 p.m. (CST). If you are unable to attend, 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.

Please note that a person intending to vote at the AGM on shares held in the name of a Company must bring an authority to the AGM, signed by the Company in favour of the person attending.

I look forward to hearing from you at our AGM.

Yours sincerely,

Alan Bell
Chairman



NOTICE OF ANNUAL GENERAL MEETING
Parnell Pharmaceuticals Holdings Ltd
ACN 137 904 413

NOTICE IS HEREBY GIVEN that an annual general meeting (**AGM**) of shareholders (**Shareholders**) of Parnell Pharmaceuticals Holdings Ltd (**Company**) will be held by telephone conference (dial-in details above), on 21 April 2015 at 3:00 p.m. (CST) (22 April 2015 at 6:00 a.m. (AEST)). Shareholders are also welcome to attend in person at 7015 College Boulevard, Level 6, Overland Park, Kansas.

This Notice of AGM is accompanied by an Explanatory Memorandum that contains an explanation of, and information regarding, the resolutions to be considered at the AGM. The Explanatory Memorandum forms part of this Notice of AGM.

AGENDA

Ordinary business

1. Receipt of the Company's Financial Report

To receive and consider the financial report of the Company and its controlled entities and the reports of the directors and auditors for the year ended 31 December 2014.

2. Ratification of Appointment of Company Auditor

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

'That the appointment of PricewaterhouseCoopers, Chartered Accountants, as auditor of the Company be ratified.'

3. Re-election of Director

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

'That Mr Thomas E. Duley, being a director who was appointed by the directors on 9 December 2014 in accordance with clause 12.2 of the Company's Constitution, being eligible, offers himself for re-election, be re-elected as a director of the Company.'

Special business

4. Amendment of Company Constitution

To consider and, if thought fit, pass the following resolution as a *special resolution* :

'That for the purposes of section 136 of the Corporations Act 2001 and for all other purposes, the constitution of the Company be amended as set out in the Explanatory Memorandum attached to this notice.'



5. **Amendment of 2014 Omnibus Equity Incentive Plan**

To consider and, if thought fit, pass the following resolution as a **special resolution** :

'That Amendment No. 1 to the Company's 2014 Omnibus Equity Incentive Plan (the "Plan"), a copy of which is enclosed with this Notice of AGM (the "Plan Amendment"), be adopted for the purpose of increasing the number of ordinary shares available for issuance under the Plan from 1,500,000 to 3,000,000.'

(Note: an explanation of the proposed resolution is attached in the Explanatory Memorandum)

Further information about each item of business is set out in the Explanatory Memorandum to this Notice of AGM.

By order of the Board.



Alan Bell
Chairman
Sydney, 24 March 2015



EXPLANATORY MEMORANDUM

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the AGM. It is given to shareholders of the Company to help them determine how to vote on the resolutions. It has been prepared in connection with the Notice of AGM.

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.

The purpose of the AGM is to consider the following business.

ITEM 1 – FINANCIAL REPORT

On 8 December 2014, the Board of Directors authorized a change in fiscal year (from 30 June year-end to 31 December year-end) to synchronise fiscal and financial reporting with existing management processes that use calendar year planning and simplify communications with shareholders.

On February 27, 2015, the Company filed with the US Securities and Exchange Commission a transition report on Form 20-F for the six-month transition period of 1 July through 31 December 2014. For a comparison of our operating results for the six-month transition period to the same six-month period ended 31 December 2013, we have presented unaudited numbers for the period of 1 July 2013 to 31 December 2013.

The Australian *Corporations Act 2001* (Cth) (**Corporations Act**) requires

- the reports of the directors and auditors; and
- the financial report, including the financial statements of the Company for the period to 31 December 2014,

to be laid before the AGM.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given ample opportunity to raise questions or comments on the reports and statements at the meeting.

ITEM 2 – RATIFICATION OF APPOINTMENT OF COMPANY AUDITOR

PricewaterhouseCoopers have been the Company's auditors since 2010.

This resolution is put to shareholders to ratify the resolution passed at the Company's 2014 annual general meeting that enabled the re-appointment of PricewaterhouseCoopers to hold office.

Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of the resolution

ITEM 3 – RE-ELECTION OF DIRECTOR

Item 3 seeks approval for the re-election of Mr Thomas E. Duley as a director of the Company. The Board appointed Mr Duley as an independent director on 9 December 2014.



Mr Duley, being eligible, and in accordance with good corporate governance practice, offers himself for re-election. If resolution 4 (Amendment of Company Constitution) is approved by shareholders, going forward the Company will proceed with the re-election process by class as described under the proposed rule 12.13 of the amended constitution.

Mr Thomas E. Duley

Thomas E. Duley is a partner in the Silicon Valley Corporate Practice Group office of King & Spalding LLP where he advises companies in the Life Science industry on transactions involving their technology and products, including strategic partnering, licensing and commercial agreements and intellectual property. Prior, he was Senior Corporate Counsel for PDL BioPharma, Inc., a fully integrated biopharmaceutical company. Mr Duley currently serves as an Adjunct Professor at U.C. Hastings College of Law. He obtained a Juris Doctor degree from University California, Davis, and M.Arch. and B.A. degrees from University of California, Los Angeles.

It is proposed that Mr Duley will continue to serve as a member of the Compensation Committee, the Audit Committee and the Nominating Committee.

Directors' Recommendation

The Directors (other than Mr Thomas E. Duley) unanimously recommend that shareholders vote in favour of the resolution.

ITEM 4 – AMENDMENT OF COMPANY CONSTITUTION

Shareholder approval is sought for the amendment of the Constitution of the Company. If the special resolution seeking this approval is passed, the amendments will be effective immediately following the Annual General Meeting.

The Board believes that the Constitution of the Company should be brought up to date with the current provisions of the Corporations Act, the NASDAQ Listing Rules and general best practice corporate governance principles and the following amendments are recommended to achieve this aim. To assist shareholders, an extract of the proposed amendments is attached as Exhibit 99.2 and is incorporated herein by reference, and a marked version of the full Constitution illustrating each proposed amendment is available on the company's website <http://investors.parnell.com>. If you require a hard copy of the marked version of the Constitution, please write to the Company Secretary at the address below and a copy will be sent to your specified address:

Company Secretary
Parnell Pharmaceuticals Holding Ltd
Unit 4, Century Estate
476 Gardeners Road
Alexandria NSW 2015



The table below highlights and explains the proposed amendments to the provisions in the Constitution.

Rule	Amendments	Comments
3.11	Delete rule 3.11	Deletion of rule 3.11 to ensure consistency with rule 3.6 in relation to the participation of Directors (and their associates) in any securities issue by the Company.
8.1	Amendment regarding the business of the annual general meeting	This amendment inserts an outline of the business to be considered at each annual general meeting. This will assist in safeguarding the annual general meeting process to ensure that meetings are executed in line with modern corporate governance principles.
8.2(c)	Addition relating to Notice of General meeting	This amendment requires that notice of general meetings will incorporate specific information based on US guidelines. This will ensure proper notice is provided in line with the relevant corporate governance guidelines and principles.
New rule 8.3	Insert rule relating to 'omission to give notice'	This will ensure that proceedings at meetings are not rendered invalid due to a technical failure to give notice.
11.4	Amendment to the appointment of proxies	This amendment will allow the appointment of more than 2 proxies. This will enable a beneficial owner of shares held in a street name to arrange with his broker for the beneficial owner to attend, speak and vote in respect of that owner's shares.
11.4(b)	Insert rule relating to appointment of proxies	This ensures that where a proxy appoints a person as proxy and failing them, another person, it will be regarded as appointment of one proxy and not 2 proxies.
12.3	Delete restrictions on director remuneration	This removes restrictions which are not usual in US companies and which are only common for Australian corporations because companies listed on the Australian Stock Exchange must have them. Directors remuneration will now be set by the Board.
New rule 12.10	Insert rule regarding alternate directors	This introduces the ability of a director to appoint an alternate director and related procedure/responsibilities. Given the expansion of the size of the Board this is viewed as useful to ensure full attendance at board meetings. It is a usual and common provision in the constitutions of Australian companies.
New rules 12.11 and 12.12	Insert rule 12.11 and 12.12 relating to retirement of directors	This introduces a regime of retirement of directors by rotation (every 3 years) unless otherwise determined by a resolution of the Company. This is common practice among Australian companies to ensure efficient board renewal, good corporate governance and to ensure the interests of the Company are always upheld. Shareholders should note that the Australian Corporations Act allows shareholders in general meeting to remove directors at any time by simple majority vote.
New rule 12.13	Insert rule 12.13 relating to re-election of retired directors.	This provides that a director who retires (pursuant to the new rules 12.11 and 12.12 above) is eligible for election or re-election for the board on certain conditions. This is common practice among companies to ensure efficient board renewal, good corporate governance and to ensure the interests of the Company are always upheld.
New rule 12.14	Insert new rule 12.14 relating to vacation of office.	This provides that the office of a director will be automatically vacated in certain circumstances, e.g. if the director is insolvent, of unsound mind or fails to attend meetings for continuous period. This is to ensure there are provisions in the constitution to safeguard the company from directors who may become unable to perform their duties adequately.



Rule	Amendments	Comments
13	Deleted clause 13	Deleted for formatting purposes (this clause was previously left blank intentionally).
13.1 (formerly 14.1)	Amendment to the timing of notice for director nominations	This amends the notice period for nomination of a director at any general meeting to at least 45 business days rather than the current 10 business days to align with standard US market practice.
16.1 (formerly 17.1)	Amendment to the quorum requirement to 'a majority of the board'	The current quorum is 2 directors. This amendment changes the quorum requirement to 'a majority of the board' to ensure compliance with standard US market practice. Another reason for this change is that the board has expanded to several members and a quorum of 2 directors is a smaller than desired proportion of all directors.
16.2 (formerly 17.2)	Amendment regarding meeting of directors by telephone or other means of technology	This amendment expands the manner in which directors' meetings can be held to include meeting by audio-visual linkup or any instantaneous communications medium (where directors have resolved to that effect) without affecting the validity of the meeting. This amendment proposes that only a 'resolution' of directors is required (rather than unanimous consent as required by section 248D of the Australian Corporations Act) and reflects that the directors reside in different jurisdictions and the increasing use of modern forms of technology.
New rule 16.3	Insert new rule 16.3 relating to notice of a meeting of directors	This amendment provides further clarity on the procedure for providing notice of a meeting of directors. This ensures that a meeting of directors is not invalidated due to a technical irregularity including non-receipt of notice by the applicable director. The introduction of this rule also renders rule 16.1(c) unnecessary, and it has therefore been deleted.

Reasons for approval

Under section 136 of the Corporations Act, a Company must have member approval by a special resolution to modify or repeal its constitution. Accordingly, Resolution 4 seeks member approval to adopt the amendments to the constitution specified above.

Directors' Recommendation

The Directors unanimously recommend that shareholders approve the amendments to the Constitution and vote in favour of the resolution.

ITEM 5 - AMENDMENT OF 2014 OMNIBUS EQUITY INCENTIVE PLAN

Item 5 seeks approval of the Plan Amendment for the purpose of increasing the number of ordinary shares available for issuance under the Plan from 1,500,000 to 3,000,000. The Compensation Committee of the Company's Board of Directors believes that having 3,000,000 ordinary shares available under the Plan will enable the Compensation Committee to use the Plan effectively over the next few years to achieve its objectives of attracting and retaining talented management and other personnel, motivating Plan participants with growth-related incentives to achieve the Company's long-range goals, and aligning Plan participants' interests with those of shareholders.



The Plan Amendment also amends the provision of the Plan that limits the number of ordinary shares issuable pursuant to incentive stock options (as used in Section 422 of the US Internal Revenue Code). The number of ordinary shares issuable as incentive stock options is also being increased to 3,000,000 shares .

A copy of the Plan Amendment is attached as Exhibit 99.3 and is incorporate herein by reference.

Reasons for approval

Under NASDAQ Rule 5635, a listed issuer must receive shareholder approval of any material amendment to an equity compensation plan. Accordingly, Resolution 5 seeks shareholder approval to adopt the Plan Amendment.

Directors' Recommendation

The Directors unanimously recommend that shareholders approve the Plan Amendment and vote in favour of the resolution.

VOTING INSTRUCTIONS

Voting instructions are set out in the notes to this Notice of AGM. To ensure that the AGM proceeds efficiently, you are strongly urged to complete the enclosed proxy form (**Proxy Form**) and return it by the date and time specified in the notes to this Notice of AGM to:

Company Secretary
Parnell Pharmaceuticals Holding Ltd
Unit 4, Century Estate
476 Gardeners Road
Alexandria NSW 2015

or the Proxy Form may be emailed: brad.mccarthy@parnell.com or faxed: +61 2 9667 4139

The directors of the Company unanimously recommend that shareholders approve the resolutions and encourage eligible shareholders to vote in favour of the resolutions. The Chairman of the AGM intends to vote undirected proxies for which he is the proxy holder in favour of the resolutions.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. VOTING ELIGIBILITY AND VOTING IN PERSON

Shareholders entered on the register of members of the Company as at 5:00 p.m. on 4 March 2015 will be entitled to attend and vote at the AGM. To vote in person, attend the AGM at the time, date and place set out in the Notice of AGM.

Please note that, if you hold your shares in "street name" through a broker, bank, or other nominee, you must direct the institution that holds your shares to vote them; you are not entitled to vote directly unless the institution holding your shares provides you a proxy issued in your name authorizing you to vote the shares at the AGM. Your broker, bank, or nominee will provide instructions on how to instruct them to vote your shares.



2. PROXY INSTRUCTIONS

A shareholder entitled to attend and vote at the AGM is entitled to appoint up to two (where the shareholder has more than two votes that can be cast at the AGM) individuals or bodies corporate to act as proxies to attend and vote on the shareholder's behalf. Where more than one proxy is appointed 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 votes.

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

A shareholder that is a body corporate or corporation, or which has been appointed as a proxy, is entitled to appoint any individual to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the *Corporations Act 2001 (Cth)*. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the shareholder's corporate representative.

A Proxy Form accompanies this Notice of AGM. The Proxy Form is an integral part of this Notice of AGM and both documents should be read together.

Completed Proxy Forms (and a certified copy of the power of attorney or other instruments or authorities, if any, under which each Proxy Form was signed) should be delivered to the Company by:

- ♦ mailing them to the Company Secretary at Unit 4, Century Estate, 476 Gardeners Road, Alexandria NSW 2015; or
- ♦ emailing them to the Company Secretary at brad.mccarthy@parnell.com; or
- ♦ faxing them to the Company Secretary on +61 2 9667 4139.

The Proxy Form must be signed by the shareholder or his/her attorney duly authorised in writing. In the case of shares jointly held by two or more persons, all joint-holders must sign the Proxy Form.

To be effective, Proxy Forms must be received by no later than 4:00 p.m. (AEST) on 21 April 2015. Proxy Forms received after this time will be invalid.

3. NO OTHER MATERIAL INFORMATION

Other than as set out in this Notice of AGM, there is no other information that is known to the Company's directors which may reasonably be expected to be material to the making of a decision by shareholders whether or not to vote in favour of the proposed resolutions.

4. WHO MAY ATTEND

All record and beneficial shareholders of the Company 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 only at the invitation of the Company.

5. FURTHER INFORMATION

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





Unit 4, Century Estate
476 Gardeners Road
Alexandria NSW 2015

PO Box 1035
Mascot
NSW 1460

Telephone: 61-2-9667
Facsimile: 61-2-9667
Website: www.parnell
Email: info@parne

APPOINTMENT OF PROXY

I/We

being a member/s of the Company entitled to attend and vote at the Annual General Meeting of the Company to be held via teleconference on 21 April 2015 at 3:00pm (CST), 22 April 2015 at 6:00 a.m. (AEST), 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
Chairman intends to vote proxies for which he is the proxy holder in favour of each resolution.

Items of Business

		FOR	AGAINST	ABSTAIN
Item 2	Ratification of Appointment of Company Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr Thomas E. Duley as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Amend the Constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Amend the Company's 2014 Omnibus Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

Signature of Securityholder(s)

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name _____

Contact Daytime Telephone _____

_____/_____/2015
Date



**THE PROPOSED ALTERATIONS TO THE CONSTITUTION OF
PARNELL PHARMACEUTICALS HOLDINGS LTD**

The alterations which are proposed to be made to the Constitution are set out below.

Rule 3.11 Issues to Directors and their Associates

~~A Director or any person who for the purposes of Section 9 of the Act would be regarded as a person associated with that Director ("Associated Person") may only participate (directly or indirectly) in an issue by the Company of shares where the Director or an Associated Person receives the prior approval of shareholders by special resolution at a general meeting where the notice convening the meeting has advised:~~

- ~~(i) the number of shares to be allotted to the Director or an Associated Person; and~~
- ~~(ii) the precise terms and conditions of the issue;~~
- ~~(iii) and the Director and Associated Persons abstain from exercising any voting rights on the resolution;~~
- ~~(iv) the Director or an Associated Person receives an entitlement of securities under an employee incentive scheme which has been approved by special resolution of shareholders in general meeting; or~~
- ~~(v) the Director or an Associated Person receives an entitlement of securities under a shareholders dividend plan which has been approved by ordinary resolution of shareholders in general meeting;~~

Rule 8.1 General meetings

- (a) A general meeting shall be held once in every calendar year at such time and place as may be determined by the Board in accordance with the Act.
 - (b) The abovementioned general meetings shall be called annual general meetings; all other general meetings shall be called general meetings.
 - (c) Annual general meetings are to be held in accordance with the Act. The business of an annual general meeting is:
 - (i) to receive and consider the accounts and reports required by the Act;
 - (ii) to elect Directors;
 - (iii) to ratify the appointment of the Company's auditor; and
-

(iv) to transact any other business which may be properly brought before the meeting.

(d) General meetings may be called by the Board and held in the manner determined by the Board. Except as permitted by the Act, no other person may convene a general meeting of the Company. By resolution of the Board, any general meeting (other than a general meeting which has been requisitioned or called by shareholders or by a single Director if permitted by the Act) may be cancelled or postponed prior to the date on which it is to be held.

(e) A person, whether or not a shareholder, who is requested by the Board or the Chairman to attend a general meeting, is entitled to be present.

Rule 8.2 Meetings by Technology

(a) The Shareholders may meet either in person, by telephone, by audiovisual linkup or by any other means of instantaneous communications medium for conferring, consented to by all Shareholders subject to the right of a Shareholder to withdraw their consent within a reasonable period before a meeting. All persons participating in the meeting must be able to hear and be heard by all other participants. A meeting conducted by telephone or other means of communication is deemed to be held at the place agreed upon by the Shareholders attending the meeting, provided that at least one of the Shareholders present at the meeting is at that place for the duration of the meeting.

(b) Where the Shareholders are not all in attendance at one place and are holding a meeting using technology and each Shareholder can communicate with the other Shareholders:

(i) the participating Shareholders are, for the purposes of every provision of this Constitution concerning general meetings, taken to be assembled together at a meeting and to be present at that meeting; and

(ii) all proceedings of the Shareholders conducted in that manner are as valid and effective as if conducted at a meeting at which all of the participating Shareholders were physically present in one location.

Rule 8.3 Notice of general meeting

- (a) Not less than 28 days notice of a general meeting, or such other period prescribed by the Act or other applicable law, rule or regulation, may be given by the Board in the form and in the manner the Board thinks fit including notice of any general meeting at which the Board proposes or these rules require that an election of Directors be held. Notice of meetings shall be given to the shareholders, the Directors, and to such persons as are entitled to receive notice under these rules or the Act or other applicable law, rule or regulation. The non-receipt of a notice of any general meeting by, or the accidental omission to give notice to, any person entitled to notice does not invalidate any resolution passed at that meeting.
 - (b) If the meeting is to be held at 2 or more places the notice is to set out details of the technology that will be used to facilitate such a meeting and any other matters required to be stated by the Act in relation to the use of such technology.
 - (c) Every notice convening a general meeting must include or be accompanied by all information required by the Act and must at least:
 - (i) set out the place, the day and time for the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this);
 - (ii) state the general nature of the business to be transacted at the meeting and any special resolution to be proposed;
 - (iii) include a statement that:
 - A. a Member entitled to attend and vote is entitled to appoint a proxy;
 - B. a proxy need not be a Member;
 - C. a Member who is entitled to cast 2 or more votes may appoint 2 proxies and must specify the proportion or number of votes each proxy is appointed to exercise;
 - D. a Member who is a licensed financial services provider holding shares for clients may appoint one proxy in respect of all the shares of each such client;
 - (iv) be accompanied by an instrument of proxy in the form described in this Constitution or in any other form as the Directors may from time to time prescribe or accept.
-

Rule 8.4 Omission to give notice

Except as prescribed by the Act, the accidental omission to give notice of a meeting to any Member or the non-receipt of notice of a meeting by any Member entitled to receive the notice does not invalidate anything done or any resolution passed at the general meeting.

Rule 11.4 Appointment of proxies

- (a) Subject to this Constitution, a ny shareholder entitled to vote at a general meeting may appoint a proxy. Any shareholder who is entitled to cast 2 or more votes at a general meeting may appoint ~~not more than 2~~ or more proxies to vote at a general meeting on that shareholder's behalf and may, but need not, direct the proxy or proxies how to vote in relation to or on any resolution. A shareholder who is a licensed financial services provider who holds shares as nominee for two or more clients is further entitled to appoint without limitation as to number one person nominated by each such client (and which may be that client) as proxy in respect of the shares held by that shareholder as nominee for that client.
 - (b) In the event a proxy appoints a person as proxy and failing them, another person, that is regarded as the appointment of one person and not two people.
 - (c) The Company must record in the minutes of a general meeting, in respect of each resolution in the notice of meeting, the total number of proxy votes exercisable by all proxies validly appointed and:
 - (i) if the resolution is decided on a show of hands - the total n umber of proxy votes in respect of which the appointment specified that:
 - (A) the proxy is to vote for the resolution;
 - (B) the proxy is to vote against the resolution;
 - (C) the proxy is to abstain on the resolution;
 - (D) the proxy is to vote at the proxy's discretion.
 - (ii) if the resolution is decided on a poll- the information specified in rule 0(b)(i) and the total number of votes cast on the poll:
 - (A) in favour of the resolution;
 - (B) against the resolution;
-

(C) abstaining on the resolution.

- (d) A proxy need not be a Shareholder of the Company.
- (e) Where a shareholder appoints 2 proxies and each proxy is not appointed to represent a specified proportion of the shareholder's voting rights, then each proxy may exercise half of the shareholder's voting rights.
- (f) The instrument appointing a proxy (and the power of attorney, if any, under which it is signed or proof of the power of attorney to the satisfaction of the Board) must be deposited duly stamped (if necessary) at the Office, faxed to the Office or deposited, faxed or sent by electronic mail to any other place specified in the notice of meeting before the time for holding the meeting or adjourned meeting or poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall be treated as invalid.
- (g) No instrument appointing a proxy is, except as provided in this rule, valid after the expiration of 12 months after the date of its execution. Any shareholder may deposit at the Office an instrument duly stamped (if necessary) appointing a proxy and the appointment is valid for all or any stipulated meetings of the Company.

Rule 12.3 Remuneration of Directors

The Directors are to be paid out of the funds of the Company as remuneration for their services as Directors, such sum accruing from day to day as the Board determines, to be divided among them in such proportion and manner as they agree or in default of agreement equally.

Rule 12.10 Alternate Director

Subject to the provisions of the Act, each Director may from time to time by written notice to the Company appoint any person (whether or not a Member) to act as an alternate Director in their place during any period they think fit. The following provisions apply to any alternate Director:

- (a) that Director may be removed or suspended from office by written notice to the Company from the Director who appointed it ;
-

- (b) that Director is entitled to receive notice of meetings of the Board, to attend meetings (if the Director who appointed it is not present) and to be counted towards a quorum at meetings;
- (c) that Director is entitled to vote at meetings it attends on all Resolutions on which its appointor could vote had that appointor attended and, where that Director is a Director in its own right, it has a separate vote on behalf of the Director it is representing in addition to its own vote;
- (d) that Director may exercise any powers that the appointor may exercise in its own right where the appointor is unavailable for any reason except the power to appoint an alternate Director. The action of an alternate Director will be conclusive evidence as against third parties of the unavailability of the appointor;
- (e) that Director automatically vacates office if the Director who appointed it is removed or otherwise ceases to hold office for any reason;
- (f) that Director, whilst acting as a Director, is responsible to the Company for its own acts and defaults and is not deemed to be the agent of the Director by whom it was appointed;
- (g) that Director is not entitled to receive any remuneration from the Company but is entitled to reimbursement for reasonable travelling and other expenses incurred by it in attending meetings of the Board or otherwise on the Company's business;
- (h) that Director is not to be taken into account in determining the number of Directors for the purposes of this Constitution; and (i) that Director may act as an alternate for more than 1 Director.

Rule 12.11 Directors' tenure of office

Each Director, subject to the Act and this Constitution must not hold office (without re-election) past the third annual general meeting following its appointment or election or 3 years, whichever is longer, after which they must retire from office. This clause does not apply to the managing director, but if there is more than 1 managing director, only 1 is entitled not to be subject to this clause.

Rule 12.12 Retirement by rotation

Unless otherwise determined by a Resolution of the Company, while the Company is listed, the Board will be classified into three classes of equal, or as close to equal as possible, number of Directors. Each class of Directors will have their own terms of office, and the class whose term has expired must retire from office at the relevant annual general meeting. The Directors to retire will be the class of directors who have been longest in office since their last election. Any Director appointed to fill a vacancy on the board will be appointed into the class with a vacancy, and will be eligible for re-election along with that class. A retiring Director may act as a Director throughout the meeting at which it retires and at any adjournment. This clause does not apply to the managing director, but if there is more than 1 managing director, only the managing director who was first appointed is entitled not to be subject to re-election.

Rule 12.13 Retiring of Director eligible for re-election

A Director who retires or whose office is vacated under this Constitution will be eligible for election or re-election to the Board. If another person is not elected by the Company to fill the vacated office, the retiring Director will, if offering himself for re-election and not being disqualified under the Act or this Constitution from holding office as a Director, be deemed to have been re-elected as a Director unless at that general meeting:

- (a) it is expressly resolved not to fill the vacated office or to reduce the number of Directors; or
- (b) a Resolution for the re-election of that Director is put and lost.

Rule 12.14 Vacation of office

The office of a Director will be automatically vacated if:

- (a) the Director becomes an insolvent under administration;
 - (i) the Director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
 - (ii) the Director's office is vacated or the Director is prohibited from being a Director in accordance with any of the provisions of the Act or any order made under the Act;
 - (iii) the Director resigns its office by notice in writing to the Company;
 - (iv) the Director, either by itself or by its alternate Director, fails to attend Board meetings for a continuous period of 3 Months without leave of absence from the Board; or
-

(v) the Director is an executive director upon termination of its employment or services agreement with the Company.

(b) A Director whose office is vacated under sub-paragraphs (i), (ii) or (iii) of paragraph (a), above, will not be eligible for re-election until the disability (or disabilities) referred to is (or are) removed.

Rule 13.1 (formerly 14.1) Nomination of Directors

No person is eligible for election to the office of Director at any general meeting unless the person or some shareholder intending to nominate the person has given notice in writing signed by the nominee giving consent to the nomination and signifying either candidature for the office or the intention of the shareholder to nominate the nominee. To be valid, the notice is required to be left at the Office ~~not less than 10~~ at least 45 Business Days before the meeting unless the nominee has been recommended by the Board for election, in which case the notice is required to be left at the Office at least 5 Business Days before the meeting.

Rule 16.1 (formerly 17.1) Procedures relating to Directors' meetings

(a) The Board may meet together, upon each Director being given reasonable notice, for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

(b) ~~Two Directors form~~ A majority of the Board forms a quorum until otherwise determined by the Board ~~and no business may be transacted at a meeting of Directors unless a quorum of Directors is present at the time the business is dealt with.~~

~~(c) Notice is deemed to have been given to a Director and all Directors are hereby deemed to have consented to the method of giving notice if notice is sent by mail, personal delivery, facsimile transmission or by electronic mail to the usual place of residence, fax number or electronic address of the Director (if any, fax number or electronic address is notified to the Company) or at any other address given to the Secretary by the Director from time to time, subject to the right of the Director to withdraw their consent within a reasonable period before a meeting.~~

Rule 16.2 (formerly 17.2) Meetings by ~~telephone or other means of communication~~ Technology

(a) The Directors may meet either in person ~~or~~ by telephone ~~, by audiovisual linkup or by any other means of instantaneous communication s medium for conferring,~~ consented to by all Directors subject to the right of a Director to withdraw their consent within a reasonable period before a meeting. All persons participating in the meeting must be able to hear and be heard by all other participants. A meeting conducted by telephone or other means of communication is deemed to be held at the place ~~agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting is at that place for the duration of the meeting at which the Chairman is physically present.~~

- (b) Meetings can be held entirely telephonically and there is no requirement for two Directors to be physically present at the same location.
- (c) Where the Directors are not all in attendance at one place and are holding a meeting using technology and each Director can communicate with the other Directors:
 - (i) the participating Directors are, for the purposes of every provision of this Constitution concerning meetings of the Board, taken to be assembled together at a meeting and to be present at that meeting; and
 - (ii) all proceedings of the Board conducted in that manner are as valid and effective as if conducted at a meeting at which all of the participating Directors were physically present in one location.

Rule 16.3 Notice of meetings of Directors

- (a) Notice of a meeting of Directors must be given to each person who is at the time the notice is given:
 - (i) a Director, except a Director on leave of absence approved by the Directors; or
 - (ii) an alternate director appointed under rule 12.10.
- (b) A notice of meeting of directors:
 - (i) must specify the time and place of the meeting;
 - (ii) need not state the nature of the business to be transacted at the meeting; and
 - (iii) may be given in person or by post or by telephone, fax or other electronic means.
- (c) Accidental failure or omission to give a Director or alternate director notice of a meeting of directors does not invalidate anything done or any resolution passed at the meeting.

**AMENDMENT NO. 1 TO THE
PARNELL PHARMACEUTICALS HOLDINGS LTD
2014 OMNIBUS EQUITY INCENTIVE PLAN**

WHEREAS, Parnell Pharmaceuticals Holdings Ltd, an Australian company limited by shares (“*Parnell*”), previously established the Parnell Pharmaceuticals Holdings Ltd 2014 Omnibus Equity Incentive Plan, effective on 3 June, 2014 (the “*Plan*”), in order to attract and retain management and other personnel and key service providers, motivate management with growth-related incentives to achieve long-range goals, and further the alignment of interests of participants with those of the shareholders of Parnell; and

WHEREAS, the Compensation Committee of the Board of Directors, in its role as Administrator of the Plan, has recommended that the Plan be amended to provide for an annual increase in the Share Pool (as defined in the Plan) to ensure that the Plan has adequate Ordinary Shares available to carry out its long-term purposes; and

WHEREAS, this Amendment is subject to approval by the shareholders of Parnell and will take effect only upon their adoption of the Amendment at Parnell’s Annual General Meeting of shareholders scheduled to be held on 21 April, 2015.

NOW, THEREFORE, the Plan is hereby amended, effective 21 April, 2015, as follows:

1. Amendment of Section 5(a). Section 5, Shares Issuable Pursuant to Awards, is amended by deleting subsection (a) in its entirety and adding the following language in its place:

(a) *Initial Share Pool*. Subject to adjustment from time to time as provided in Sections 5(b) and 10 of the Plan, the number of Ordinary Shares issuable pursuant to Awards that may be granted under the Plan (the “*Share Pool*”) shall be 3,000,000 shares. Nothing herein shall require the Administrator to grant Awards covering the entirety of the Share Pool within any specified period or prior to the Plan’s termination.

2. Amendment of Section 5(c). Section 5, Shares Issuable Pursuant to Awards, is amended by deleting subsection (c) in its entirety and adding the following language in its place:

(c) *ISO Limit*. Subject to adjustment pursuant to Section 10 of the Plan, the maximum number of Ordinary Shares that may be issued pursuant to share options granted under the Plan that are intended to qualify as “incentive stock options” within the meaning of Section 422 of the Code shall be 3,000,000 shares.

3. Effect of Amendment. Except as specifically amended above, the Plan shall continue in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 1 to the Parnell Pharmaceuticals Holdings Ltd 2014 Omnibus Equity Incentive Plan is hereby executed by the undersigned duly-authorized representative of Parnell Pharmaceuticals Holdings Ltd on this 21st day of April, 2015.

By: _____
Name: _____
Title: _____