



## Starpharma Holdings Limited

ABN 20 078 532 180

**All correspondence to:**

Computershare Investor Services Pty Limited  
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MR JOHN SMITH 1

FLAT 123

123 SAMPLE STREET

THE SAMPLE HILL

SAMPLE ESTATE

SAMPLEVILLE VIC 3030



13 October 2005

Dear Shareholder

I have pleasure in inviting you to attend our Annual General Meeting and have enclosed the Notice of Meeting which sets out the items of business. The meeting will be held at the ASX Theatre, 530 Collins Street, Melbourne, Victoria on Wednesday, 16 November 2005 at 4.00pm.

If you are attending this meeting, please bring this letter with you to facilitate registration into the meeting.

If you are unable to attend the meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be returned in the envelope provided or faxed to our share registry on (03) 9473 2555 so that it is received by 4.00pm on Tuesday, 15 November 2005. Alternatively it should be returned to the Company's Registered Office, Baker Building, 75 Commercial Road, Melbourne, Vic, 3004 or faxed to (03) 9510 5955.

Corporate shareholders will be required to complete a "Certificate of Appointment of Representative" to enable a person to attend on their behalf. A form of this certificate may be obtained from the Company's share registry.

I look forward to your attendance at the meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Peter T Bartels".

Peter T Bartels, AO  
Chairman

Encl:



## Notice of Annual General Meeting

Starpharma Holdings Ltd ABN 20 078 532 180

Notice is hereby given that the Annual General Meeting of the shareholders of Starpharma Holdings Ltd will be held at the ASX Theatre, 530 Collins Street, Melbourne, Victoria on Wednesday, 16 November 2005 at 4.00pm.

### Ordinary Business

#### Financial Statements and Reports

To receive and consider the Company's financial statements and the related Directors' Reports, Directors' Declarations and Auditors' Report for the year ended 30 June 2005.

#### Resolutions

**1. Adoption of Remuneration Report**

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

*"That the Company's Remuneration Report for the year ended 30 June 2005 be adopted."*

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

**2. Approval and Ratification of Issue of Ordinary Shares**

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

*"That the issue of 7,112,000 new ordinary shares to the Biomolecular Research Institute Limited on 10 October 2005 be approved pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited."*

**3. Re-election of Mr Ross Dobinson as a Director**

*"That Mr Ross Dobinson being a director who retires by rotation in accordance with rule 11.4 of the Company's Constitution and being eligible for re-election be, and hereby is, elected as a director of Starpharma Holdings Ltd."*

**4. Re-election of Prof Peter Colman as a Director**

*"That Prof Peter Colman being a director who retires by rotation in accordance with rule 11.4 of the Company's Constitution and being eligible for re-election be, and hereby is, elected as a director of Starpharma Holdings Ltd."*

**By order of the Board**

A handwritten signature in black ink, appearing to be "B P Rogers", written in a cursive style.

B P Rogers  
Company Secretary  
13 October 2005

## EXPLANATORY MEMORANDUM

Starpharma Holdings Ltd ABN 20 078 532 180

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This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting on Wednesday 16 November 2005. This explanatory memorandum should be read with, and forms part of, the accompanying Notice of Meeting.

### ACCOUNTS AND REPORTS

The Corporations Act requires the financial statements and the reports of the directors and auditors of the Company to be put before the Annual General Meeting. There will be an opportunity for shareholders to ask questions and comment on these documents. No resolution is required to be passed on this item.

Shareholders will also have the opportunity to ask the auditors or their representative questions relative to the conduct of the audit, the preparation and content of the auditors' report, the accounting policies adopted by the Company in relation to the preparation of the statements, and the independence of the auditors.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT.

Recent amendments to the Corporations Act have expanded the disclosure requirements for publicly listed companies in relation to the remuneration of directors and executives. This disclosure is set out in a separate section of the Directors' Report called the *Remuneration Report*. This is set out on pages 17 to 22 of the Annual Report.

Members will have the opportunity at the Annual General Meeting to ask questions about, or make comments on, the Remuneration Report.

In addition the Corporations Act requires that members of a publicly listed company vote at the Annual General Meeting on a non-binding resolution as to whether to adopt the Remuneration Report. The vote is of an advisory nature and is thus not legally binding on the directors.

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

#### Voting Exclusion Statement

While they are not legally restrained from voting, the Directors and the executives specifically named in the Remuneration Report will not vote on the resolution, other than as a proxy for another shareholder and in accordance with the directions of that shareholder.

### RESOLUTION 2 – APPROVAL AND RATIFICATION OF ISSUE OF ORDINARY SHARES.

On or about 12 August 1996 the Company entered into an agreement with the Biomolecular Research Institute Limited (BRI) whereby the Company was granted an exclusive licence to commercialise technology relating to three families of patents owned by BRI. One of these patent families, in part, forms part of the original underlying technology of Starpharma's VivaGel™ family of products. Under the terms of the licence, the Company agreed to pay BRI a royalty equal to 25% of net earnings received by the Company through its commercial exploitation of the technology.

On 10 October 2005 the Company announced that it had acquired outright ownership of this core technology in exchange for the issue of 7,112,000 ordinary fully paid shares in the Company to the BRI. The shares represent approximately 6.39% of the Company's issued shares. The 25% royalty that was payable to BRI under the original licence has been cancelled.

The shares issued to BRI will be held in voluntary escrow for a period of 12 months. Starpharma can however consent to the release of these shares for transfer to an independent third party during the escrow period.

The shares were issued with the same rights as those attached to other ordinary shares on issue.

By having complete ownership of the underlying technology, Starpharma will have greater freedom and control over the process of commercialising the VivaGel™ family of products. The Directors believe that this new arrangement has enhanced the commercial value of the technology and of VivaGel™ and is in the best interests of all shareholders.

The share recipient is not a related party as defined under the Corporations Act.

ASX Listing Rule 7.1 enables a company to issue new shares up to 15% of the number of shares on issue in any 12 month period without shareholder approval. ASX Listing Rule 7.4 provides that an issue of shares made without shareholder approval under Listing Rule 7.1 is treated as having been made with shareholder approval if the issue is subsequently approved by the company's shareholders, and the issue did not breach Listing Rule 7.1.

To restore the Company's 15% placement capacity it is proposed that shareholders pass an ordinary resolution to approve the share placement that occurred on 10 October 2005.

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by BRI or its associates. However, the Company need not disregard any such vote if:

- (a) It is cast by such a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### RESOLUTION 3 – RE-ELECTION OF ROSS DOBINSON AS A DIRECTOR

Mr Ross Dobinson retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

#### Experience and expertise

Non-executive director for eight years. Merchant banker with a background in investment banking and stockbroking. Has acted as corporate director for two leading stockbrokers, and was an executive director of the NAB's corporate advisory subsidiary. Later headed the Corporate Advisory Division of Dresdner Australia Ltd. Managing Director of TSL Group Ltd, a corporate advisory company specialising in establishing and advising life sciences companies. Also a director of a number of unlisted companies.

Mr Dobinson is chairman of the audit & risk management committee and the remuneration & nomination committee.

#### Other current public company directorships

Non-executive director of two other public companies: Acrux Ltd (director since 2000) and Roc Oil Company Limited (director since 1997).

The Board (with Mr Dobinson abstaining) recommends that shareholders vote in favour of this ordinary resolution.

## RESOLUTION 4 – RE-ELECTION OF PETER MALCOLM COLMAN AS A DIRECTOR

Prof Peter Colman retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

### Experience and expertise

Non-executive director for eight years. Head, Structural Biology Division, The Walter & Eliza Hall Institute of Medical Research. Former Executive Director, Biomolecular Research Institute. Published widely in the field of structural biology. In 1983 his Laboratory determined the structure of the surface proteins of influenza virus, and a major result of that work was the discovery of Relenza. One of the founding directors of Biota Holdings Ltd.

Prof Colman is a non-executive director of Dendritic Nanotechnologies, Inc., and a member of the research committee.

### Other current public company directorships

None.

The Board (with Prof Colman abstaining) recommends that shareholders vote in favour of this ordinary resolution.

## **Voting Entitlements**

For the purpose of the Corporations Act, the Company has determined that all securities of the Company that are quoted securities at 7.00pm Australian Eastern Standard Time on 15<sup>th</sup> November 2005 will be taken, for the purpose of the Meeting, to be held by the persons who held them at the time.

## **Proxies**

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be deposited 24 hours prior to the commencement of the meeting, at the share registry of the Company, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street Abbotsford, Vic, 3067 or at the Company's Registered Office, Baker Building, 75 Commercial Road, Melbourne, Vic, 3004 or by facsimile to Computershare on (03) 9473 2555 or to the Company on (03) 9510 5955.



# Starpharma Holdings Limited

ABN 20 078 532 180

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

## Proxy Form

### All correspondence to:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000  
Facsimile 61 3 9473 2555  
www.computershare.com



Securityholder Reference Number (SRN)



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I N D



000001 000 SPL  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

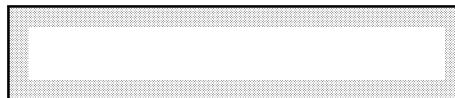
### Appointment of Proxy

I/We being a member/s of Starpharma Holdings Limited and entitled to attend and vote hereby appoint



the Chairman  
of the Meeting  
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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, as the proxy sees fit) at the Annual General Meeting of Starpharma Holdings Limited to be held at the ASX Theatre, 530 Collins Street, Melbourne, Victoria on Wednesday, 16 November 2005 at 4.00PM and at any adjournment of that meeting.

#### IMPORTANT: FOR ITEM 2 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 2 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 2.

### Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Approval and Ratification of Issue of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Ross Dobinson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Prof Peter Colman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### Appointing a second Proxy

I/We wish to appoint a second proxy



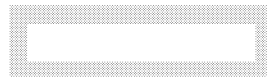
Mark with an 'X' if you wish to appoint a second proxy.

AND



%

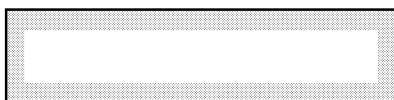
OR



State the percentage of your voting rights or the number of securities for this Proxy Form.

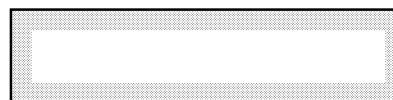
### PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



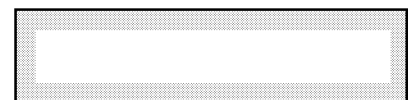
Individual/Sole Director and Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

S P L

5 P R



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 24 hours before the commencement of the meeting at 4.00PM on Wednesday, 16 November 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - Baker Building, 75 Commercial Road, Melbourne, Vic, 3004  
Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Vic, 3067
- BY MAIL Registered Office - Baker Building, 75 Commercial Road, Melbourne, Vic, 3004  
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX Starpharma - 61 3 9510 5955  
Computershare - 61 3 9473 2555