



16 December 2010

The Manager
Company Announcement Office
ASX Limited

Starpharma Holdings Limited (ASX:SPL) – Securities Trading Policy

In accordance with the requirements of Listing Rules 12.9 – 12.12 (effective from 1 January 2011), the Company wishes to advise that it has revised its Securities Trading Policy. The Policy was approved by the Board of Directors on 16 December 2010 and is effective from that date.

A copy of the revised Policy is attached and will be posted on the company's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'BR', written over a horizontal line.

Ben Rogers
Company Secretary



Starpharma Holdings Limited (Starpharma) Securities Dealing Policy

1. POLICY OBJECTIVES

The objectives of this policy are to:

- explain the type of conduct in relation to dealings in securities that is prohibited under the relevant law and by Starpharma;
- establish a best practice procedure for buying, selling or otherwise dealing in securities of Starpharma to protect both you and Starpharma;
- assist Starpharma in meeting its reporting obligations under the Listing Rules of the Australian Securities Exchange Limited (ASX); and
- ensure transparency with respect to dealing in securities of Starpharma by its directors and employees.

This policy aims to protect you and Starpharma by setting out how and when you may and may not deal in securities of Starpharma to ensure that you do not abuse, and do not place yourself under suspicion of abusing, price sensitive information that you may have or be thought to have.

If you do not understand this policy, or how it may apply to you, you should seek further advice from the Company Secretary.

You should note that any breach of this policy may result in disciplinary action or termination of your contract of employment or engagement.

This policy is a summary of complex legal provisions and is therefore a general guide. It does not constitute legal advice.

This policy was adopted by the board of directors of Starpharma on 16 December 2010.

Does this policy applies to You

This policy applies to:

- all directors (executive and non-executive) of Starpharma and its subsidiaries (**Directors**); and
- all employees of and contractors to Starpharma and its subsidiaries.

(collectively **Employees**).

It is incumbent on each Employee to take all reasonable steps to ensure that an associate does not deal in securities of Starpharma where the dealing could be attributed to the Employee concerned and would involve a contravention of this policy if the dealing had been undertaken by the Employee concerned. An associate includes family members, friends and companies or other entities controlled by the Employee or their family members.

Additional rules apply to Designated Persons of Starpharma as set out in Section 6 of this policy.

Designated Persons of Starpharma are the Directors, the Chief Executive Officer, the Company Secretary, the key management personnel (having authority and responsibility for planning, directing and controlling the activities of the Starpharma group) and any other Employee designated by the Company Secretary from time to time.

What are securities?

Securities include:

- ordinary shares;
- preference shares;
- American Depositary Receipts in relation to shares;
- options or rights to shares; and
- any other financial products traded on ASX.

2. DEALING IN SECURITIES

Insider trading rules in relation to dealing in securities

The *Corporations Act 2001* prohibits persons from dealing in securities while in possession of inside information (which, for the purposes of this policy, we will call price sensitive information).

If you possess price sensitive information in relation to an entity you must not deal in the following ways:

- buy or sell securities in that entity;
- subscribe for new shares (eg in a capital raise); or
- enter into an agreement to subscribe for, buy or sell, securities in the relevant entity.

If you possess price sensitive information in relation to an entity you must not:

- procure any other person to deal in securities in that entity; or
- directly or indirectly communicate the price sensitive information to another person whom you believe, or ought reasonably to believe, is likely to deal in those securities or procure another to deal in those securities.

For example, you must not suggest or encourage family members to deal in securities when you possess price sensitive information in relation to those securities and you must not communicate the price sensitive information to them if there is any risk that they may deal in those securities.

Price sensitive information

Price sensitive information is information which:

- is not generally available; and
- a reasonable person would expect it to have a *material effect* on the price or value of the securities.

Information that is generally available

Information is considered to be "generally available" if:

- it can be easily observed;
- it has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- it may be deduced, inferred or concluded from the above.

Material effect on the price of securities

Information would be likely to have a material effect on the price or value of the securities if the information might influence persons who commonly deal in securities in deciding whether or not to acquire or dispose of those securities.

While it is not possible to list all of the information that may have such a material effect, the following are some examples:

- information regarding a material increase or decrease in Starpharma's financial performance from previous results or previously announced forecasts;
- a proposed material business or asset acquisition or sale, including takeovers;
- a positive or negative clinical trial or regulatory submission result;
- proposed material legal proceedings to be initiated by or against Starpharma;
- regulatory action or investigations undertaken by a Government authority;
- the launch of a new business or material new product; or
- a proposal to undertake a new issue of shares or major change in financing.

Under the *Corporations Act 2001*, the prohibition against insider trading applies to acts within Australia and acts outside Australia that involve the securities of Australian companies. Accordingly, the law against insider trading applies to the conduct relating to dealing of Starpharma securities which occurs both outside Australia as well as within Australia.

3. HOW TO CORRECTLY DEAL IN SECURITIES

Trading windows and black-out periods

EXCEPT where you are in possession of price sensitive information, you may buy, sell or otherwise deal in Starpharma securities only in the following periods (trading windows):

- the period starting 24 hours after the release of Starpharma's annual results and ending on 31 December;
- the period starting 24 hours after the release of the Starpharma's half-year results and ending on 30 June; and
- such other period as determined by the Chairman or a Committee of the Board.

Notwithstanding the existence of these trading windows, Starpharma may notify you that you may not buy, sell or otherwise deal in securities of Starpharma during all or part of any trading window.

The other periods of the year are considered black-out periods (or closed periods) during which time you must not deal in securities of Starpharma.

To avoid doubt, the closed or black-out periods are:

- the period from 1 July to 24 hours after the release of the Company's annual results; and
- the period from 1 January to 24 hours after the release of the Company's half-year results.

The start and end of trading windows and black-out periods will be notified by email and indicative dates for the release of financial results and general meetings are published on the Starpharma intranet.

Trading during black-out periods

Employees (other than Designated Persons) may apply to the Company Secretary if they need to trade during a black-out period due to exceptional circumstances. All written submissions will be considered and a decision made as to whether or not to permit the dealing.

The submission must include the following information:

- details of your exceptional circumstances;
- the number of securities of Starpharma that you wish to deal in;
- the way in which you wish to deal in those securities;
- a request for consent to deal in those securities; and
- confirmation that you are not in possession of any price sensitive information.

Exceptional circumstances under this policy are:

- financial hardship which cannot reasonably be alleviated other than by dealing in securities of Starpharma; or

(ii) a court order directing the dealing in securities of Starpharma.

You will receive a written response within 48 hours of your request and it will outline the duration of the consent, if granted (which will be no more than 5 trading days).

A Director other than the Chairman must make the same written submission to, and receive consent from, the Chairman before dealing in securities of Starpharma during a black-out period.

The Chairman must make the same written submission to, and receive consent from, the Board before dealing in securities of Starpharma during a black-out period.

Other Designated Persons must make the same written submission to, and receive consent from, the Chief Executive Officer ("CEO") before dealing in securities of Starpharma during a black-out period.

The Company Secretary, CEO, Chairman or Board (the "approving officer") must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to consent to the Employee's application to deal in securities of Starpharma during a black-out period.

All notices, responses, submissions, consents, approvals and acknowledgments are required to be in written form (email is acceptable).

Short term dealing not permitted

Employees may not:

- buy and sell (or sell and buy) Starpharma securities within a three-month period without written permission from the Company Secretary; or
- enter into any other short-term dealings in Starpharma securities without written permission from the Company Secretary.

Exercise of Employee Share Options

Vested employee options held pursuant to the Starpharma Employee Share Option Plan (**Option Plan**) may be exercised at any time in accordance with the relevant Option Plan rules. The exercise of employee options need not occur within a trading window.

Any sale of Starpharma shares acquired upon exercise of employee options may only occur:

- during a trading window period; or
- outside a trading window, with written permission from the approving officer as referred to above,

provided always that the Employee is not in possession of any price sensitive information at the time of making the sale.

Exercise of Employee Performance Rights

Performance rights held pursuant to the Starpharma Employee Performance Rights Plan (**EPR Plan**) will convert to shares in accordance with the relevant EPR Plan rules. The conversion of employee performance rights need not occur within a trading window.

Any sale of Starpharma shares acquired upon exercise of rights may only occur:

- during a trading window period; or
- outside a trading window, with written permission from the approving officer as referred to above,

provided always that the Employee is not in possession of any price sensitive information at the time of making the sale.

Margin loan arrangements

In some instances, Starpharma has an obligation to publicly disclose the terms and nature of any margin loan where that information would, or may be likely to, have a material effect on the price or value of Starpharma securities.

For the purposes of this policy, a margin loan is defined as a facility that provides for the borrowing of money against the value of Starpharma securities, where the loan is secured by those Starpharma securities, and the lender may be entitled, or the client may be required, to dispose of some of the Starpharma securities to reduce the loan-to-value ratio of the facility.

An Employee who wishes to enter into a margin loan must obtain written permission from the Chairman, CEO or Board (as appropriate) prior to entering into the margin loan. An application for permission to enter into a margin loan must outline the terms and nature of the margin loan.

Starpharma may publicly disclose the terms and nature of any margin loan to which an Employee is a party, and the terms and circumstances of any margin call made or likely to be made under those arrangements if, in Starpharma's opinion, such disclosure is required.

Hedging

Except with prior written permission from the Chairman, CEO or Board (as appropriate), Employees may not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of:

- (a) Securities in the Company which are subject to a restriction on disposal under an employee share or incentive plan; or
- (b) Options or performance rights (or any unvested securities in the Company underlying them).

4. SECURITIES IN OTHER COMPANIES

You must not deal in securities of other companies if you possess price sensitive information in relation to that other company. Through your work at Starpharma, you may become aware of price sensitive information relating to Starpharma's customers or partners.

For example, if you possess price sensitive information in relation to Starpharma entering into a major agreement with another company, you should not buy securities in Starpharma or the other company as this could breach the insider trading provisions of the *Corporations Act 2001* or similar legislation in other countries.

5. PENALTIES

If you are convicted of insider trading the penalties can be serious, as set out below:

- criminal liability (a fine or imprisonment for up to 5 years, or both);
- civil liability (a pecuniary or monetary penalty);
- you may be required to pay compensation; or
- termination of employment or engagement with Starpharma.

6. ADDITIONAL TRADING RESTRICTIONS FOR DESIGNATED PERSONS

Designated Persons are subject to the additional requirements set out in this section 6.

All Designated Persons

must not carry out short term dealing in securities of Starpharma unless:

- he or she demonstrates a specific circumstance or requirement (such as tax payment required in relation to converted options, performance rights or shares);
- the request relates to exercised employee share options or employee performance rights converted to shares; and
- the Chairman, CEO or Board (as appropriate) gives their prior written approval to the dealing.

All Directors:

- must give notice to the Chairman (or, in the case of the Chairman, the Board) of their intention to deal in securities of Starpharma prior to dealing in them; and
- must give immediate notice to the Company Secretary when they deal in securities of Starpharma, so that the ASX can be informed as required under the ASX Listing Rules and the *Corporations Act 2001*.

All Designated Persons other than Directors must give notice to the CEO and Company Secretary of their intention to deal in securities of Starpharma prior to dealing.

As noted in Section 2 of this policy, dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities, but does not include a bona fide mortgage over the securities.

7. STARPHARMA CONTACT

If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary.