



## 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 Fulbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria at **4.00pm (Melbourne time) on Thursday, 20 November 2014**.

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 2014.

*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 2014 be adopted."*

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

**2. Election of Mr Rob Thomas (Resolution 2)**

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

*"That Mr Rob Thomas, who retires in accordance with clause 11.3(c) of the Company's Constitution and being eligible for election, is elected as a Director of the Company."*

**3. Re-election of Mr Richard Hazleton (Resolution 3)**

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

*"That Mr Richard Hazleton, who retires in accordance with clause 11.10 of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."*

**4. Re-election of Ms Zita Peach (Resolution 4)**

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

*"That Ms Zita Peach, who retires in accordance with clause 11.4(a) of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."*

**5. Approval of Non-Executive Director Fee Pool (Resolution 5)**

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

*“For the purposes of ASX Listing Rule 10.17 and clause 11.6(b) of the Company’s Constitution, the maximum aggregate remuneration that may be paid to non-executive directors in any financial year is increased by \$100,000, from \$450,000 to \$550,000 per annum.”*

**6. Approval of Starpharma Employee Performance Rights Plan (Resolution 6)**

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

*“That, for the purposes of Exception 9 of ASX Listing Rule 7.2 and for all other purposes, approval be given for the issue of shares under the Starpharma Holdings Limited Employee Rights Plan (**Plan**) in accordance with the rules of the Plan as described in the Explanatory Statement attached to this Notice of Meeting.”*

**7. Approval of Issue of Performance Rights to Dr Jacinth Fairley (Resolution 7)**

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 1,500,000 Rights to Dr Jacinth Fairley under the Starpharma Holdings Ltd Employee Performance Rights Plan on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.”*


**Special Business**

**8. Adoption of new Constitution (Resolution 8)**

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

*“That the new Constitution tabled at the meeting, and signed by the Chairman of the Meeting for the purpose of identification, is approved and adopted as the Constitution of the Company, in place of the current Constitution, with immediate effect prior to the close of the meeting.”*

**By order of the Board**



N Baade  
Company Secretary  
16 October 2014

## **Voting entitlements**

The Company has determined that all securities of the Company that are quoted securities as at 7.00pm (Melbourne time) on 18 November 2014 will be taken, for the purpose of the Meeting, to be held by the person who held them at the time.

## **Voting exclusions**

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on the Resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

### **Resolution 1**

*The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's KMP whose remuneration details are included in the Remuneration Report for the Company, or their Closely Related Parties, regardless of the capacity in which the vote is cast.*

*However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 1:*

- *in accordance with a direction as to how to vote on the proxy form; or*
- *by the Chairman of the Annual General Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of the Company's KMP.*

### **Resolution 5**

*The Company will disregard any votes cast on Resolution 5:*

- *by any Director, or an associate of a Director, regardless of the capacity in which the vote is cast; or*
- *as a proxy by a person who is a member of the KMP at the date of the Annual General Meeting or their Closely Related Parties.*

*However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 5:*

- *in accordance with a direction as to how to vote on the proxy form; or*
- *by the Chairman of the Annual General Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 5 is connected with the remuneration of the Company's KMP.*

### **Resolutions 6 and 7**

*The Company will disregard any votes cast on Resolutions 6 and 7:*

- *by any Director who is eligible to participate in the Starpharma Holdings Limited Employee Rights Plan (and any associate of such a Director), regardless of the capacity in which the vote is cast. However, the Company need not disregard a vote if:*
  - *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
  - *it is cast by the Chairman of the Annual General 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.*
- *as a proxy by a person who is a member of the KMP at the date of the Annual General Meeting or their Closely Related Parties where the proxy appointment does not specify the way the proxy is to vote on the relevant Resolutions, unless:*
  - *the proxy is the Chairman of the Annual General Meeting; and*
  - *the proxy appointment expressly authorises the Chairman to exercise the proxy even though the relevant Resolution is connected directly or indirectly with the remuneration of a KMP member.*

## **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. In respect of Resolutions 1, 5, 6 and 7, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 1, 5, 6 and 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman's intention, notwithstanding the fact that the resolution may be related to the remuneration of a KMP or Closely Related Party of a KMP.

In respect of Resolutions 1, 5, 6 and 7, if your proxy is a KMP (other than the Chairman), or a Closely Related Party of a KMP, provided you are not 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 by marking the voting boxes for those Resolutions 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 should be returned to the share registry of the Company, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street Abbotsford, Vic 3067, by mail using the enclosed reply envelope to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or by facsimile to Computershare on (03) 9473 2555 and must be received by no later than 4:00pm on Wednesday 19 November 2014.

Shareholders may lodge proxies electronically via:  
[www.investorvote.com.au](http://www.investorvote.com.au) using the details printed on the personalised proxy form.

For Intermediary Online subscribers only (custodians):  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

# 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 Thursday, 20 November 2014. 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 2014 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 18 to 25 of the Annual Report.

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 executives is competitive with its peers and the market more broadly while at the same time aligned to the achievement of strategic objectives and the creation of value for Shareholders.

The Corporations Act requires publicly listed companies to put their 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. Notwithstanding the 'advisory' nature of the vote on the Remuneration Report, the Directors will take the outcome of the vote into account when reviewing the remuneration practices and policies of the Company.

### ***Recommendation***

The Board considers that the Company's remuneration policies and practices are appropriate for its strategy, stage of development and industry, and are competitive with the external market. Accordingly, the Board recommends that Shareholders vote in favour of Resolution 1.

## RESOLUTION 2 – ELECTION OF MR ROB THOMAS AM

Mr Rob Thomas AM was appointed a non-executive Director on 5 December 2013 in accordance with clause 11.3(b) of the Company's Constitution which permits the existing Directors to appoint a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. In accordance with clause 11.3(c) of the Company's Constitution, Mr Thomas retires as a Director and, being eligible, offers himself for election by Shareholders.

Mr Rob Thomas AM, BEc, MSAA, SF Fin has a strong background in financial services and is a non-executive director on a number of listed healthcare companies in Australia and the United States. He has more than 35 years' experience in the securities industry with Potter Partners (now UBS), County Natwest and Citigroup and was until recently the Chairman of TAL Limited (formerly Tower Australia Limited). He is currently Chairman of Gagher Capital Securities and the NSW State Library. He is the immediate past non-executive Chairman of Heartware International Inc and remains a non-executive director of that company and is also a director of ASX listed REVA Medical Inc., Virgin Australia Limited and Biotron Limited. Rob holds a Bachelor of Economics from Monash University and is a fellow of the Securities Institute of Australia. He is also a Master Stockbroker and is a Fellow of the Australian Institute of Company Directors.

Mr Thomas is a member of the Audit & Risk Committee and the Remuneration & Nomination Committee.

***Recommendation***

The Board recommends that Shareholders vote in favour of this ordinary resolution.

**RESOLUTION 3 – RE-ELECTION OF MR RICHARD HAZLETON**

Mr Richard Hazleton retires as a Director in accordance with clause 11.10 of the Company's Constitution and, being eligible, offers himself for re-election.

Mr Richard Hazleton BScE, MSChE, MBA, HonDrEng, HonDrCommSci has been a non-executive director of Starpharma Holdings Limited since December 2006. He is the former Chairman of US-based global corporation Dow Corning. He joined Dow Corning in 1965 and held numerous positions in engineering, manufacturing and finance, both in the US and Europe, before becoming Chief Executive Officer of the company in 1993, and Chairman of the Board of Directors and CEO in 1994. He retired from Dow Corning in 2001. He was Chairman of the Board of Dendritic Nanotechnologies Inc (DNT) from 2004 until Starpharma's acquisition of the company in October 2006. He has served on the Boards of the American Chemistry Council and the Chemical Bank and Trust Company (Midland, MI, USA) as well as several non-profit social service agencies in Michigan and Belgium.

Mr Hazleton is a member of the Audit & Risk Committee.

***Recommendation***

The Board recommends that Shareholders vote in favour of this ordinary resolution.

**RESOLUTION 4 – RE-ELECTION OF MS ZITA PEACH**

Ms Zita Peach retires as a Director in accordance with clause 11.4(a) of the Company's Constitution and, being eligible, offers herself for re-election.

Ms Peach BSc 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, the Australian subsidiary of Merck Inc. Ms Peach is currently the Managing Director and Executive Vice President, for Fresenius Kabi Australia and New Zealand, a leader in medical devices, intravenous fluids, intravenous genetics and clinical nutrition. Previously, Ms Peach was Vice President, Business Development R&D for CSL, a position she held for ten years. Ms Peach is a Non-Executive Director of the ASX-listed Vision Eye Institute Limited. Ms Peach is a graduate member of the Australian Institute of Company Directors.

Ms Peach is a member of the Remuneration & Nomination Committee.

***Recommendation***

The Board recommends that Shareholders vote in favour of this ordinary resolution.

**RESOLUTION 5 – APPROVAL OF NON-EXECUTIVE DIRECTOR FEE POOL**

The Company seeks to increase the maximum amount payable to non-executive Directors to \$550,000 in accordance with Clause 11.6(b) of its current Constitution and ASX Listing Rule 10.17. Clause 11.6(b) of the Company's Constitution and ASX Listing Rule 10.17 provide that the Company must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of Shareholders.

It is proposed that the total amount payable by the Company to non-executive Directors be increased to an aggregate of \$550,000. This represents an increase of \$100,000 over the current maximum amount of \$450,000, which was last approved at the Company's 2006 Annual General Meeting.

There are currently 5 non-executive Directors on the Board. In April 2014, the structure of Director remuneration was changed such that the Chairman is paid a set fee inclusive of any committee fees, whereas the remaining non-executive Directors are paid a base fee with additional annual amounts paid for committee membership.

There is no current intention to increase non-executive Director fees in the coming year. However, the Board considers that there is insufficient capacity within the current non-executive Director fee pool of \$450,000 to facilitate Board succession and renewal where it may be necessary or desirable to ensure continuity and a smooth transition for a new Director to join the Board for a transitional period before another Director retires.

The maximum aggregate annual remuneration for the non-executive Directors has not been increased for the last 8 years. The proposed increase in the maximum aggregate remuneration would enable the Company to continue to pay fees at a competitive market rate in the future, while allowing for any potential increases in Board size due to Board renewal and succession.

There have been no securities issued to any non-executive Directors under ASX Listing Rules 10.11 or 10.14 with the approval of ordinary Shareholders at any time within the preceding three years.

Non-executive Director remuneration for the financial year ending 30 June 2014 is detailed in the 2014 Remuneration Report.

## **RESOLUTION 6 – APPROVAL OF EMPLOYEE PERFORMANCE RIGHTS PLAN**

The Starpharma Holdings Limited Employee Performance Rights Plan (**Plan**) was introduced in 2010 and approved by Shareholders at the Company's 2011 Annual General Meeting. The Plan provides 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 gives the Board the ability to provide a remuneration mix to employees and is intended to assist the Company to attract and retain skilled and experienced employees and provide them with the motivation to enhance the Company's success.

### *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, which is set out in Exception 9 to ASX Listing Rule 7.2, 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 employee incentive scheme.

The Plan is an "employee incentive scheme" for the purposes of ASX Listing Rule 7.2. Shareholder 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. The Plan was last approved at the 2011 AGM. 4,736,500 performance rights and 2,409,200 Shares in relation to vested performance rights have been issued under the Plan to the date of this Notice of Meeting since the last approval in 2011.

If Shareholders approve Resolution 6, any issue of Rights under the Plan within the 3 year period from the date of the Annual General Meeting will be treated as having been made with the approval of Shareholders for the purposes of ASX Listing Rule 7.2 and, consequently, the issue of those Rights will be excluded from the calculation of the maximum number of new securities that can be issued by the Company without Shareholder approval for the purposes of the 15%-in-12-months rule.

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 Performance Period elapsed; and
  - the extent to which the Performance Conditions (if any) have been met.
- (e) The Board has the discretion to determine whether Rights will vest and become exercisable if a Change of Control Event happens (or as a result of a proposed Change of Control Event).
- (f) No consideration is payable by a Participant for Rights and the resultant Shares on vesting of the Rights.
- (g) Once Rights have vested the resultant Shares may 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.
- (h) 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 2700 or by email to [nigel.baade@starpharma.com](mailto:nigel.baade@starpharma.com).

### ***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 6 (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 7 – APPROVAL OF ISSUE OF RIGHTS TO DR JACINTH FAIRLEY**

### ***Background***

In order to continue to optimally align the CEO's performance based rewards with the interests of Shareholders, the Board proposes to issue 1,500,000 Rights to Dr Fairley under the Company's Employee Performance Rights Plan (which was approved by Shareholders on 10 November 2011 and is to be re-approved at this meeting). 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 1,500,000 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 7 for the grant of 1,500,000 Rights to Dr Fairley.

### ***Rights***

The 1,500,000 Rights proposed to be issued to Dr Fairley will vest across three Tranches:

- A. 20% vest on 30 September 2015 based on a Performance Period of 1 July 2014 to 30 June 2015;
- B. 30% vest on 30 September 2016 based on a Performance Period of 1 July 2014 to June 2016; and
- C. 50% vest on 30 September 2017 based on a Performance Period of 1 July 2014 to 30 June 2017.



Tranches A and B, with one and two year performance periods respectively, are considered Short Term Incentives (**STI equity**), whereas Tranche C, with a 3 year performance period, is considered a Long Term Incentive (**LTI equity**) and focuses on performance over the longer term. Both the STI equity and LTI equity are utilised by the Board to encourage optimal business decisions, alignment with shareholder interests and as a retention tool.

The Shares issued to Dr Fairley upon vesting of the Rights in Tranches A and B 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. In relation to Tranche C, 40% (Corporate KPIs 28% and TSR 12%) of the Rights will be subject to a holding lock of 1 year to the extent they convert into Shares, whereas the remaining 60% (Corporate KPIs 42% and TSR 18%) of Rights in respect of Tranche C will not be subject to a holding lock to the extent they vest.

The extent of the vesting of the Rights will be conditional upon the achievement of the vesting conditions (described below) in the relevant Performance Period that ends at 30 June each year, prior to each Vesting Date. No retesting of performance conditions may be undertaken. All tranches are conditional upon Dr Fairley still being employed by the Company (or a subsidiary of the Company) at the applicable Vesting Date. 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).

#### *Vesting Condition –Key Business Drivers (Corporate KPIs)*

The vesting of Rights in Tranches A and B, and 70% of Tranche C, are dependent upon the extent to which the Corporate KPIs set by the Board have been achieved over the relevant Performance Period.

The Corporate KPIs are as follows:

- To diligently advance the conduct of pivotal Phase III trials and subsequent commercialisation of VivaGel® for Prevention of Recurrence of Bacterial Vaginosis (BV);
- To diligently advance the commercialisation of VivaGel® for symptomatic relief of BV by filing for registration in selected territories;
- To fully support Starpharma's commercial partners' product launches of the VivaGel® condom through requisite listing, certification, and pre-launch activities;
- To complete the Phase 1 DEP™ docetaxel clinical trial and commence preparations for further clinical development of DEP™ docetaxel in parallel with partner discussions;
- To diligently advance further DEP™ candidates through pre-clinical development and where appropriate, into the clinic; and commercialisation;
- To manage existing partnerships and execute further commercial arrangements to build Shareholder value in drug delivery and agrochemicals; and
- To manage the Company's capital and finances in a prudent manner and secure appropriate personnel to execute the Company's plans.

The Corporate KPIs selected relate to key value creating events and significant milestones. The Corporate KPIs include performance metrics, however due to their commercially sensitive nature, the Company intends to provide further details related to the performance metrics in the annual report following the relevant Performance Period. There is an element of discretion retained by the Board related to these performance metrics as the path to commercialisation with some projects may be varied depending on progress over time.

#### *Vesting Condition –Total Shareholder Return (TSR)*

30% of the Tranche C Rights are subject to a relative total shareholder return (**TSR**) performance measure. This performance measure tests the TSR of Starpharma over a 3 year period commencing 1 July 2014 and ending on 30 June 2017 compared to the TSR of the S&P/ASX300 Accumulation Index (**Index**). TSR is expressed as an annualised percentage.

TSR measures the return received by Shareholders from holding shares in Starpharma or the Index (as applicable) over the Performance Period. TSR takes into account the difference in share price over the relevant period, as well as any dividends (assumed to be reinvested) and other capital adjustments. Specifically, Starpharma's TSR will take into account the volume weighted price of Starpharma's fully paid ordinary shares calculated for the 3 month period ending 30 June 2014, compared with the volume weighted price of Starpharma's fully paid ordinary shares calculated for the 3 month period ending on 30 June 2017.

TSR has been selected as an LTI Equity performance measure as it is directly linked to Shareholder returns. The Index has been selected as Starpharma is included in it, and provides an objective measure to which Starpharma's performance is to be compared. Whereas half of the award vests where Starpharma's return is equal to the Index's return, the Board recognises that Shareholders in biotechnology companies expect a return in excess of the Index, and have determined that an additional return of 10% per annum above the Index return represents a realistic but stretching target, and is the level at which full vesting of the relevant Rights will occur.

The table below sets out the percentage of Rights that will vest depending on the Company's TSR compared to the Index.

Annualised Starpharma TSR compared with the Index	Percentage of Rights subject to the TSR performance condition which vest
Below Index	0%
Equal to Index	50%
Between Index and Index + 9.99%	Pro rata basis from 51% to 99%
At least 10% above Index	100%

For example, if the TSR of the Index is 10%, then Starpharma would need to achieve a TSR of 20% or more for all of the TSR related Rights to vest.

The number of Rights, the Vesting Condition and the Vesting Date are:

Tranche	No of Rights	Vesting Conditions	Vesting Date
A	300,000	Corporate KPIs	30 September 2015
B	450,000	Corporate KPIs	30 September 2016
C	750,000	525,000 Rights relate to Corporate KPIs 225,000 Rights relate to TSR	30 September 2017

#### *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 7:

- (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 1,500,000.
- (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 other than Dr Fairley has been granted Rights under the Plan to date. Dr Fairley was granted a total of 2,285,000 Rights to fully paid ordinary shares under the Starpharma Employee Performance Rights Plan since the Plan was last approved at the 2011 AGM. These Rights were granted for no consideration. All Directors of the Company are entitled to participate in the Plan.
- (e) A voting exclusion statement in respect of Resolution 7 is set out in the Notice of Meeting.
- (f) The Company has **not** implemented any loan or financing arrangements in respect of the issue of the Rights to Dr Fairley.
- (g) The 1,500,000 Rights, if approved, will be issued within 10 business days of approval.

#### **Recommendation**

Noting that each Director is excluded from voting their Shares on Resolution 7 (as set out in the voting exclusion statement in the Notice of Meeting), the Board (other than Dr Fairley) recommends that Shareholders vote in favour of Resolution 7.

## **RESOLUTION 8 – ADOPTION OF NEW CONSTITUTION**

### ***Background***

Section 136 of the Corporations Act allows a company to replace its Constitution by passing a special resolution approving and adopting the new Constitution in place of the existing Constitution.

The Company's existing Constitution was adopted at the 2004 Annual General Meeting. Since that time, important changes have been made to the Corporations Act and the ASX Listing Rules. There have also been a number of significant developments in corporate governance principles and general commercial practice for ASX listed companies. Rather than make significant (almost wholesale) amendments to the existing Constitution, the Board proposes to adopt a new Constitution, which reflects these changes and developments, and which is consistent with current market practice.

Many of the proposed changes are administrative, stylistic or minor in nature. An overview of the material differences between the existing Constitution and the new Constitution is set out below. A new Constitution was proposed for the Company at the 2013 AGM, however the resolution was withdrawn prior to the meeting following feedback from a number of proxy advisors. As a result of this feedback, certain provisions in the currently proposed Constitution have been amended to address their concerns. Specifically, the maximum number of directors permitted on the Board has been retained at 15, in line with the existing Constitution, and the ability for the Board to unilaterally issue different classes of shares without Shareholder approval, including preference shares, has been removed.

Unless otherwise stated, references to rule numbers correspond to rules in the new Constitution.

Copies of the Company's existing Constitution and the new Constitution can be found on the Company's website at [www.starpharma.com/corporate\\_governance](http://www.starpharma.com/corporate_governance). You can also request copies from the Company Secretary by emailing [nigel.baade@starpharma.com](mailto:nigel.baade@starpharma.com). A copy of the new Constitution will also be available at the meeting for review.

### ***Definitions and interpretation***

#### *Definitions*

The new Constitution updates the definitions to reflect current terminology and where possible relies on terms defined in the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules.

#### *Transitional provisions*

Rule 4 contains transitional provisions to ensure continuity, despite the change in Constitution. The transitional provisions ensure the continuity of director and officer appointments, continued validity of company registers and seals, and a smooth transition for other administrative matters.

### ***Share Capital***

The new Constitution contains additional rules regarding the share capital of the Company, which reflect the existing requirements of the Corporations Act. Except as outlined below, these rules do not materially affect Shareholders.

#### *Small scale holdings*

Rule 12 allows the Company to sell shareholdings valued at less than \$500 (referred to in the new Constitution as "unmarketable parcels") on behalf of a Shareholder unless the Shareholder opts out of the small scale holdings sale process. The Board has no intention of exercising this right immediately but it will allow the Company to reduce the administrative burden of many small shareholdings, should this become a material cost to the Company in the future. This mechanism also gives Shareholders with very small shareholdings the ability to dispose of their shares without brokerage and other expenses. The provisions in rule 12 reflect the ASX Listing Rules.

#### *Liens*

Rules 19 and 20 provide Shareholders with greater certainty regarding how the Company deals with, and exercises, liens over its shares:

- a) rule 19 gives Shareholders clarity over the circumstances in which the Company has a lien over its shares; and
- b) rule 20 sets out in detail when shares over which the Company has a lien may be sold, and how the proceeds must be applied.

### *Transfers of shares*

The new Constitution contains more detail regarding the transfer of shares.

Rule 23 clarifies the circumstances in which the Company is entitled to prevent or refuse transfers, such as if registration of the transfer will break Australian law.

Rule 25 requires the Company to comply with and enforce restriction agreements, and to ensure compliance with the requirements of the ASX for restricted securities.

Rule 27 contains detailed provisions regarding transfer documents and processing, and assists Shareholders by clarifying the process for completing, executing and processing transfer documents.

### *Holding locks*

Rule 26 allows the Company to request ASX Settlement to apply a 'holding lock'. A holding lock is a facility which acts to prevent transactions being applied against specific holdings of shares. A holding lock may be used to prevent a transfer of shares in certain, restricted circumstances which comply with the ASX Listing Rules, for example in the case of shares issued under certain employee incentive schemes.

### *Dividends*

Rule 110 provides greater flexibility for the payment of dividends to Shareholders. The rule allows the Shareholders in general meeting or the directors to resolve to direct payment of a dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, the Company or another body corporate.

### **General meetings**

The new Constitution incorporates a number of changes to assist with the organisation and orderly conduct of the Company's general meetings.

#### *Notices of meeting*

Rule 35 codifies the general law and Corporations Act requirements regarding notices of meeting, and sets out in detail the eligible recipients of notices of meeting.

#### *Cancellation or postponement of general meeting*

Rule 37 allows the directors to change the venue for, postpone or cancel a general meeting in certain circumstances

#### *Technology*

Rule 38 permits the Company to hold a meeting of its members at multiple venues simultaneously, using technology approved by the Board.

#### *Powers of Chairman*

The new Constitution clearly articulates the Chairman's powers at general meetings, including adjournments, dealing with questions from the floor and putting matters to a vote.

The Chairman is expressly responsible for the conduct of meetings and procedures adopted at meetings. The Chairman will be able to exclude any persons' admission to a meeting, or require them to leave and remain out of a meeting, in certain circumstances. These circumstances include persons who are behaving in a dangerous, offensive or disruptive manner.

#### *Proxies*

The new Constitution contains detailed provisions relating to:

- a) appointment of proxies (rule 46);
- b) rights of proxies (rule 47);
- c) proxy forms (rule 48);

d) receipt of proxy documents (rule 49); and

e) the validity of a proxy vote (rule 50),

all of which reflect the provisions of the Corporations Act.

Rule 51 sets out the manner in which a body corporate representative may be appointed.

Rule 49 increases the minimum time for the submission of proxy appointment documents, bringing the Company's practices into line with the requirements of the Corporations Act. It requires that proxy appointment documents be received by the Company at least 48 hours before the commencement of the meeting.

#### *Direct voting*

Rule 61 introduces the convenient concept of direct voting. Where direct voting is approved by the Board, this allows members entitled to attend and vote at a meeting to place their vote by post, facsimile transmission or other electronic means approved by the directors. The Board will continue to monitor market usage and shareholder uptake of direct voting and may deploy it at future meetings of the Company if it believes that it will increase Shareholder participation.

#### *Notices*

The time within which a notice sent by post is considered to be received by the Company has been reduced. Under the new Constitution, a notice sent by post is taken to be served on the day after the day on which it is posted or couriered. This change will improve efficiency by reducing the administration time required to convene a meeting.

#### **Directors**

##### *Maximum number of directors*

Following feedback from proxy advisers last year, Rule 62 retains the maximum number of directors at 15, in line with the existing maximum.

##### *Nomination of new directors*

Rule 68 sets out a new procedure for nominating directors for election to the Board, which reflects current corporate practice for ASX listed companies. A candidate for election as a director must be proposed by a member and seconded by another member, and no member may propose more than 1 person for election. A nomination must be in writing, and must be signed by the candidate for election, the proposer, and the seconder. A nomination must be received at the registered office of the Company at least 35 business days before the AGM where the election will take place, which is consistent with the ASX Listing Rules.

##### *Retirement of directors*

The new Constitution no longer requires 1/3 of directors to retire at each AGM and instead adopts the current position under the ASX Listing Rules which provides that:

- a) there must be an election of directors each year; and
- b) a director must retire (and may seek re-election) at the later of the 3rd annual general meeting following the director's appointment or the date which is 3 years after his or her appointment.

This approach to Board rotation is consistent with the approach now adopted by many large ASX-listed companies.

The new Constitution does not require a retiring director to give notice of his or her intention to submit for re-election.

The existing Constitution provides for the office of a director to become vacant at the conclusion of the first annual general meeting commencing after the director attains the age of 72 years, when the director may be re-appointed. The legal requirement for directors to retire at the age of 72 was repealed from the Corporations Act in 2003 on the basis that such age-based limits were outdated. For consistency with the Corporations Act, the new Constitution has no mandatory retirement age for directors.

##### *Alternate directors*

Section 13.4 of the existing Constitution permitted the appointment of alternate directors. The directors have decided that there is no longer a need for directors to have the ability to nominate alternate directors and, therefore, the new Constitution does not contain any provisions for alternate directors.

### *Associate directors*

The new Constitution does not contain the concept of associate directors. This concept is not typical of Constitutions for ASX listed companies and is inconsistent with modern corporate governance principles.

### *Indemnities and insurance*

The new Constitution contains new rules regarding director and officer indemnity and insurance. The indemnity contained in the existing Constitution is very broad, and could possibly extend to every agent and auditor of the Company. The new rules provide for the indemnification of directors and officers, and contain typical and detailed indemnity and insurance provisions which mirror and are subject to the Corporations Act.

### *Directors' interests*

Rules 91 and 92 provide protection for Shareholders by expressly requiring directors to give notice of their material personal interests, and prohibiting them from voting on matters in which they have a material personal interest, unless permitted to do so by the Corporations Act or the ASX Listing Rules.

### *Directors' remuneration*

The new Constitution contains detailed rules relating to director remuneration, including:

- a) cancellation, suspension, reduction or postponement of director remuneration;
- b) payment of superannuation contributions;
- c) financial benefits given to directors; and
- d) additional remuneration for the Managing Director.

These additional rules have been included in the new Constitution to give greater flexibility and transparency to the Company's remuneration policies. These rules are not intended to facilitate any immediate improvements or changes to Directors' remuneration.

### ***Proportional takeovers***

The new Constitution contains a rule relating to proportional takeovers, and the Corporations Act requires the Company to provide you with sufficient information to make an informed decision on whether to support or oppose the Resolution. This information is set out below.

#### *The reason for the proportional takeover approval provisions*

In a proportional takeover bid, the bidder offers to buy only a proportion of each Shareholder's shares in the Company. This could result in control of the Company passing to a bidder without Shareholders having the chance to sell all their shares to the bidder, or a bidder may take control of the Company without paying a proper price.

The Directors consider it in the best interest of the Shareholders to have a proportional takeover approval provision included in the new Constitution.

#### *The effect of the proportional takeover approval provisions*

Rule 33 of the new Constitution contains the proportional takeover approval provisions. It states that if a proportional takeover bid is made, the directors must ensure that a general meeting is convened at least 14 days before the last day of the bid period. The proportional takeover bid must be approved by Shareholders, with at least 50% of votes cast supporting the proportional takeover.

Each person who holds bid class shares (as at the end of the day on which the first offer under the bid was made) is entitled to vote on the resolution. The bidder and its associates are excluded from voting.

If the proportional takeover bid is not approved by the Shareholders, then no transfers of shares under the bid will be registered and the proportional takeover offer will be taken to be withdrawn. If the Shareholders do not vote to approve the bid, then the bid will be taken to have been approved. If the Shareholders approve the bid, then all legally valid transfers must be registered.

The proportional takeover approval provisions do not apply to full takeover bids – that is, they do not in any way restrict a bidder from making a bid for all of the shares in the Company.

*No person to acquire or increase its substantial interest*

As at the date this statement was prepared, none of the Directors of the Company are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

*Potential advantages and disadvantages*

The directors do not consider that the proportional takeover approval provisions have any potential advantages or disadvantages for them.

The potential advantages of the proportional takeover approval provisions for Shareholders of the Company are:

- a) Shareholders will have the right to decide by majority vote whether a proportional takeover bid should proceed;
- b) the provision may help Shareholders avoid being locked in as a minority;
- c) the provision may prevent a bidder gaining control of the Company without paying a proper price and in fact increases Shareholder bargaining power which may ensure that any proportional takeover offer is properly priced; and
- d) knowing the view of the majority of Shareholders may assist individual Shareholders with deciding whether to accept or reject the offer, if it is approved.

The potential disadvantages of the proportional takeover approval provisions for Shareholders of the Company are:

- a) it may discourage proportional takeover bids being made for shares in the Company;
- b) Shareholders may lose an opportunity to sell some of their shares at a premium; and
- c) the probability of a proportional takeover bid succeeding may be reduced.

*Renewal every 3 years*

The Corporations Act requires that the proportional takeover approval provisions of the new Constitution be renewed every 3 years. This 3 year period commences after the new Constitution is adopted.

The directors consider that the potential advantages for Shareholders of the inclusion of proportional takeover approval provisions in the new Constitution for the next 3 years outweigh any potential disadvantages.

***Recommendation***

The Board recommends the adoption of the new Constitution, including the approval of the proportional takeover approval provisions.

## 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 2014 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) **Change of Control Event** means any of the following:
  - a. the acquisition by any person, either alone or together with an associate (as defined in the Corporations Act), of a relevant interest (as defined in the Corporations Act) in more than 50% of the issued shares in the Company;
  - b. a person (alone or together with its associates) becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the board of the Company;
  - c. the acquisition by any person, either alone or together with an associate (as defined in the Corporations Act), of all or a substantial portion of the assets of the Company; or
  - d. such other event as the Board considers, acting reasonably, to be a Change of Control Event.
- (6) **Closely Related Party** of a KMP means:
  - a. a spouse or child of the KMP; or
  - b. a child of the KMP's spouse; or
  - c. 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
  - d. a company which the KMP controls.
- (7) **Company or Starpharma** means Starpharma Holdings Limited ABN 20 078 532 180.
- (8) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (9) **Directors** means the directors of the Company from time to time.
- (10) **Explanatory Memorandum** means this Explanatory Memorandum.
- (11) **KMP or Key Management Personnel** means the key management personnel of the Company, being 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 2014 are listed in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2014.
- (12) **Notice of Meeting** means the notice of Annual General Meeting accompanying this Explanatory Memorandum.
- (13) **Plan** means the *Starpharma Holdings Limited Employee Performance Rights Plan*, a summary of which is included in the Explanatory Memorandum to this Notice of Meeting.
- (14) **Proxy Form** means the proxy form accompanying this Explanatory Memorandum.
- (15) **Right** means a right granted by the Company under the Plan which entitles the holder to one Share upon vesting of the right.
- (16) **Resolution** means the relevant resolution set out in the Notice of Meeting.
- (17) **Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.
- (18) **Shares** means fully paid ordinary shares in the capital of the Company quoted on the ASX under the code "SPL".

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





ABN 20 078 532 180

**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



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

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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 4:00pm (Melbourne time) Wednesday, 19 November 2014**

### 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 abstain or vote 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](http://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.



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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 Ltd 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 Starpharma Holdings Ltd to be held at the offices of Norton Rose Fulbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on Thursday, 20 November 2014 at 4:00pm (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 Resolutions 1, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6 and 7 are 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 Resolutions 1, 5, 6 and 7 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.

### Ordinary Business

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Mr Rob Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Richard Hazleton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Ms Zita Peach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of Non-Executive Director Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Starpharma Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Issue of Performance Rights to Dr Jacinth Fairley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Special Business

Resolution 8 Adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution. 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 / /

SPL

1 8 7 3 4 4 A

Computershare +