

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

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CLINUVEL PHARMACEUTICALS LTD

ACN 089 644 119

EXPLANATORY MEMORANDUM AND NOTICE OF ANNUAL GENERAL MEETING 2016

DATE:

MONDAY, 28 NOVEMBER 2016

TIME:

10.00am (Melbourne time)

PLACE:

Karstens Conference Centres, 123 Queen Street, Melbourne, Victoria, Australia 3000

Explanatory memorandum

CLINUVEL PHARMACEUTICALS LIMITED ACN 089 644 119 (**Company**)

This Explanatory Memorandum has been prepared for the Shareholders of the CLINUVEL PHARMACEUTICALS LIMITED ACN 089 644 119 in connection with the business to be conducted at the annual general meeting of Shareholders of the Company which will be held at:

Location	Karstens Conference Centres, 123 Queen Street, Melbourne, Victoria, Australia 3000
Date	28 November 2016
Time	10.00am

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying Notice. The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context requires otherwise, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

ORDINARY BUSINESS

RECEIPT OF THE FINANCIAL STATEMENTS AND REPORTS

Pursuant to section 317 of the Corporations Act, the Company is required to lay before the meeting the financial report and the reports of the Directors and the auditor to give Shareholders a reasonable opportunity to ask questions or make comment. There is no requirement for Shareholders to approve these reports (other than the non-binding vote in respect of the Remuneration Report forming part of the Directors' Report – see Resolution 1).

Resolution 1 – Adoption of the remuneration report

The Remuneration Report is set out in the Directors' Report of the Company's Annual Report for the year ended 30 June 2016. The Remuneration Report sets out the policy for the remuneration of the Directors and executives.

The Corporations Act requires the Remuneration Report be put to a non-binding vote of the Shareholders. The vote is advisory only and does not bind the Directors or the Company. However if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of the AGMs on a "spill resolution" that another meeting be held within 90 days at which all the Company's Directors (other than the Managing Director) must be presented for re-election.

There is no requirement to allow for a possible 'spill' resolution at this Meeting as the 2015 Remuneration Report was accepted by greater than 75% of shares voted in the 2015 Annual General Meeting.

The Directors will consider the outcome of the vote on the Remuneration Report when reviewing the Company's remuneration policies.

Recommendation

The Directors recommend Shareholders vote in favour of Resolution 1.

Resolution 2 – Re-Election of Mrs Shanahan

Under clause 57 of the Constitution, at each Annual General Meeting, one third of the Directors (or, if their number is not a multiple of three, then the number nearest to but not exceeding one third) must retire from office.

The Directors retire by rotation, with the Directors who have been the longest in office since being elected or re-elected being the Directors who must resign in any year. The Constitution ensures that no Director is able to remain in office for longer than three years without facing re-election. Under the Constitution and the ASX Listing Rules, the Managing Director is exempt from the requirement to retire by rotation (i.e. Dr Wolgen).

To comply with the requirements of clause 57 of the Constitution, Mrs Brenda Shanahan must retire at the Meeting. Mrs Shanahan wishes to continue as a Director, and is entitled under the Constitution to seek re-election as a Director at the Meeting which coincides with her retirement, and accordingly offers herself for re-election as a Director.

Biographical Details

Mrs Shanahan is an established member of the Australian finance community who has also spent more than two decades working and investing in medical R&D and commercialisation. She is currently a non-executive director of DMP Asset Management, Challenger Limited (ASX: CGF) and Bell Financial Group (ASX: BFG), a director of the Kimberly Foundation of Australia Ltd, and Chair of both the St Vincent's Medical Research Institute and the Aikenhead Centre for Medical Discovery in Melbourne.

Previously Mrs Shanahan was a member of the Australian Stock Exchange and an executive director of a stockbroking firm, a fund management company and an actuarial company. She was also Chair of Challenger Listed Investments Ltd, the reporting entity for four ASX listed firms (CKT, CIF, CDI and CWT).

Mrs Shanahan joined Clinuvel in 2007, and was Non-Executive Chair of the Board from late 2007 until July 2010. Her depth of experience across global markets and medical research provides significant value to the current Board and Company.

Recommendation

The Directors, other than Mrs Shanahan, recommend Shareholders vote in favour of Resolution 2.

Resolution 3 – Ratification and approval of previous allotment and issue of Shares under the Private Placement

Background

On 15 March 2016 the Company announced that the Private Placement, involving the issue of 2,525,850 Shares to institutional and professional investors at an issue price of \$3.30 per Share, was completed. The 2,525,850 Shares issued under the Private Placement were issued without Shareholder approval under the Company's 15% placement capacity in a 12 month period under ASX Listing Rule 7.1.

The purpose of Resolution 3 is for Shareholders to approve, pursuant to ASX Listing Rule 7.4, those 2,525,850 Shares issued pursuant to the Private Placement, which will otherwise count toward the 15% limit under ASX Listing Rule 7.1.

ASX Listing Rules

ASX Listing Rule 7.1 broadly provides that, subject to certain exceptions, none of which are relevant here, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that company's 15% placement capacity under ASX Listing Rule 7.1 and enabling it to issue further securities up to that limit without requiring shareholder approval.

Accordingly, Resolution 3 seeks approval and ratification of the previous allotment and issue of the 2,525,850 Shares issued under the Private Placement for the purpose of satisfying the requirements of ASX Listing Rule 7.4 to restore the ability of the Company to issue further securities within the 15% limit under ASX Listing Rule 7.1 during the next 12 months. The effect of the proposed approval by Shareholders of Resolution 3 would be that these 2,525,850 Shares that have been issued by the Company will not count toward the 15% placement capacity limit imposed by ASX Listing Rule 7.1.

The Company confirms that the issue and allotment of the Shares the subject of Resolution 3 did not breach ASX Listing Rule 7.1.

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue:

Number of securities issued:	2,525,850 Shares
Issue Price:	\$3.30 per Share. The issue price of each Share was an issue price equal to the closing price on 10th March and a 2.9% discount to the 10th March 10-day volume weighted average price.
Use of the funds raised:	Funds raised will be used to pursue the European commercialisation program for its novel drug SCENESSE® (afamelanotide 16mg) for patients with the rare genetic disease erythropoietic protoporphyria (EPP).
Allottees:	FIL Limited, Lagoda Investment Management, L.P., Ender 1 LLC, Biotech Lab Singapore Pte Ltd, Dr U Rohs, none of whom are related parties of the Company.
Terms of the securities:	Fully paid ordinary shares in the capital of the Company which ranked, from the date of issue, equally with all existing issued Shares.

A voting exclusion statement is included in the Notice.

Recommendation

The Directors recommend Shareholders vote in favour of Resolution 3 as it will provide the Company with further flexibility should any Share issue be considered desirable in the next 12 months.

Glossary

1. Definitions

“**Annual Report**” means the annual report of the Company for the year ended 30 June 2016.

“**ASX**” means ASX Limited.

“**ASX Listing Rules**” means the official listing rules and requirements from time to time of the ASX.

“**Board**” means the board of directors of the Company as constituted from time to time.

“**Chairman**” means the person appointed to chair the Meeting convened by the Notice.

“**Closely Related Party**” has the meaning given in section 9 of the Corporations Act.

“**Company**” or “**CLINUVEL**” means CLINUVEL PHARMACEUTICALS LIMITED ACN 089 644 119.

“**Constitution**” means the constitution of the Company.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Directors**” means the directors of the Company from time to time.

“**Equity Securities**” has the same meaning as in the ASX Listing Rules.

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice.

“**Key Management Personnel**” means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“**Meeting**” means the annual general meeting of Shareholders of the Company convened by the Notice, to be held at Karstens Conference Centres, 123 Queen Street, Melbourne, Victoria, Australia 3000 on 28 November 2016 at 10am Australian Eastern Daylight (AEDT) time.

“**Notice**” means this notice of meeting which comprises of the notice, Explanatory Memorandum and Proxy Form

“**Performance Right**” means a right entitling a person who holds the performance right, subject to and only on satisfaction (or waiver) of any conditions attached to the right and upon vesting, to require the Company to allocate or provide (whether by way of issue or transfer) one Share to him or her, pursuant to a binding contract made by the Company and the person in the manner set out in the Clinuvel Performance Rights plans.

“**Proxy Form**” means the proxy form attached to the Notice.

“**Resolution**” means a resolution contained in this Notice.

“**Schedule**” means a schedule to this Notice.

“**Share**” means a fully paid ordinary share in the capital of the Company.

“**Shareholder**” or “**Member**” means a registered holder of a Share.

2. Interpretation

- (a) The singular includes the plural and vice versa and words denoting any gender include all genders;
- (b) A reference to “\$”, “A\$” or “dollar” is a reference to Australian currency; and
- (c) A reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate.

Notice of annual general meeting

CLINUVEL PHARMACEUTICALS LIMITED ACN 089 644 119

Notice is given that the annual general meeting of CLINUVEL PHARMACEUTICALS LIMITED ACN 089 644 119 (**Company**) will be held at:

Location	Karstens Conference Centres, 123 Queen Street, Melbourne, Victoria, Australia 3000
Date	28 November 2016
Time	10.00am

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context requires otherwise, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

ORDINARY BUSINESS

Receipt of the Financial Statements and Reports

To receive and consider the Financial Statements of the Company for the year ended 30 June 2016, together with the Directors' Report and the Independent Auditor's Report as set out in the Annual Report.

Resolution 1 – Adoption of Remuneration Report

To consider, and if in favour, to pass the following resolution as an **ordinary resolution**:

'That, in accordance with Section 250R of the *Corporations Act*, the Remuneration Report as set out in the Directors' Report for the year ended 30 June 2016 be adopted.'

Resolution 2 – Re-election of Mrs Brenda Shanahan

To consider, and if in favour, to pass the following resolution as an **ordinary resolution**:

'That Mrs Brenda Shanahan, a Director retiring by rotation in accordance with clause 57 of the Constitution of the Company and the ASX Listing Rules, being eligible and having offered herself for re-election, be re-elected as a Director.'

Resolution 3 – To consider, and if in favour, to pass the following resolution as an **ordinary resolution**:

'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 2,525,850 shares at an issue price of \$3.30 per share, issued under a placement to institutional and professional investors as detailed in the Explanatory Memorandum accompanying this Notice.'

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on the respective resolutions by the following persons:

Resolution	Exclusion
1 – Adoption of Remuneration Report	<p>The Company will disregard any votes cast on Resolution 1 by or on behalf of any member of the Key Management Personnel whose remuneration is included in the Remuneration Report or any Closely Related Party of such person.</p> <p>In accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast by or on behalf of a person appointed (including as a proxy), where that person is either a member of the Key Management Personnel or a Closely Related Party of such person whose remuneration is included in the Remuneration Report.</p> <p>A vote may be cast by such person if:</p> <ul style="list-style-type: none">(a) the vote is not cast on behalf of a person who is otherwise excluded from voting and the appointment specifies how the proxy is to vote; or(b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.
2 – Re-election of Mrs Brenda Shanahan	No voting restrictions are applicable to this Resolution 2 (however Mrs Shanahan will abstain from voting).
3 - Ratification and approval of previous allotment and issue of placement shares	<p>The Company will disregard any votes cast on Resolution 3 by:</p> <ul style="list-style-type: none">• a person who participated in the issue of securities under the Private Placement; and• an associate of a person who participated in the issue of securities under the Private Placement.

Dated 27 October 2016

By order of the Board

Darren Keamy
Company Secretary

Notes


- (a) A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached Proxy Form to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia or alternatively by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (e) The Company has determined under regulation 7.11.37 *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of Shareholders as at 10.00am (AEDT) on 26 November 2016.
- (f) Online voting will be available at www.investorvote.com.au. You will require your SRN/HIN and the control number (printed on your proxy form). For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.
- (g) The Annual General Meeting is a private meeting for shareholders. Only members of the Company and/or their proxies, and Company invited guests are entitled to attend.
- (h) If you have any queries on how to cast your votes call Darren Keamy on (03) 9660 4900 during business hours.



Clinuvel Pharmaceuticals Limited
 ABN 88 089 644 119

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

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 850 505
 (outside Australia) +61 3 9415 4000



Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 10.00am (Melbourne time) Saturday, 26 November 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
 or turn over to complete the form** ➔

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

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I/We being a member/s of CLINUVEL PHARMACEUTICALS LIMITED hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of CLINUVEL PHARMACEUTICALS LIMITED to be held at Karstens Conference Centres, 123 Queen Street, Melbourne, Victoria, Australia 3000 on Monday, 28 November 2016 at 10.00am (Melbourne time) 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2 below.

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
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mrs Brenda Shanahan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification and approval of previous allotment and issue of Shares under the Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

CUV

999999A

Computershare +