



000001 000 SPL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

7 October 2011

Dear Shareholder,

I am pleased to invite 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 offices of Norton Rose Australia, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria at 4.00pm on Thursday, 10 November 2011.

If you are attending this meeting, please bring this letter with you to facilitate registration for 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, Computershare Investor Services Pty Ltd, on (03) 9473 2555 so that it is received by 4.00pm on Wednesday, 9 November 2011. Alternatively, it should be returned by that time to the Company's registered office at Level 6, Baker IDI Building, 75 Commercial Road, Melbourne, Victoria 3004 or faxed to (03) 9510 5955.

Corporate Shareholders should complete a "Certificate of Appointment of Representative" to enable a person to attend the meeting on their behalf. A form of this certificate may be obtained from the Company's share registry at www.investorcentre.com.

The Starpharma Annual Report for the year ended 30 June 2011 is now available on our website at www.starpharma.com. Hard copies of the report are distributed only to those Shareholders who have elected to receive it in printed form.

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



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 (**Company**) will be held at the offices of Norton Rose Australia, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria **at 4.00pm (Melbourne time) on Thursday, 10 November 2011.**

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated in and forms part of this Notice of Meeting.

Ordinary Business

Financial Statements and Reports

To receive and consider the Company's financial statements and the related Directors' Report, Directors' Declarations and Auditors' Report for the year ended 30 June 2011.

No vote is required on this item.

Resolutions

1. Adoption of Remuneration Report (Resolution 1)

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

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Company's Remuneration Report for the financial year ended 30 June 2011 be adopted."

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company. However, please refer to the Explanatory Memorandum for an explanation of the consequences of 25% or more eligible votes being cast against this advisory resolution under recent amendments to the Corporations Act.

Voting exclusion statement

Except to the extent otherwise permitted by law, a vote must not be cast on Resolution 1 by or on behalf of a member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report for the Company, and their closely related parties, whether as a Shareholder or as a proxy. However, a vote may be cast on Resolution 1 by a KMP, or a closely related party of a KMP, if:

- the vote is cast as a proxy;
- the appointment is in writing and specifies how the proxy is to vote on Resolution 1; and
- the vote is not cast on behalf of a KMP, details of whose remuneration are included in the Remuneration Report for the Company, or a closely related party of such a KMP.

2. Re-election of Mr Peter Bartels as a Director (Resolution 2)

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

“That Mr Peter Bartels, who retires by rotation in accordance with the constitution of the Company and being eligible for re-election, is re-elected as a Director of the Company.”

3. Election of Ms Zita Peach as a Director (Resolution 3)

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

“That Ms Zita Peach, who retires in accordance with rule 11.3 of the constitution of the Company and being eligible for election, is elected as a Director of the Company.”

4. Approval of Starpharma Employee Performance Rights Plan (Resolution 4)

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

*“That for the purposes of Exception 9, ASX Listing Rule 7.2 and for all other purposes, Shareholders approve the issue of rights under the Starpharma Holdings Limited Employee Performance Rights Plan (**Plan**), in accordance with the rules of the Plan set out in the Explanatory Memorandum accompanying the Notice of Meeting.”*

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by any Director of the Company and any associate of those persons.

However, the Company need not disregard a vote on Resolution 4 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- 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.

If the Chairman of the Meeting is appointed as a proxy (or the Chairman of the Meeting becomes a proxy by default) in relation to Resolution 4, the Chairman may exercise the proxy in respect of Resolution 4 even though the Chairman is, and Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

5. Approval of Issue of Performance Rights to Dr Jacinth Fairley (Resolution 5)

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

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, Shareholders approve the issue of 375,000 Rights to Dr Jacinth Fairley under the Starpharma Holdings Limited Employee Performance Rights Plan on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Voting exclusion statement

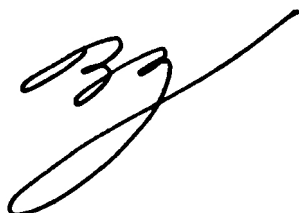
The Company will disregard any votes cast on Resolution 5 by any Director of the Company and any associate of those persons.

However, the Company need not disregard a vote on Resolution 5 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- 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.

If the Chairman of the Meeting is appointed as a proxy (or the Chairman of the Meeting becomes a proxy by default) in relation to Resolution 5, the Chairman may exercise the proxy in respect of Resolution 5 even though the Chairman is, and Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

By order of the Board

A handwritten signature in black ink, appearing to be 'B P Rogers', written over a horizontal line.

B P Rogers
Company Secretary
7 October 2011

Voting Entitlements

The Company has determined that all securities of the Company that are quoted securities as at 7.00pm (Melbourne time) on 9 November 2011 will be taken, for the purpose of the Meeting, to be held by the person who held them at the time.

Important voting information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chairman of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution other than Resolution 1. The Chairman of the Meeting is not permitted to vote undirected proxies on Resolution 1.

In respect of Resolution 1, if your proxy is a KMP, or a closely related party of a KMP, the person may still vote as your proxy provided you have directed your proxy on the Proxy Form how to vote and your proxy does vote as directed.

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 received by no later than 4:00pm on Wednesday 9 November 2011 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, Level 6, Baker IDI Building, 75 Commercial Road, Melbourne, Vic 3004 or by facsimile to Computershare on (03) 9473 2555 or to the Company on (03) 9510 5955.

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

EXPLANATORY MEMORANDUM

Starpharma Holdings Ltd ABN 20 078 532 180

This Explanatory Memorandum has been prepared to assist Shareholders with their consideration of the Resolutions to be put to the Annual General Meeting on Thursday, 10 November 2011. This Explanatory Memorandum should be read with, and forms part of, the accompanying Notice of Meeting.

Terms and expressions used in this Explanatory Memorandum, the Notice of Meeting and the Proxy Form have the meaning given to them in the 'Definitions' section located at the end of this Explanatory Memorandum.

FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Annual Financial Report of the Company (which includes the Financial Statements and Directors' Declaration), the Directors' Report (which includes the Remuneration Report) and the Auditor's Report in respect of the financial year ended on 30 June 2011 to be put before the Annual General Meeting. There will be an opportunity for Shareholders to ask questions and comment on these documents and on the business, operations and management of the Company. No resolution is required to be passed on this item.

Shareholders will also have the opportunity to ask the auditors or their representative questions relating 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 financial statements, and the independence of the auditors. Shareholders may also submit written questions to the auditors in respect of the auditors' report or the conduct of the audit. The questions should be received by the Company no later than 5 business days before the meeting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires publicly listed companies to disclose certain information relating to the remuneration of Directors and executives. This disclosure is contained in a separate section of the Directors' Report called the Remuneration Report, which is set out on pages 15 to 24 of the Annual Report.

The Corporations Act also requires publicly listed companies to put its Remuneration Report for each financial year to a resolution of members at the Company's Annual General Meeting. Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company.

However, under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the Annual General Meeting and then again at the 2012 Annual General Meeting of the Company, the Company will be required to put to Shareholders a resolution at the 2012 Annual General Meeting proposing the calling of an Extraordinary General Meeting to consider the election of Directors of the Company (known as a "**spill resolution**").

If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene the Extraordinary General Meeting (known as a "**spill meeting**") within 90 days of the 2012 Annual General Meeting. All of the Directors who were in office when the 2012 Remuneration Report was approved by the Board, other than the Managing Director of the Company, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company's policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company. The Board has a policy of ensuring that remuneration paid to Directors and management is market competitive while at the same time aligned to the achievement of strategic objectives and the creation of value for Shareholders.

Recommendation

The Board makes no recommendation in respect of Resolution 1 given their interest in the resolution.

RESOLUTION 2 – RE-ELECTION OF MR PETER BARTELS

Mr Peter Bartels retires by rotation in accordance with the constitution of the Company and being eligible, offers himself for election.

Mr Peter Bartels, AO, FAISM, FRS, has been an independent non-executive Director and Chairman of the Company for 8 years. Mr Bartels has considerable experience in the pharmaceutical industry; while working for Abbott Laboratories he was responsible for the introduction of a wide range of industrial, agricultural, veterinary and human pharmaceuticals into the Australian market. He was a director of Drug Houses of Australia and was Managing Director of DHA Pharmaceuticals. He has been a major player in corporate Australia, having held the positions of CEO and Managing Director of both Coles Myer Ltd and Foster's Brewing Company Ltd.

Mr Bartels is a past Chairman of the Australian Sports Commission, the Australian Institute of Sport, the Commonwealth Heads of Government Committee for Sport and the Royal Women's and Royal Children's Hospitals. Mr Bartels is presently Chair of the Dean's external Advisory Council, for the Faculty of Medicine, Dentistry and Health Sciences at The University of Melbourne.

Mr Bartels is a member of the audit & risk committee and the remuneration & nomination committee.

Recommendation

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

RESOLUTION 3 – ELECTION OF MS ZITA PEACH

Ms Zita Peach was appointed a non-executive Director on 1 October 2011 in accordance with rule 11.3 of the Company's constitution, to hold office until next general meeting of the Company. Ms Peach retires as a Director and being eligible, offers herself for election.

Ms Peach has more than 20 years of commercial experience in the pharmaceutical industry, particularly in marketing and business development, working for major industry players such as CSL Limited and Merck Sharp & Dohme (MSD), the Australian subsidiary of Merck Inc. Her core strengths include pharmaceutical marketing, commercialization of pharmaceutical portfolios, merger and acquisitions of companies/technologies, and international partnering. At CSL Ms Peach was Vice President directing business development, where she oversaw commercialization of CSL's extensive early stage R&D portfolio and licensing agreements, and was involved in due diligence and acquisitions including Zenyth and Aventis Behring.

She is currently the Managing Director and Executive Vice President, South Asia Pacific for Fresenius Kabi Australia, a leader in infusion therapy and clinical nutrition. Until recently Ms Peach was Vice President/Director Business Development R&D for CSL, a position she held for ten years. Prior to that she held commercial and marketing roles at MSD and Amrad Pharmaceuticals. Ms Peach is also a Board Member of BioMelbourne Network, and a non-executive Director of the ASX-listed Vision Group Holdings Limited.

Recommendation

The Board (with Ms Peach abstaining) recommends that Shareholders vote in favour of this ordinary resolution.

RESOLUTION 4 – APPROVAL OF STARPHARMA EMPLOYEE PERFORMANCE RIGHTS PLAN

The Starpharma Holdings Limited Employee Performance Rights Plan (**Plan**) was introduced in 2010 to provide employees of Starpharma and its subsidiaries with an opportunity to share in the growth in the value of the Company and to encourage them to improve the performance of the Company and its return to Shareholders. The Plan is intended to assist the Company to attract and retain skilled and experienced employees and provide them with the motivation to make the Company more successful.

ASX Corporate Governance Guidelines

Recommendation 9.4 of the *ASX Corporate Governance Principles and Recommendations* provides that the “payment of equity-based executive remuneration [be] made in accordance with thresholds set out in plans approved by shareholders”. Consistent with this recommendation, the Board believes that the Plan should be endorsed by Shareholders.

Listing Rule Requirements

Under ASX Listing Rule 7.1, the number of equity securities (which includes shares, options over unissued shares and rights to shares) a company may issue in any 12-month period must not exceed 15% of the Company’s issued capital unless an exception applies or shareholder approval for the issue is obtained (the ‘**15%-in-12-months rule**’).

One exception to the 15%-in-12-months rule is where there is an issue of securities under an employee incentive scheme if, within 3 years before the date of issue of the relevant equity security, holders of ordinary securities in the Company have approved the issue of equity securities under the scheme (ASX Listing Rule 7.2, Exception 9).

The Plan is an “employee incentive scheme” for the purposes of ASX Listing Rule 7.2. Approval is being sought for the issue of Rights (refer to “Plan Summary” below) under the Plan to employees over the 3 year period from the date of the Annual General Meeting.

Approval under Resolution 4 will maintain the Company’s flexibility in respect of any future fundraising initiatives over the next 3 years by enabling the Company to issue new securities up to the full 15% of its issued ordinary share capital under ASX Listing Rule 7.1 without the requirement to seek Shareholder approval.

This is the first time that Shareholder approval has been sought for the issue of securities under the Plan as an exception to ASX Listing Rule 7.1.

The issue of any Rights to Directors under the Plan, including the Managing Director of the Company, will require separate Shareholder approval under ASX Listing Rule 10.14.

Plan Summary

A summary of the key terms and conditions of the Plan are as follows:

- (a) The Board may from time to time invite Directors and employees of the Company and its subsidiaries to participate in the Plan (**Participant**) by offering them the opportunity to acquire Rights.
- (b) Upon vesting, each Right will automatically convert into one fully paid Share.
- (c) Each Right will vest on the date that is 2 years after the date on which the Right is issued to the Participant, unless the Board specifies otherwise in the offer of Rights to a particular Participant. Vesting of Rights is conditional upon the Participant achieving on or before the Vesting Date the performance goals attaching to the Rights.
- (d) Vesting of Rights is also conditional on the Participant having been continuously employed by the Company or one of its subsidiaries from the date of grant of the Rights to the Vesting Date (inclusive). Where cessation of employment is due to death, illness, permanent disability, redundancy or any other circumstance approved by the Board, all unvested Rights granted to the relevant Participant under the Plan will lapse unless the Board determines otherwise having regard to:
 - the portion of the Vesting Period elapsed; and
 - the extent to which the Performance Conditions (if any) have been met.
- (e) No consideration is payable by a Participant for Rights and the resultant Shares on vesting of the Rights.
- (f) Once Rights have vested the resultant Shares will be subject to a disposal restriction, and a holding lock may be applied to the relevant Shares, for a period of 1 year from the vesting date, unless otherwise determined by the Board.

- (g) The Shares may be released from a holding lock early if certain events occur which are outside the control of the Participant (e.g. if a change of control occurs in respect of the Company). Further, if the Participant ceases to be employed by the Company (or a related body corporate of the Company), the Shares will be released from any holding lock.

A copy of the Plan Rules is available on request from the Company Secretary by calling (03) 8532 2702, by email to ben.rogers@starpharma.com or by faxing the request to (03) 9510 5955.

Recommendation

Noting that the issue of any Rights to Directors under the Plan, including the Managing Director of the Company, will require a separate Shareholder approval under ASX Listing Rule 10.14 and that each Director is excluded from voting their Shares on Resolution 4 (as set out in the voting exclusion statement in the Notice of Meeting), the Board recommends that Shareholders vote in favour of this ordinary resolution.

RESOLUTION 5 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DR JACINTH FAIRLEY

Background

In order to continue to align the performance of Chief Executive Officer, Dr Jacinth Fairley, with the interests of Shareholders through superior Shareholder returns, the Board proposes to issue 375,000 Rights to Dr Fairley under the Company's Employee Performance Rights Plan (details of which are set out in the explanatory notes for Resolution 4 above). The proposed terms and conditions attaching to these Rights, including applicable vesting conditions, are set out below,

ASX Listing Rule Requirements

ASX Listing Rule 10.14 provides that Shareholders of an ASX listed company must approve the issue of securities to a director under an employee incentive scheme.

The 375,000 Rights proposed to be granted to Dr Fairley under the Company's Employee Performance Rights Plan represent securities to be issued to a Director under an employee incentive scheme within the meaning of the ASX Listing Rules. Accordingly, the Board seeks Shareholder approval under Resolution 5 for the grant of 375,000 Rights to Dr Fairley.

Rights

The 375,000 Rights proposed to be issued to Dr Fairley will be split into 3 equal tranches. It is proposed that each tranche will have a vesting date set out in the table below.

The Shares issued to Dr Fairley upon vesting of the Rights will be issued subject to a holding lock (so that they cannot be transferred) for a period of 1 year from the vesting date. The Shares may be released from the holding lock early if certain events occur which are outside of Dr Fairley's control (e.g. if a change of control occurs in respect of the Company). Further, if Dr Fairley ceases to be employed by the Company (or a related body corporate of the Company), the Shares will be released from the holding lock.

Vesting of the Rights will be conditional upon Dr Fairley still being employed by the Company (or a subsidiary of the Company) at the applicable vesting date and the following vesting conditions being satisfied. All or part of the Rights may vest earlier, at the Board's discretion, if certain events occur which are outside of Dr Fairley's control (e.g. if a change of control occurs in respect of the Company).

No of Rights	Vesting Conditions	Vesting Date
125,000	The volume weighted average price of Starpharma's fully paid ordinary shares in the 3 months ending on 30 September 2012 is equal to or greater than \$1.50	30 September 2012
125,000	The volume weighted average price of Starpharma's fully paid ordinary shares in the 3 months ending on 30 September 2012 is equal to or greater than \$2.00	30 September 2012
125,000	<p>The achievement of certain key business performance indicators specified by the Board of Starpharma. These key business performance indicators are linked to the following matters which the Board believes are key drivers of Shareholder value:</p> <ul style="list-style-type: none"> • to advance the development plans of the Company's lead product VivaGel® for bacterial vaginosis to Phase 3 with a view to a licence at completion of that program; • to advance the development and commercial launch of the Company's lead product VivaGel® as a condom coating; • to actively manage existing, and execute further, commercial arrangements to build Shareholder value and exploit the Company's technology in areas including (but not limited to) VivaGel®, drug delivery and agriculture; and • to secure appropriate personnel and adequate working capital for the Company's ongoing operations and execution of the Company's plans. 	30 September 2012

Other ASX Listing Rule Requirements

In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders for the purpose of assisting Shareholders to make a decision on Resolution 5:

- (a) Dr Fairley is the Chief Executive Officer and a Director of the Company.
- (b) The maximum number of Rights to be issued to Dr Fairley is 375,000.
- (c) No consideration is payable by Dr Fairley for the grant of the Rights or for the issue of Shares on vesting of the Rights. However, the Rights will be subject to the vesting conditions set out above.
- (d) No person referred to in ASX Listing Rule 10.14 has been granted Rights under the Plan to date. Dr Fairley was granted 1,428,571 Shares and 750,000 rights to fully paid ordinary shares as part of a long term incentive package following Shareholder approval on 25 March 2010. 487,500 of these Rights vested on 31 December 2010 and were converted into Shares. These Shares are escrowed until 1 March 2013 provided that they may be released early if certain events occur (as set out in the Explanatory Memorandum that accompanied the Notice of Extraordinary General Meeting mailed to Shareholders on 22 February 2010). 262,500 of the Rights lapsed as the applicable vesting conditions were not satisfied. In addition, Dr Fairley was previously granted 350,000 options under the Company's Employee Share Option Plan which was last approved by Shareholders, for the purposes of ASX Listing Rule 7.2, Exception 9, on 15 November 2007. No amount was paid for the options granted to Dr Fairley which had an exercise price of 50.35 cents. These options were exercised on 11 November 2010.
- (e) All Directors of the Company are entitled to participate in the Plan.
- (f) A voting exclusion statement in respect of Resolution 5 is set out in the Notice of Meeting.
- (g) The Company has **not** implemented any loan or financing arrangements in respect of the issue of the Rights to Dr Fairley.
- (h) The 375,000 Rights, if approved, will be issued within 10 business days of approval.

Interaction between Resolution 4 and Resolution 5

The Board is seeking Shareholder approval under Resolution 4 so that issues of Rights under the Plan within a 3 year period from the Annual General Meeting are not counted towards the Company's 15% limit for the purposes of the 15%-in-12-months rule.

Under Resolution 5, the Board is seeking Shareholder approval to issue Rights under the Plan to a Director of the Company.

Shareholders should note that if Resolution 5 is approved but Resolution 4 is not approved, Shareholders will be taken to have approved the grant of 375,000 Rights to Dr Fairley for purposes of not only ASX Listing Rule 10.14 but also ASX Listing Rule 7.1. In such circumstances, the grant of Rights to Dr Fairley will not erode the Company's 15% limit for the purposes the 15%-in-12-months rule.

Recommendation

Noting that each Director is excluded from voting their Shares on Resolution 5 (as set out in the voting exclusion statement in the Notice of Meeting), the Directors (other than Dr Fairley) recommend that Shareholders vote in favour of Resolution 5.

Voting Exclusion Statements

For the purpose of the voting exclusion statements set out in the Notice of Meeting and Explanatory Memorandum:

- The **'key management personnel of the Company'** or **'KMPs'** are those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. It includes all Directors (Executive and Non-Executive). The KMPs during the year ended 30 June 2011 are listed in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2011.
- A **'closely related party'** of a KMP means:
 - a spouse or child of the KMP; or
 - a child of the KMP's spouse; or
 - a dependant of the KMP or of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company; or
 - a company which the KMP controls.

The Company will also apply the voting exclusions, on an equivalent basis, to persons appointed as attorney by a Shareholder to attend and vote at the Annual General Meeting under a power of attorney.

DEFINITIONS

Unless the context requires otherwise, the following words shall have the following meanings in this Explanatory Memorandum, the Notice of Meeting and the Proxy Form:

- (1) **Annual General Meeting** means the 2011 annual general meeting of the Company convened by the Notice of Meeting.
- (2) **ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the market operated by it.
- (3) **ASX Listing Rule** means a listing rule of ASX as amended or waived.
- (4) **Board** means the board of Directors of the Company.
- (5) **Company** means Starpharma Holdings Limited ABN 20 078 532 180.
- (6) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (7) **Directors** means the directors of the Company from time to time.
- (8) **Explanatory Memorandum** means this Explanatory Memorandum.
- (9) **KMP** means the key management personnel of the Company.
- (10) **Notice of Meeting** means the notice of Annual General Meeting accompanying this Explanatory Memorandum.
- (11) **Plan** means the *Starpharma Holdings Limited Employee Performance Rights Plan* a summary of which is included in the Explanatory Memorandum.
- (12) **Proxy Form** means the proxy form accompanying this Explanatory Memorandum.
- (13) **Shares** means fully paid ordinary shares in the capital of the Company quoted on the ASX under the code "SPL".
- (14) **Right** means a right granted by the Company under the Plan which entitles the holder to one Share upon vesting of the Right;
- (15) **Resolutions** means the resolutions set out in the Notice of Meeting.
- (16) **Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.

All references to time in the Notice of Meeting are to Melbourne time.

Lodge your vote:



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

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Proxy Form



**For your vote to be effective it must be received by
4.00pm (Melbourne time) on Wednesday, 9 November 2011**

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 as they choose. 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

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 information tab, "Downloadable 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.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

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

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Starpharma Holdings 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, as the proxy sees fit) at the Annual General Meeting of Starpharma Holdings Limited to be held at the offices of Norton Rose Australia, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on Thursday, 10 November 2011 at 4.00 pm (Melbourne time) and at any adjournment of that meeting. Except for Resolution 1, the Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Important for Resolution 1: If you appoint a proxy, you are encouraged to direct your proxy how to vote. The Chairman of the Meeting, Directors of the Company and other key management personnel of the Company and their closely related parties are not permitted to cast any votes in respect of Resolution 1 that arise from any undirected proxy they hold. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), and you fail to provide a voting direction in respect of Resolution 1, your vote will not be counted. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), and you provide a voting direction in respect of Resolution 1, you authorise the Chairman to exercise your proxy on Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the company.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 4 and 5 below, please mark the box in this section. 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 Resolutions 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4 and 5.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 4 and 5 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 4 and 5 are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company and even if the Chairman of the Meeting has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as a proxy holder, would be disregarded because of that interest.

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.

ORDINARY BUSINESS

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Peter Bartels as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Ms Zita Peach as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Starpharma Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Performance Rights to Dr Jacinth Fairley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____