



26 October 2016

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 Fulbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria at 3.00pm on Tuesday, 29 November 2016.

If you are attending the 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 vote, either by completing the enclosed proxy form, or by lodging your vote on-line at www.investorvote.com.au by 3.00pm on Sunday, 27 November 2016. The proxy form should be returned in the envelope provided or faxed to our share registry, Computershare Investor Services Pty Ltd, on 1800 783 447 and must be received by the due date and time.

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 2016 is 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 'Rob Thomas', with a long horizontal flourish extending to the right.

Rob Thomas *AM*
Chairman

Encl.

Notice of Annual General Meeting

Starpharma Holdings Ltd ABN 20 078 532 180

Notice is hereby given that the Annual General Meeting of the Shareholders of Starpharma Holdings Ltd (**Company**) will be held at the offices of Norton Rose Fulbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria at **3.00pm (Melbourne time) on Tuesday, 29 November 2016**.

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 Auditor's Report for the year ended 30 June 2016.

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 2016 be adopted."

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

2. Re-election of Ms Zita Peach (Resolution 2)

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 65.2 of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."

3. Approval of Issue of Performance Rights to Dr Jacinth Fairley (Resolution 3)

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 1,100,000 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."

By order of the Board



N Baade
Company Secretary
26 October 2016

Voting entitlements

The Company has determined that all securities of the Company that are quoted securities as at 7.00pm (Melbourne time) on 27 November 2016 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 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 3

The Company will disregard any votes cast on Resolution 3:

- *by any Director who is eligible to participate in the relevant equity incentive 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 Resolution, 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 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. All Resolutions will be voted on by poll.

The Chairman of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution. In respect of Resolutions 1 and 3, 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 and 3, 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 is related to the remuneration of a KMP or Closely Related Party of a KMP.

In respect of Resolutions 1 and 3, 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 or number 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 8060 or by facsimile to Computershare on 1800 783 447 and must be received by no later than 3:00pm on Sunday, 27 November 2016.

Shareholders may lodge proxies electronically via:
www.investorvote.com.au using the details printed on the personalised proxy form.

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 Tuesday, 29 November 2016. 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 2016 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 auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor. Shareholders may also submit written questions to the auditor in respect of the auditor's 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 19 to 37 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.

Starpharma aims to ensure that its remuneration strategy successfully aligns the interests of its executives and employees with those of its shareholders. In framing its remuneration strategy, the Board is conscious that Starpharma only has a small number of employees (35-40) so endeavours to keep its remuneration relatively straightforward. Its staff are generally required to have a specialist knowledge and develop products over the medium to long-term. The fact that Starpharma operates in a global business environment also influences its remuneration strategy.

Having conducted a comprehensive review of remuneration arrangements in FY15, substantive amendments were implemented to achieve the objective of a simplified remuneration strategy to better reflect a key performance indicator (KPI) driven, transparent and straightforward structure aligned with the interests of shareholders and continuing to reward performance across multi-year timeframes related to product development value-adding milestones, such as commercial deals.

The structure and quantum of remuneration for FY16 remains largely consistent with the previous period. Key improvements resulting from the remuneration review include that all equity awards are now subject to either KPIs or total shareholder return (TSR) hurdles, performance periods and vesting periods are clearly delineated between short-term incentive (STI) and long-term incentive (LTI) awards based on a three year performance period, an increase in the proportion of LTI equity awards, and all performance review periods for the grant of equity awards have been aligned with financial years.

There are transitional elements for executive remuneration reported for the FY16 year, which are necessary to cater for the differences between the current and past remuneration arrangements.

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 Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MS ZITA PEACH

Ms Zita Peach retires as a Director in accordance with clause 65.2 of the Company's Constitution and, being eligible, offers herself for re-election.

Ms Peach has more than 20 years of commercial experience in the pharmaceutical industry, particularly in marketing, commercialising products and technologies and business development in local and international markets, working for major industry players such as CSL and Merck Sharp & Dohme, the Australian subsidiary of Merck Inc. Ms Peach's most recent executive position was as the Managing Director for Australia and New Zealand and Executive Vice President, South Asia Pacific for Fresenius Kabi, a leading provider of pharmaceutical products and medical devices to hospitals. She has also worked as an interim CEO at Vision Eye Institute Limited. 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 AirXpanders, Inc. and Monash IVF Group Limited. Ms Peach also holds board positions with non-listed entities including Vision Eye Institute Limited and Hudson Institute of Medical Research. Ms Peach is a graduate member of the Australian Institute of Company Directors.

Ms Peach is the Chairman of the Company's Remuneration and Nomination Committee.

Recommendation

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

RESOLUTION 3 – GRANT OF PERFORMANCE RIGHTS TO DR JACINTH FAIRLEY

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. Accordingly, the Board seeks Shareholder approval under Resolution 3 for the grant of 1,100,000 Rights to Dr Fairley (the Chief Executive Officer and Managing Director) as part of her 'at risk' remuneration. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1 for the issue of the Rights to be excluded from the calculation of the maximum number of new securities that can be issued by the Company without Shareholder approval or the application of another exception to ASX Listing Rule 7.1.

The Rights will be granted under the Company's Employee Performance Rights Plan (last approved by Shareholders on 20 November 2014) and on the terms and conditions set out below, including applicable performance and vesting conditions.

The terms of the deferred short term equity (**Deferred STI equity**) and long term equity (**LTI equity**) are determined by the Board consistent with the Company's remuneration strategy to link Dr Fairley's reward to performance and the delivery of medium to long-term results for the Company's shareholders. This is achieved by:

- Aligning Dr Fairley's interests with the interests of Shareholders;
- Ensuring that Dr Fairley's remuneration is competitive and aligned with market remuneration for comparable roles in the industry; and
- Encouraging the achievement of the Company's strategic goals and overall growth of the Company's business necessary to build competitive advantage and shareholder value.

The Deferred STI equity allows a portion of Dr Fairley's short-term incentive to be delivered in equity, instead of cash, which assists in conserving cash reserves for the Company's operations. The portion of Dr Fairley's short-term incentive that may be delivered as Rights is approximately 41% for FY17.

Number of Rights to be granted to Dr Fairley

The Board has determined that it wishes to grant Rights on a fair value basis of \$155,000 for Deferred STI equity and \$533,354 for LTI equity. In accordance with the fair value methodology, the Board has invited Dr Fairley to apply for a grant of up to 223,022 Rights for the Deferred STI equity component and 876,978 Rights for the LTI equity component. Each Right is to acquire one Share in the Company. The face value of these rights is disclosed in the table on page 7.

The fair value of the Rights is based on the 3 month trailing volume weighted average price (**VWAP**) of the Company's Shares traded on the ASX to 30 June 2016, which reflects the beginning of the performance period. The VWAP (before applying any discount) for each Right is \$0.6950. In accordance with accepted valuation standards, the VWAP is not discounted for the Rights that are subject to Corporate KPIs, and is discounted in respect of the LTI equity subject to the TSR performance condition. The undiscounted VWAP is considered the face value for the purpose of disclosing the face value of the grant of Rights. On this basis, the face value is \$155,000 for Deferred STI equity and \$609,500 for LTI equity.

The 3 month period has been determined to be the appropriate duration for the calculation of the VWAP as it limits any unintended consequences of short term volatility in the Company's share price and is consistent with the duration used in the calculation of TSR for the TSR performance condition. For accounting purposes, a valuation at the date of grant in accordance with AASB 2 *Share-based payments* will be undertaken and the fair value of these Rights will be expensed in accordance with Accounting Standards. This may lead to a discrepancy in the fair value amount stated in this Notice of Meeting and the amount recorded in the remuneration disclosures in the FY17 Annual Report.

The fair value calculation is performed by an independent professional services firm using a binomial/trinomial option pricing model. The methodology is widely accepted for the purposes of accounting disclosures.

The below table outlines the key terms:

| | Deferred STI equity | LTI equity |
|---|--|--|
| Performance Period and Assessment | 1 year The performance period is from 1 July 2016 to 30 June 2017, after which performance against the pre-determined KPIs will be assessed. If KPIs are not achieved, some or all of the Rights will be forfeited. There is no retesting of the performance conditions. | 3 years The performance period is from 1 July 2016 to 30 June 2019, after which performance against the key strategic objectives and TSR will be assessed. There is no retesting of the performance conditions. |
| Value to grant at Fair Value | \$155,000 | \$533,354 |
| Method for calculating number of Rights | Total value of grant at fair value divided by the fair value of Rights. | |
| Number of Rights | 223,022 | 876,978 |
| Value of Rights at Face Value (based on VWAP of \$0.6950) | \$155,000 | \$609,500 |
| Deferral Period | 12 months from end of performance period | Not applicable |
| Performance Conditions (outlined further below) | 100% of Deferred STI equity subject to Corporate KPIs | 70% of the fair value of LTI equity subject to Corporate KPIs and 30% of the fair value of LTI equity subject to TSR performance |
| Other Vesting Conditions | Remains employed until the Vesting Date and has not engaged in fraud or dishonesty. | Remains employed until the Vesting Date and has not engaged in fraud or dishonesty. |
| Vesting Date | 30 June 2018 provided the Rights have not otherwise lapsed. | 30 September 2019 provided the Rights have not otherwise lapsed. |
| Early Vesting | Part or all 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 Event occurs in respect of the Company). | |
| Exercise of Rights | The Rights may be exercised within a 15 year period during specified exercise windows after the Vesting Date provided certain conditions are met and the Rights have not lapsed or expired. | |
| Conversion of Rights into Shares upon exercise | As the Company is in the development phase and is not operating cash flow positive, the vesting of equity incentives is currently satisfied by the issue of new Shares, rather than a purchase of Shares on market, to conserve the company's cash reserves. This is reviewed periodically and purchases of Shares on market may be undertaken in the future if appropriate. | |

Deferred STI Equity Performance Conditions - Key Business Drivers (Corporate KPIs)

The vesting of the Deferred STI equity is dependent upon the extent to which the Corporate KPIs set by the Board have been achieved over Deferred STI equity Performance Period.

The Corporate KPIs are as follows:

- To diligently commercialise VivaGel® BV for the prevention of recurrence of bacterial vaginosis by completing the phase 3 trials and progressing regulatory preparations in parallel with commercial negotiations to enable effective commercial exploitation and timely launch of the product;
- To maximise the opportunity for VivaGel® BV for treatment and symptomatic relief by completing registration activities, partnering deals and launch in applicable markets;
- To drive value of the VivaGel® condoms through actively supporting registration, launch and marketing activities by partners including in new markets;
- To maximise the value of the DEP™ platform technology by:
 - Completing new deals/licenses and extracting value from existing partnering deals/licenses for DEP™ candidates
 - Completing phase 1 and commencing the phase 2 program for DEP™ docetaxel (or signing a license, as appropriate),
 - Progressing another DEP™ candidate through toxicology and into the clinic; and
 - Advancing the development of additional internal product candidates.
- To maximise the return on investment in agrochemicals for Priostar® by executing commercial deals that build shareholder value; and
- To manage the Company's capital and finances in a prudent manner and to secure and develop appropriate personnel to execute the Company's plans.

LTI Equity Performance Conditions - Key Strategic Objectives

The vesting of the LTI equity is dependent upon the extent to which the performance conditions set by the Board have been achieved over the LTI equity Performance Period.

Corporate KPIs

VivaGel®, Drug Delivery and Agrochemicals

40% of the LTI equity fair value (306,966 Rights) is subject to the monetisation of the VivaGel®, Drug Delivery and Agrochemical portfolios represented by the completion of a number of commercial deals and regulatory activity that build shareholder value and generate income.

DEP™ Platform

30% of the LTI equity fair value (230,225 Rights) is subject to the development of new product candidates for the DEP™ platform technology and/or the licensing of such candidates.

The Corporate KPIs selected relate to key value creating events and significant milestones. Whilst there are detailed performance metrics related to each Corporate KPI, 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.

Total Shareholder Return (TSR)

30% of the LTI equity fair value (339,787 Rights) is subject to a relative TSR performance measure. This performance measure tests the TSR of the Company over a 3 year period commencing 1 July 2016 and ending on 30 June 2019 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 the Company 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, the Company's TSR will take into account the volume weighted price of the Company's Shares calculated for the 3 month period ending 30 June 2016, compared with the volume weighted price of the Company's Shares calculated for the 3 month period ending on 30 June 2019.

TSR has been selected as an LTI equity performance measure as it is directly linked to Shareholder returns. The Index has been selected as the Company is included in it, and it provides an objective measure to which the Company's performance can be compared. Half of the LTI equity award vests if the Company's return is equal to the Index's return. As the Board recognises that Shareholders in biotechnology companies expect a return in excess of the Index, it has 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 Company 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 the Company would need to achieve a TSR of 20% or more for all of the TSR related Rights to vest.

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 3:

- (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 1,100,000.
- (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 2,613,246 Rights to fully paid ordinary shares under the Starpharma Employee Performance Rights Plan since the Plan was last approved at the 2014 AGM. The fair value of those Rights was \$1,514,405. Those Rights were granted for no consideration however will only vest to the extent that the performance conditions are met. All Directors of the Company are entitled to participate in the Plan.
- (e) A voting exclusion statement in respect of Resolution 3 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 1,100,000 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 3 (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 3.

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 2016 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 spouse; or
 - d. any member of the KMP's family who may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company; or
 - e. a company which the KMP controls.
- (7) **Company** 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 2016 are listed in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2016.
- (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.
- (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.



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

Lodge your vote:

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

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

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

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

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

Proxy Form

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Vote and view the annual report online

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



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by no later than 3.00pm (Melbourne time) Sunday, 27 November 2016**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of 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 Tuesday, 29 November 2016 at 3.00pm (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 & 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 & 3 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 & 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

| | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Re-election of Ms Zita Peach as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Approval of Issue of Performance Rights to Dr Jacinth Fairley | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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 / / _____

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