



STARPHARMA ANNUAL GENERAL MEETING

11am on 20 November 2020





Starpharma Holdings Limited

A.B.N. 20 078 532 180

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Abbotsford Victoria 3067 Australia

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19 October 2020

Dear Shareholder

Despite the challenging environment presented by the pandemic, Starpharma has remained focussed on its strategic priorities, and through strong leadership, has achieved significant milestones during this period, including multiple launches of VivaGel® BV, advancement of DEP® clinical-stage assets, and rapid development of new products that address COVID-19.

I am very pleased to invite you to attend our 2020 Annual General Meeting (AGM) and hear our CEO, Dr Jackie Fairley, provide a formal presentation on the business, as she has done in previous years.

In light of the current circumstances and Victorian restrictions relating to the COVID-19 pandemic, this year the AGM will be held as a virtual meeting. There will not be a physical venue for Shareholders to attend.

Shareholders and proxyholders will have the ability to listen, view presentations, vote and ask questions during the meeting in real-time through the virtual platform. Should Shareholders have any questions, they are strongly encouraged to submit questions beforehand and the Company will endeavour to address these questions throughout the meeting, including through the CEO's presentation. A short online meeting guide is enclosed with this letter, along with your notice of access and proxy form(s). Starpharma's 2020 Notice of AGM and a comprehensive online meeting guide is available online via www.starpharma.com/2020AGM.

As previously advised, Mr Richard Hazleton will be retiring at the conclusion of the 2020 AGM. My fellow board members and I collectively thank Mr Hazleton for his invaluable contribution and wise counsel over the past 13 years. The Board recognises the importance of renewal to ensure a composition of directors with an appropriate balance of tenure, skill, diversity and experience. In March 2020, we welcomed Mr David McIntyre as a non-executive director of Starpharma. Mr McIntyre brings extensive and broad life sciences experience including in finance, strategy and commercialisation both in Australia and the USA, and he stands for re-election at the 2020 AGM.

I too am very pleased to be standing for re-election as a director, and I look forward to continuing to serve as Chairman of Starpharma.

The Board recommends that Shareholders vote in favour of all resolutions. Shareholders who wish to submit questions in advance of the AGM may do so by emailing investor.relations@starpharma.com.

I look forward to your attendance at the virtual meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rob Thomas".

Rob Thomas AO

Chairman

Starpharma Holdings Limited



Participating in the AGM (Online Meeting Guide)

Shareholders and proxyholders will have the ability to vote and ask questions during the Annual General Meeting (Meeting) in real-time via the Lumi online meeting platform. By participating in the Meeting online, Shareholders will be able to:

- hear from representatives of the Company and view the Meeting presentations;
- submit questions at the appropriate time whilst the Meeting is in progress (the Chairman will announce the appropriate time during the Meeting); and
- vote during the Meeting.

Whilst Shareholders will be able to vote on the resolutions online during the Meeting in real time, Shareholders are encouraged to lodge a proxy and submit questions ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at www.investorvote.com.au using the Control Number printed on your proxy form.

If you choose to participate in the Meeting online, registration will open at 10am (Melbourne time) on Friday, 20 November 2020. The AGM will commence at 11am.



To participate in the Meeting online, Shareholders will need to use one of the following methods:

- from your computer, by entering the URL in the browser: web.lumiagm.com/380851287; or
- from your mobile device by entering the URL in your browser: web.lumiagm.com/380851287 (or downloading the Lumi AGM app from the Apple App or Google Play Stores)

Meeting ID:
380-851-287

Once you have selected one of the options above, you will need the following information to participate in the Meeting in real-time:

- Your username, which is your SRN/HIN; and
- Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Virtual Meeting Guide (www.computershare.com.au/virtualmeetingguide) for your password details.

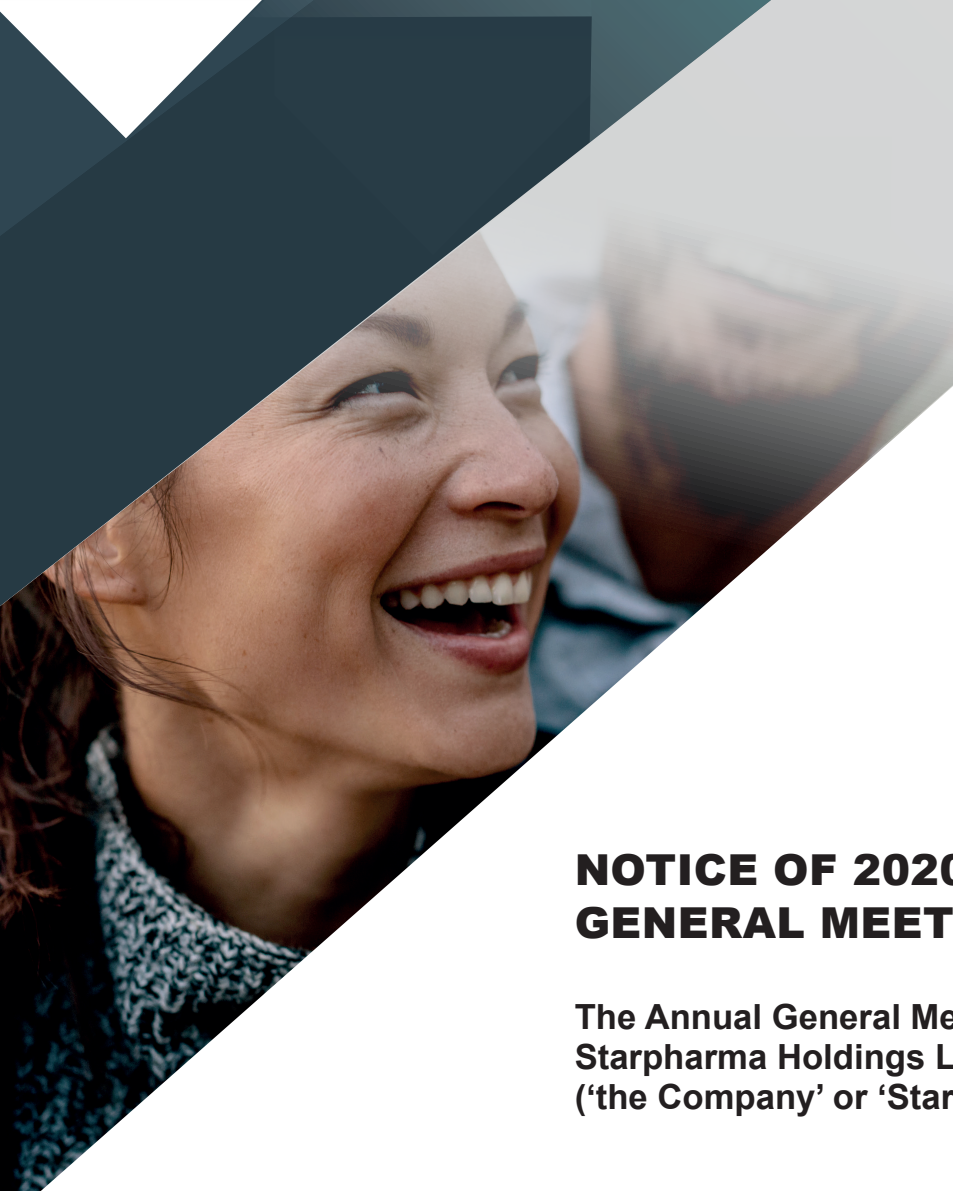
Further information regarding participating in the Meeting online, including browser requirements, is detailed in the Virtual Meeting Guide available at www.computershare.com.au/virtualmeetingguide.

Questions during the meeting

Shareholders will be able to ask questions during the meeting, by providing key shareholder information (including your SRN or HIN and registered postcode) to verify your holding. Starpharma encourages shareholders to submit questions in advance, even if they are participating online, via email to investor.relations@starpharma.com.

Technical difficulties

If you require assistance before or during the meeting please call +61 3 9415 4024.



NOTICE OF 2020 ANNUAL GENERAL MEETING

The Annual General Meeting of
Starpharma Holdings Ltd
(‘the Company’ or ‘Starpharma’)





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** or **Starpharma**) will be held virtually at **11.00am (Melbourne time) on Friday, 20 November 2020**.

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 2020.

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 2020 be adopted."

Under the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company.

2. Re-election of Mr Robert B Thomas AO (Resolution 2)

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

"That Mr Robert B Thomas AO, who retires in accordance with clause 65.1 of the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company."

3. Re-election of Mr David McIntyre (Resolution 3)

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

"That Mr David McIntyre, who retires in accordance with clause 64.2 of the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company."

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

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

"That, for the purposes of Exception 13 of ASX Listing Rule 7.2 and for all other purposes, approval be given for the issue of Rights under the Starpharma Holdings Limited Employee Performance Rights Plan (Plan) in accordance with the rules of the Plan as described in the Explanatory Statement."

5. Approval of issue of Performance Rights to Dr Jacinth Fairley – In lieu of FY20 cash bonus (Resolution 5)

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

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, Shareholders approve the issue of 176,755 Rights to Dr Jacinth Fairley under the Plan on the terms set out in the Explanatory Memorandum."

6. Approval of issue of Performance Rights to Dr Jacinth Fairley – Prospective performance rights (Resolution 6)

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 796,466 Rights to Dr Jacinth Fairley under the Plan on the terms set out in the Explanatory Memorandum."

7. Renewal of Proportional Takeover provisions (Resolution 7)

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

"That the proportional takeover provisions in Clause 33 of the Company's Constitution be renewed for a period of three years commencing on the day this resolution is passed."

By order of the Board

A handwritten signature in black ink, appearing to read "N Baade", written in a cursive style.

N Baade
Company Secretary
19 October 2020

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 2020 will be taken, for the purpose of the Meeting, to be held by the person who held them at that time. In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth) only those persons registered as the holders of Shares as at that time will be able to vote at the Meeting and only on their shareholdings at that 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.*

Resolutions 4, 5 and 6

The Company will disregard any votes cast in favour of Resolutions 4, 5 and 6:

- *by or on behalf of any Director who is eligible to participate in the relevant equity incentive plan (or an associate of that 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 or attorney for a person who is entitled to vote, in accordance with the directions on the proxy form;*
 - *it is cast by the Chairman of the Annual General Meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or*

- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*
 - *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*
- *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.

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 11.00am on Wednesday, 18 November 2020.

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.



Conduct of the virtual Meeting

Electronic voting is permitted by the Company's constitution and under the COVID-19 Response (Requirements for Entities – Modifications and Exemptions) Act 2020.

The Chairman has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy in advance of the meeting, even if they plan to attend online.



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 Friday, 20 November 2020. 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 2020 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.

The Starpharma Annual Report for the year ended 30 June 2020 is available on Starpharma's 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.

Shareholders will also have the opportunity to ask the auditor 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 20 to 41 of the Annual Report for the year ended 30 June 2020.

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 (<50) so endeavours to keep its remuneration relatively straightforward. The Company's staff are required to have specialist knowledge and experience allowing them to develop products over the medium to long-term. The fact that Starpharma operates in a global pharmaceutical industry environment also influences its remuneration strategy.

The structure of remuneration comprises fixed remuneration, short-term incentives (STI) in both cash and equity, and equity based long-term incentives (LTI). In FY20 there were no STI paid in cash, with an equivalent amount to be provided in STI equity. Starpharma's remuneration structure is transparent and based on Key Performance Indicators (KPIs) which are designed to align with the interests of shareholders and to reward performance across multi-year timeframes related to product development value-adding milestones. In some cases, the Board may exercise discretion to take account of events and circumstances not envisaged. All allocations of equity to the CEO are approved by Shareholders at each AGM.

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, size 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 MR ROBERT THOMAS AO

Mr Robert Thomas AO retires as a Director in accordance with clause 65.1 of the Company's Constitution and, being eligible, offers himself for re-election.

Mr Thomas has a strong background in financial services and capital markets and is a non-executive director of several Australian listed companies. Formerly he was a Partner of Potter Partners (now UBS) where he was also Head of Research.

He is the former Chief Executive Officer ("CEO") of County NatWest Securities and then became CEO and then Chairman of Citibank Corporate and Investment Bank in Australia. Mr Thomas has also held the position of Chairman at Australian Wealth Management Ltd (ultimately IOOF Ltd), TAL (Australia's largest life insurance company) and HeartWare® International Inc, the second largest global manufacturer of left ventricular assist heart pumps. Mr Thomas is Chair of AusBio Ltd and Grahger Retail Securities, and a director of Biotron Limited and O'Connell Street Associates.

For many years Mr Thomas was regarded as one of Australia's leading financial analysts and regularly lectured with Financial Services Institute of Australia ("FINSIA"). He has considerable expertise in Mergers & Acquisition ("M&A") and capital markets including advising on the floats of Commonwealth Bank of Australia and Qantas, and vast experience in Audit and Risk Management. Mr Thomas is also approved under the NSW prequalification scheme for Audit and Risk Committee Independent Chairs and Members for government/public sector agencies and has previously served as the Chairman of the Audit and Risk Committee of Virgin Australia Limited (for 11 years), HeartWare® International Inc, REVA Medical Ltd and the State Library of NSW.

Mr Thomas holds a Bachelor of Economics from Monash University, a Diploma of Business (Accounting) from Swinburne and is a fellow of FINSIA. He is also a Master Stockbroker, a Fellow of the Australian Institute of Company Directors and a Fellow of the Royal Society of New South Wales.

Mr Thomas has significant experience in:

- Accounting/corporate finance,
- Audit and risk;
- Governance;
- Licensing and commercialisation of innovation;
- Strategy;
- Risk management;
- Occupational health & safety; and
- Remuneration.

Mr Thomas is Chairman of the Board and a Member of the Audit and Risk, and Remuneration and Nomination, Committees.

Recommendation

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

RESOLUTION 3 – RE-ELECTION OF MR DAVID MCINTYRE

Mr David McIntyre retires as a Director in accordance with clause 64.2 of the Company's Constitution and, being eligible, offers himself for re-election.

Mr McIntyre has more than 20 years of executive experience including 18 years in the life science sector, having held various executive roles including Chief Financial Officer and Chief Operating Officer at HeartWare® International, Inc, and Chief Financial Officer & Head of Technical Operations at Braeburn, Inc. Mr McIntyre is currently the Chief Financial Officer of AVITA Therapeutics, Inc.

Mr McIntyre's experience includes seven years as a Partner at Apple Tree Partners, a multi-billion-dollar life science venture capital and growth equity fund, giving him a deep knowledge of, and extensive contacts, in the US pharma, medical device and biotech markets. During this time, Mr McIntyre served as a non-executive director of several US life science companies.

Prior to entering life sciences, Mr McIntyre practiced as a senior attorney at Baker & McKenzie and KPMG specialising in M&A, initial public offerings, and corporate law and also held various senior finance roles in both multi-national companies and small growth companies.

Mr McIntyre is based in the US and brings to the table an international lens on licensing and commercialisation, marketing and business and development, and M&A/capital markets. He has significant experience in the areas of accounting/corporate finance, audit and risk, strategy and risk management.

Mr McIntyre holds a Bachelor of Economics (Accounting) from the University of Sydney, Australia, a Bachelor of Laws from the University of Technology, Sydney and an MBA from Duke University Fuqua School of Business (Fuqua Scholar) from Durham, North Carolina, in the United States of America. Mr McIntyre is a CPA and is also admitted as a legal practitioner of the Supreme Court of New South Wales and of the High Court of Australia.



Mr McIntyre has significant experience in:

- Accounting/corporate finance,
- Audit and risk;
- M&A/capital markets;
- Governance;
- Licensing and commercialisation of innovation;
- Strategy; and
- Risk management.

Mr McIntyre is a Member of the Audit and Risk Committee.

Recommendation

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

RESOLUTION 4 – APPROVAL OF STARPHARMA EMPLOYEE PERFORMANCE RIGHTS PLAN

The Plan provides employees of Starpharma and its subsidiaries with an opportunity to share in the growth in value of the Company and to encourage them to maximise 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

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 2017 AGM. 7,077,965 Rights have been issued under the Plan to the date of this Notice of Meeting since it was last approved at the 2017 AGM. To date, 92,827 of these Rights have vested and been converted into Shares.

The maximum aggregate number of Rights proposed to be issued under the Plan following shareholder approval under Resolution 4 over three years is 11 million. Each Right will, if the applicable vesting conditions are satisfied, be convertible into one Share. This maximum number of securities which may be issued under the Plan over the next 3 years is not intended to be a prediction of the actual number of securities to be issued under the Plan, rather it is intended to be a ceiling on the number of securities approved to be issued under the Plan and for the purposes of Exception 13(b) of ASX Listing Rule 7.2. Once that number is reached, any additional issues of securities under the Plan would not

have the benefit of Exception 13 of ASX Listing Rule 7.2 without further Shareholder approval.

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, or agree to 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 13 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.

If Shareholders approve Resolution 4, 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 7.1 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.

A voting exclusion statement in respect of Resolution 4 has been included in this Notice of Meeting.

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) Each Right will vest on the date which is specified in the Offer Letter as the date on which a Right vests on the satisfaction or waiver of any Vesting Conditions that may apply to that Right. Once vested, each Right may be exercised by the Participant during an exercise window and will subsequently be converted into one Share.
- (c) 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.
- (d) 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).
- (e) Once vested, each Right may be exercised by the Participant during an exercise window and will subsequently be converted into one fully paid Share.
- (f) No consideration is payable by a Participant for Rights and the resultant Shares on vesting of the Rights.
- (g) The resultant Shares may be subject to a disposal restriction, and a holding lock may be applied to the relevant Shares.

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.

Recommendation

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

RESOLUTION 5 –ISSUE OF PERFORMANCE RIGHTS TO DR JACINTH FAIRLEY – IN LIEU OF FY20 CASH BONUS

The Board (excluding the CEO) is proposing to grant 176,755 Rights to Dr Fairley (the Chief Executive Officer and Managing Director) in lieu of her FY20 cash bonus, representing 75.5% achievement of the maximum cash bonus, which equates to \$188,580.

The Board (excluding the CEO in respect of herself) determined that no STI cash bonuses would be awarded for FY20 to management and staff due to the uncertainties of the impact of the COVID-19 pandemic on the Company and on the Australian and global economy more broadly, regardless of any prior determination by the Board (excluding the CEO in respect of herself) to issue STI cash bonuses if certain KPIs were achieved during the period 1 July 2019 to 30 June 2020.

However, based on the Dr Fairley's performance, the Board (excluding the CEO) has determined that an allocation of Rights should be awarded to Dr Fairley in such number that is equivalent to the STI cash bonus that Dr Fairley would have been entitled to based on her performance, subject always to Shareholder approval.

These Resolution 5 Rights will vest on 30 June 2021 provided that Dr Fairley is employed by the Company on that date. As the number of allocated rights is based on the assessed performance against Dr Fairley's predetermined KPIs for FY20, no further performance conditions (other than that Dr Fairley remain an employee of the Company) will be required.

Number of Rights to be granted to Dr Fairley

The Board (excluding the CEO) determined that Dr Fairley had achieved a performance assessment of 75.5% of STI awards for the performance period 1 July 2019 to 30 June 2020, based on the annual review of actual performance against her KPIs. These targets were set by the Remuneration and Nomination Committee and the non-executive Directors at the beginning of the performance period and were designed to incentivise Dr Fairley for the benefit of the Company's strategic, operational and financial objectives.

The number of Rights proposed to be issued to Dr Fairley under Resolution 5 is 176,755 Rights, based on a face value of \$1.0669 per Right, which is equivalent to the VWAP of the Shares for the 3 month period to 30 June 2020.

The face value of these Resolution 5 Rights has been determined to be the appropriate basis for allocation as it represents the market value at the end of the performance period of 30 June 2020 and is consistent with the allocation method for awards of equity more generally under the Company's remuneration policy. For accounting purposes, a fair value valuation will be undertaken, and the fair value of these Resolution 5 Rights will be expensed in accordance with the Accounting Standards. This is likely to lead to a discrepancy between the face value amount stated above and the fair value amount recorded in the FY21 Remuneration Report.

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 – a director of the Company;
- 10.14.2 – an associate of a director of the Company; or
- 10.14.3 – a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The grant of these rights falls within Listing Rule 10.14.1 above and therefore requires the approval of Starpharma's shareholders under Listing Rule 10.14.

Resolution 5 seeks the required shareholder approval for the grant of these rights under and for the purposes of Listing Rule 10.14.

If Resolution 5 is passed, Starpharma will be able to proceed with the grant of these rights as set out below.

If Resolution 5 is not passed, Starpharma will not be able to proceed with the grant of these rights and the non-executive Directors will consider alternative arrangements.

The Rights will be granted under the Plan (which was last approved by Shareholders on 29 November 2017 and for which re-approval is being sought under Resolution 4) on the terms and conditions set out above and in that resolution, including applicable performance and vesting conditions.

Accordingly, the non-executive Directors have invited Dr Fairley to apply for a grant of up to 176,755 Rights. Further information required by the ASX Listing Rules is set out on page 16 of this Notice of Meeting.

Recommendation

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

RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DR JACINTH FAIRLEY – PROSPECTIVE PERFORMANCE RIGHTS

Resolution 6 seeks the required shareholder approval for issue of these Rights under and for the purposes of Listing Rule 10.14 for the issue of a total of 796,466 Rights to Dr Fairley as part of her 'at risk' remuneration. These Rights will be granted under the Plan.

The terms of the deferred short-term equity (Deferred STI equity) and long-term equity (LTI equity) are determined by the non-executive Directors on the recommendation of the Remuneration and Nomination Committee, and are consistent with the Company's remuneration strategy to link Dr Fairley's remuneration 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 (these KPIs also flow through to executives);
- 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.

There is an element of discretion retained by the non-executive Directors related to performance metrics in situations where priorities change based on developments in the business over time. The non-executive Directors also maintain absolute discretion in finalising remuneration outcomes for incentive-based awards to Dr Fairley and other members of the KMP and is cognisant of ensuring fairness, recognition of contribution and that any exercise of discretion reinforces Starpharma's strategy and remuneration policy.

Number of Rights to be granted to Dr Fairley

The non-executive Directors have resolved, subject to Shareholder approval of Resolution 6, to grant these Resolution 6 Rights as valued on a face value basis of \$1.0669 for each Right, based on a total face value of \$169,950 in respect of the Deferred STI Equity component; and \$679,800 in respect of the LTI Equity component. This represents no increase in the face value of the equity compared with the prior year.

Accordingly, the Board has invited Dr Fairley to apply for a grant of up to 159,293 Rights for the Deferred STI Equity component, and up to 637,173 Rights for the LTI Equity component, using a face value of \$1.0669 for each Right.

The face value is the 3 month VWAP of the Shares to 30 June 2020, which reflects the beginning of the performance period. The 3 month period to 30 June has been determined to be the appropriate duration for the calculation of the VWAP of the Shares as it limits any unintended consequences of short-term volatility in the Share price and is consistent with the duration used in the calculation of TSR for the Relative TSR performance condition. For accounting purposes, a fair value valuation will be undertaken, and the fair value of these



Rights will be expensed in accordance with the Accounting Standards. This is likely to lead to a discrepancy between the face value amount stated above and the fair value amount recorded in the FY21 Remuneration Report.

As set out in Resolution 5 above, 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 grant of these Resolution 6 Rights falls within Listing Rule 10.14.1 above and therefore requires the approval of Starpharma's shareholders under Listing Rule 10.14.

If Resolution 6 is approved by Shareholders it will mean that the Deferred STI Equity will comprise 40% of Dr Fairley's short-term incentive, aligning Dr Fairley's interests with the interests of Shareholders.

If Resolution 6 is not passed, Starpharma will not be able to proceed with the issue of these Resolution 6 Rights and the non-executive Directors will consider alternative arrangements to appropriately remunerate and incentivise Dr Fairley.

The Resolution 6 Rights will be issued under the Plan (which was last approved by Shareholders on 29 November 2017 and for which re-approval is being sought under Resolution 4). The key terms of the grant are set out in the following table, and further information required by the ASX Listing Rules is set out on page 16 of this Notice of Meeting.



The following table outlines the key terms related to the issue of Performance Rights to the CEO:

	Deferred STI Equity	LTI Equity
Performance Period and Assessment	<p>1 year</p> <p>The performance period is from 1 July 2020 to 30 June 2021, 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.</p>	<p>3 years</p> <p>The performance period is from 1 July 2020 to 30 June 2023, after which performance against the key strategic objectives and Relative TSR will be assessed. There is no retesting of the performance conditions.</p>
Face value to grant	\$169,950	\$679,800
Face value per Right	VWAP to 30 June 2020 is \$1.0669	
Method for calculating number of Rights	Total value of grant at face value divided by the face value per Right	
Number of Rights	159,293	637,173
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	<p>70% of the LTI equity subject to Corporate KPIs</p> <p>30% of the LTI equity subject to Relative TSR performance</p>
Vesting Date	30 June 2022 provided the Rights have not otherwise lapsed.	30 September 2023 provided the Rights have not otherwise lapsed.
Other Vesting Conditions	Remains employed until the Vesting Date and has not engaged in fraud or dishonesty.	
Early Vesting	Part or all of the Rights may vest earlier, at the non-executive Directors' 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 during specified exercise windows after the Vesting Date within a 15 year period from the grant date provided certain conditions are met and the Rights have not lapsed or expired.	
Conversion of Rights into Shares upon exercise	Equity incentives are currently satisfied by the issue of new Shares, rather than purchasing 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 Strategic Objectives – 1 year performance period

The vesting of the Deferred STI Equity is dependent upon the extent to which the STI Corporate KPIs set by the non-executive Directors have been achieved over the Deferred STI Equity Performance Period.

STI Corporate KPIs

SPL7013 – other uses

Leverage existing regulatory data and supply chain for SPL7013 to rapidly develop and commercialise antiviral products for other uses, such as COVID-19.

VivaGel® BV

Maximise the value of VivaGel® BV through:

- diligent regulatory activities; and
- working effectively with partners and suppliers to facilitate timely launch of the product in multiple markets.

VivaGel® coated condom

Drive value of coated condom through actively supporting:

- development;
- registration; and
- launch;

activities by partners in additional markets, with priority given to major market opportunities.

DEP®

Maximise the value of the DEP® platform technology by:

- Supporting and further developing existing DEP® partnerships;
- Securing new DEP® partnering deals/licences;
- Progressing internal clinical DEP® programs into and through clinical development (or signing a licence, as appropriate) with a focus on expediting outcomes and building value which may be through additional indications and/or combinations; and
- Advancing additional internal DEP® product candidates through preclinical development (or signing a licence, as appropriate).

Capital Management and People

- Manage the Company's finances in a prudent manner to:
 - create value; and
 - increase recurrent revenues.
- Maintain and develop:
 - a highly results oriented culture;
 - exceptional leadership; and
 - organisational development;
 to achieve superior performance.

LTI Equity Performance Conditions - Key Strategic Objectives - 3 year performance period

The vesting of the LTI Equity is dependent upon the extent to which the performance conditions set by the non-executive Directors have been achieved over the LTI Equity Performance Period.

LTI Corporate KPIs – 70% (446,021 Rights)

Financial KPIs - 40% (254,869 Rights)

Monetisation of the SPL7013, VivaGel® and DEP® Drug Delivery portfolios represented by the generation of:

- revenue; or
- value from asset sale(s);

through the completion of a number of commercial deals that build shareholder value.

Business KPIs – 30% (191,152 Rights)

- Optimisation of returns from VivaGel® revenue, represented by programs to maximise product returns to Starpharma;
- Development of new DEP® candidates; and
- Completion of specified DEP® clinical trials; or
- Licensing and/or asset sales of DEP® candidates;

over the three years to 30 June 2023.

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

Relative Total Shareholder Return (Relative TSR) – 30% (191,152 Rights)

This performance measure tests the TSR of the Company over a 3 year period commencing 1 July 2020 and ending on 30 June 2023 compared to the TSR of the S&P/ASX300 Accumulation Index (**Index**). Relative 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 2020 and the volume weighted price of the Company's Shares calculated for the 3 month period ending on 30 June 2023, compared with the TSR of the Index over the same period.



Relative TSR has been selected as an LTI equity performance measure as it is directly linked to Shareholder returns. The non-executive Directors have chosen the Index for the TSR comparator group as it provides an external, market-based performance measure to which the Company's performance can be compared in relative terms.

The non-executive Directors consider that the Index is a more appropriate comparator than a customised group of peer companies due to inherent volatility within the biotechnology industry. In recent years, the performance of Starpharma's industry peers has been particularly volatile, with a number of companies experiencing significant decreases in market capitalisation and a number have gone through some type of corporate activity (e.g. takeovers) or are no longer ASX listed. Given that the Relative TSR is measured over a three year period, the Index is favoured as a more stable and appropriate comparator. Also, the published Healthcare

Index was considered as a possible comparator, however, was determined to be inappropriate given its concentrated composition including CSL Limited and other large service-oriented companies, such as private hospitals.

Half of the Resolution 6 Rights subject to Relative TSR will vest if the Company's return is equal to the Index's return. The non-executive Directors recognise that Shareholders in biotechnology companies expect a return in excess of the Index. To achieve the full Relative TSR performance condition, Starpharma's Relative TSR must reach 10% per annum (or 30% over 3 years) **above the Index**, which is considered a realistic but stretching target.

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 Relative 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 (or at least 30% over 3 years)	100%

For example, if the TSR of the Index is 10% per annum, then Starpharma would need to achieve a TSR of 20% per annum or more for all of the Relative TSR related performance rights to vest. The above hurdle recognises the return that investors expect when investing in the biotechnology sector. The non-executive Directors consider an additional return of 10% per annum (or 30% over 3 years) above the Index to be a realistic but stretching target for all Resolution 6 Rights subject to Relative TSR to vest.

Recommendation

Noting 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 Directors (with Dr Fairley abstaining) recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

The Company's Constitution contains a rule relating to proportional takeovers, which is required by the Corporations Act and the Constitution to be approved by Shareholders every 3 years. The Constitution was last adopted at the 2017 AGM and the 3-year rule will result in the provisions being automatically omitted from the Constitution on 29 November 2020 unless they are renewed upon approval of this Resolution. Detailed information is provided to allow you to make an informed decision on whether to vote for or against this Resolution.

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 that the incorporation of the proportional takeover provisions in the Constitution is in the best interest of Shareholders because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

The effect of the proportional takeover approval provisions

Clause 33 of the Constitution adopted at the 2017 AGM contained 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 Shareholders, then no transfers of shares under the bid will be registered and the proportional takeover offer will be taken to be withdrawn. If Shareholders do not vote to approve the bid, then the bid will be taken to have been approved. If 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.

Review of proportional takeover approval provisions

The Directors do not consider that the proportional takeover provisions that have been in the Constitution had any directly observable advantages or disadvantages for Directors or Shareholders. While the proportional takeover provisions were in effect, there were no takeover bids made for the Company, either proportional or otherwise. Consequently, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover approval provisions contained in Clause 33 of the Constitution. The Directors are not aware of any potential takeover that was discouraged by Clause 33 of the Constitution. The provisions may nevertheless have had similar effects to those explained in the potential advantages and disadvantages section below.

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 Constitution be renewed every 3 years. This 3 year period commences after the last Shareholder approval of the provisions. The Constitution was adopted at the 2017 AGM and the existing provisions will cease to be included in the Constitution on 29 November 2020. If Resolution 7 is approved by Shareholders, the proportional takeover approval provisions will continue in effect for 3 years after the date of the Meeting.

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

Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 7.

Other ASX Listing Rule Requirements for Resolutions 5 and 6

In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 5 and 6:

- (a) **(ASX Listing Rule 10.15.1)** The Rights to be issued under Resolutions 5 and 6 are to be issued to Dr Fairley, who is the Chief Executive Officer and a Director of the Company.
- (b) **(ASX Listing Rule 10.15.2)** Shareholder approval is required to issue the Rights under Resolutions 5 and 6 to Dr Fairley under the Plan for the purposes of Listing Rule 10.14 as Dr Fairley is a Director of the Company and, accordingly, falls into the category of people contemplated under Listing Rule 10.14.1
- (c) **(ASX Listing Rule 10.15.3)** The maximum number of Rights to be issued to Dr Fairley under Resolution 5 is 176,755, and under Resolution 6 is 796,466. Once vested, each Right may be exercised by Dr Fairley during an exercise window and will subsequently be converted into one fully paid Share.
- (d) **(ASX Listing Rule 10.15.4)** Dr Fairley's current total remuneration comprises:

Fixed annual salary (including superannuation)	\$561,680 plus car parking
Short term incentive	STI cash (maximum): \$249,775 STI equity face value: \$169,950
Long term incentive	LTI equity face value: \$679,800

- (e) **(ASX Listing Rule 10.15.5)** Dr Fairley has been granted a total of 2,465,897 Rights to Shares under and on the terms of the Plan since the Plan was last approved at the annual general meeting held on 29 November 2017. No amount was paid by Dr Fairley for those Rights.

No person referred to in ASX Listing Rule 10.14 other than Dr Fairley has been granted Rights under the Plan to date.

- (f) **(ASX Listing Rule 10.15.6)** A summary of the material terms of the Rights to be issued under Resolutions 5 and 6 are set out in this Notice of Meeting and explanatory notes.

After careful consideration, the Directors (other than Dr Fairley) have determined that the issue of Rights under Resolutions 5 and 6 is an appropriate way to remunerate, incentivise and retain Dr Fairley as an important member of the KMP.

The material terms of the Resolution 5 Rights and the value which the Company attributes to the Rights to be issued under Resolution 5 is described in the explanatory notes to Resolution 5.

The material terms of the Resolution 6 Rights and the value which the Company attributes to the Rights to be issued under Resolution 6 is described in the explanatory notes to Resolution 6.

- (g) **(ASX Listing Rule 10.15.7)** The 176,755 Rights under Resolution 5, and the 796,466 Rights under Resolution 6, if approved, will be issued within 10 business days of approval.
- (h) **(ASX Listing Rule 10.15.8)** No consideration is payable by Dr Fairley for the grant of the Rights to be issued under Resolutions 5 and 6 or for the issue of Shares on vesting and exercising of those Rights. However, the Rights will be subject to the vesting conditions set out in the explanatory notes to Resolutions 5 and 6 respectively, in this Notice of Meeting.
- (i) **(ASX Listing Rule 10.15.9)** A summary of the material terms of the Plan is included in the explanatory notes to Resolution 4.
- (j) **(ASX Listing Rule 10.15.10)** No loan will be provided by the Company to Dr Fairley in respect of the grants of Rights contemplated by Resolutions 5 and 6.
- (k) **(ASX Listing Rule 10.15.11)** Details of any securities issued under the Plan will be published in the Company's Annual Report for the period to which the securities were issued, along with a statement that Shareholder approval for the issued was obtained under ASX Listing Rule 10.14.
- (l) **(ASX Listing Rule 10.15.12)** A voting exclusion statement in respect of Resolutions 5 and 6 is set out in this Notice of Meeting.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Rights under the Plan after Resolution 4 is approved will not participate until approval is obtained from Shareholders under Listing Rule 10.14.

If Shareholders approve the issue of the 176,755 Rights to Dr Fairley under Resolution 5 and the 796,466 Rights to Dr Fairley under Resolution 6 for the purposes of ASX Listing Rule 10.14, Shareholder approval is not required under ASX Listing Rule 7.1 for the issue of those 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.

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) **Accounting Standards** means accounting standards made by the Australian Accounting Standards Board under section 334 of the Corporations Act and if no accounting standard applies, reference shall be made to the definitions, recognition criteria and measurement concepts in the prevailing Framework for the Preparation and Presentation of Financial Statements issued by the Australian Accounting Standards Board.
- (2) **Annual General Meeting or Meeting** means the 2020 annual general meeting of the Company convened by the Notice of Meeting.
- (3) **ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the market operated by it.
- (4) **ASX Listing Rule** means a listing rule of ASX as amended or waived.
- (5) **Board** means the board of Directors of the Company.
- (6) **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.
- (7) **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.
- (8) **Company or Starpharma** means Starpharma Holdings Limited ABN 20 078 532 180.
- (9) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (10) **Directors** means the directors of the Company from time to time.
- (11) **Explanatory Memorandum** means this Explanatory Memorandum.
- (12) **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 2020 are listed in the Remuneration Report contained in the Directors' Report for the year ended 30 June 2020.
- (13) **Notice of Meeting** means the notice of Annual General Meeting accompanying this Explanatory Memorandum.
- (14) **Plan** means the Starpharma Holdings Limited Employee Performance Rights Plan.
- (15) **Proxy Form** means the proxy form accompanying this Explanatory Memorandum.
- (16) **Right** means a right granted by the Company under the Plan which entitles the holder to one Share upon vesting of the right.
- (17) **Resolution** means the relevant resolution set out in the Notice of Meeting.
- (18) **Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.
- (19) **Shares** means fully paid ordinary shares in the capital of the Company quoted on the ASX under the code "SPL".
- (20) **TSR** means total shareholder return.
- (21) **VWAP** means volume weighted average price of Shares.

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

Online meeting guide

Getting started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

To log in you must have the following information

Meeting ID

Meeting ID as provided in the Notice of Meeting.

Australian residents

- > **Username** (SRN or HIN) and
- > **Password** (postcode of your registered address).

Overseas Residents

- > **Username** (SRN or HIN) and
- > **Password** (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN.

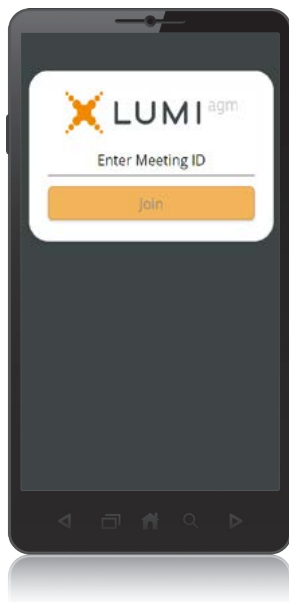
A full list of country codes is provided at the end of this guide.

Appointed Proxies

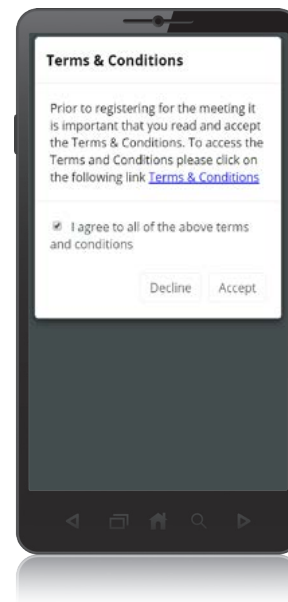
To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Participating at the meeting

- 1 To participate in the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.



- 2 To proceed into the meeting, you will need to read and accept the Terms & Conditions



Icon descriptions



Voting icon, used to vote. Only visible when the Chair opens the poll.



Home page icon, displays meeting information.



Questions icon, used to ask questions.



The broadcast bar allows you to view and listen to the proceedings.

- 3 To register as a securityholder,** select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.



- 4 To register as a proxyholder,** select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the SRN or HIN field enter your username and in the Postcode or Country Code field enter your password.







- 5 To register as a guest,** select 'Guest' and enter your name and email address.



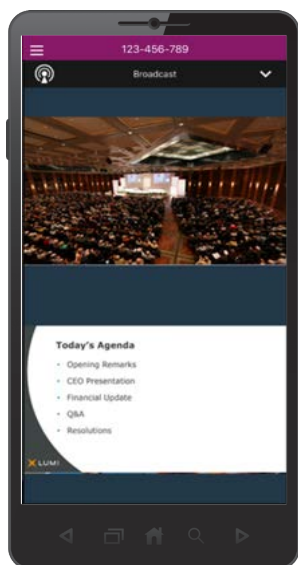
- 6 Once logged in,** you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.




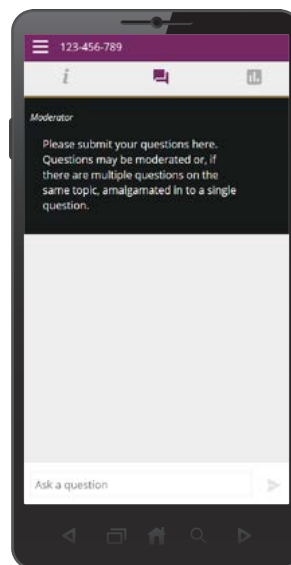
Icon descriptions


-  Voting icon, used to vote. Only visible when the Chair opens the poll.
-  Home page icon, displays meeting information.
-  Questions icon, used to ask questions.
-  The broadcast bar allows you to view and listen to the proceedings.

- 7 To view the webcast you must tap the broadcast arrow on your screen and press the play button. Toggle between the up and down arrow to switch between screens.

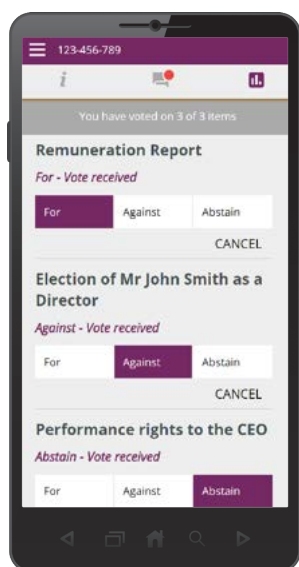


- 8 To ask a question tap on the question icon , type your question in the chat box at the bottom of the screen and select the send icon. Confirmation that your message has been received will appear.




- 9 When the Chair declares the poll open:
- > A voting icon  will appear on screen and the meeting resolutions will be displayed
 - > To vote, tap one of the voting options. Your response will be highlighted
 - > To change your vote, simply press a different option to override


The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



Icon descriptions

 Voting icon, used to vote. Only visible when the Chair opens the poll.

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For Assistance

If you require assistance before or during the meeting please call +61 3 9415 4024

COUNTRY CODES Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

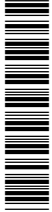
ABW ARUBA	DEU GERMANY	KHM CAMBODIA	PRK KOREA DEM PEOPLES REPUBLIC OF	TJK TAJIKISTAN
AFG AFGHANISTAN	DJI DJIBOUTI	KIR KIRIBATI	PRT PORTUGAL	TKL TOKELAU
AGO ANGOLA	DMA DOMINICA	KNA ST KITTS AND NEVIS	PRY PARAGUAY	TKM TURKMENISTAN
AIA ANGUILLA	DNK DENMARK	KOR KOREA REPUBLIC OF	PSE PALESTINIAN TERRITORY OCCUPIED	TLS EAST TIMOR
ALA ALAND ISLANDS	DOM DOMINICAN REPUBLIC	KWT KUWAIT	PYF FRENCH POLYNESIA	TMP EAST TIMOR
ALB ALBANIA	DZA ALGERIA	LAO LAO PDR	QAT QATARPL NEPAL	TON TONGA
AND ANDORRA	ECU ECUADOR	LBN LEBANON	NRU NAURU	TTO TRINIDAD & TOBAGO
ANT NETHERLANDS ANTILLES	EGY EGYPT	LBR LIBERIA	NZL NEW ZEALAND	TKM TURKMENISTAN
ARE UNITED ARAB EMIRATES	ERI ERITREA	LBY LIBYAN ARAB JAMAHIRIYA	OMN OMAN	TLS EAST TIMOR DEMOCRATIC REP OF
ARG ARGENTINA	ESH WESTERN SAHARA	LCA ST LUCIA	PAK PAKISTAN	TMP EAST TIMOR
ARM ARMENIA	ESP SPAIN	LIE LIECHTENSTEIN	PAN PANAMA	TON TONGA
ASM AMERICAN SAMOA	EST ESTONIA	LKA SRI LANKA	PCN PITCAIRN ISLANDS	TTO TRINIDAD & TOBAGO
ATA ANTARCTICA	ETH ETHIOPIA	LSO LESOTHO	PER PERU	TZA TANZANIA UNITED REPUBLIC OF
ATF FRENCH SOUTHERN TERRITORIES	FIN FINLAND	LTU LITHUANIA	PHL PHILIPPINES	UGA UGANDA
ATG ANTIGUA AND BARBUDA	FJI FIJI	LUX LUXEMBOURG	PLW PALAU	UKR UKRAINE
AUS AUSTRALIA	FLK FALKLAND ISLANDS (MALVINAS)	LVA LATVIA	PNG PAPUA NEW GUINEA	UMI UNITED STATES MINOR OUTLYING
AUT AUSTRIA	FRA FRANCE	MAC MACAO	POL POLAND	URY URUGUAY
AZE AZERBAIJAN	FRO FAROE ISLANDS	MAF ST MARTIN	PRI PUERTO RICO	USA UNITED STATES OF AMERICA
BDI BURUNDI	FSM MICRONESIA	MAR MOROCCO	PRK KOREA DEM PEOPLES REPUBLIC OF	UZB UZBEKISTAN
BEL BELGIUM	GAB GABON	MCO MONACO	PRT PORTUGAL	VAT HOLY SEE (VATICAN CITY STATE)
BEN BENIN	GBR UNITED KINGDOM	MDA MOLDOVA REPUBLIC OF	PRY PARAGUAY	VCT ST VINCENT & THE GRENADINES
BFA BURKINA FASO	GEO GEORGIA	MDG MADAGASCAR	PSE PALESTINIAN TERRITORY OCCUPIED	VEN VENEZUELA
BGD BANGLADESH	GGY GUERNSEY	MDV MALDIVES	PYF FRENCH POLYNESIA	VGB BRITISH VIRGIN ISLANDS
BGR BULGARIA	GHA GHANA	MEX MEXICO	QAT QATAR	VIR US VIRGIN ISLANDS
BHR BAHRAIN	GIB GIBRALTAR	MHL MARSHALL ISLANDS	REU REUNION	VNM VIETNAM
BHS BAHAMAS	GIN GUINEA	MKD MACEDONIA FORMER YUGOSLAV REP	ROU ROMANIA	VUT VANUATU
BIH BOSNIA & HERZEGOVINA	GLP GUADELOUPE	MLI MALI	RUS RUSSIAN FEDERATION	WLF WALLIS AND FUTUNA
BLM ST BARTHELEMY	GMB GAMBIA	MLT MALTA	RWA RWANDA	WSM SAMOA
BLR BELARUS	GNB GUINEA-BISSAU	MMR MYANMAR	SAU SAUDI ARABIA KINGDOM OF	YEM YEMEN
BLZ BELIZE	GNQ EQUATORIAL GUINEA	MNE MONTENEGRO	SCG SERBIA AND MONTENEGRO	YMD YEMEN DEMOCRATIC
BMU BERMUDA	GRC GREECE	MNG MONGOLIA	SDN SUDAN	YUG YUGOSLAVIA SOCIALIST FED REP
BOL BOLIVIA	GRD GRENADA	MNP NORTHERN MARIANA ISLANDS	SEN SENEGAL	ZAF SOUTH AFRICA
BRA BRAZIL	GRL GREENLAND	MOZ MOZAMBIQUE	SGP SINGAPORE	ZAR ZAIRE
BRB BARBADOS	GTM GUATEMALA	MRT MAURITANIA	SGS STH GEORGIA & STH SANDWICH ISL	ZMB ZAMBIA
BRN BRUNEI DARUSSALAM	GUF FRENCH GUIANA	MSR MONTSERRAT	SHN ST HELENA	ZWE ZIMBABWE
BTN BHUTAN	GUM GUAM	MTQ MARTINIQUE	SJM SVALBARD & JAN MAYEN	
BUR BURMA	GUY GUYANA	MUS MAURITIUS	SLB SOLOMON ISLANDS	
BVT BOUVET ISLAND	HKG HONG KONG	MWI MALAWI	SLE SIERRA LEONE	
BWA BOTSWANA	HMD HEARD AND MCDONALD ISLANDS	MYS MALAYSIA	SLV EL SALVADOR	
BLR BELARUS	HND HONDURAS	MYT MAYOTTE	SMR SAN MARINO	
CAF CENTRAL AFRICAN REPUBLIC	HRV CROATIA	NAM NAMIBIA	SOM SOMALIA	
CAN CANADA	HTI HAITI	NCL NEW CALEDONIA	SPM ST PIERRE AND MIQUELON	
CCK COCOS (KEELING) ISLANDS	HUN HUNGARY	NER NIGER	SRB SERBIA	
CHE SWITZERLAND	IDN INDONESIA	NFK NORFOLK ISLAND	STP SAO TOME AND PRINCIPE	
CHL CHILE	IMN ISLE OF MAN	NGA NIGERIA	SUR SURINAME	
CHN CHINA	IND INDIA	NIC NICARAGUA	SVK SLOVAKIA	
CIV COTE D'IVOIRE	IOT BRITISH INDIAN OCEAN TERRITORY	NIU NIUE	SVN SLOVENIA	
CMR CAMEROON	IRL IRELAND	NLD NETHERLANDS	SWE SWEDEN	
COD CONGO DEMOCRATIC REPUBLIC OF	IRN IRAN ISLAMIC REPUBLIC OF	NOR NORWAY	SWZ SWAZILAND	
COG CONGO PEOPLES REPUBLIC OF	IRQ IRAQ	PL NEPAL	SYC SEYCHELLES	
COK COOK ISLANDS COL COLOMBIA	ISL ICELAND	NRU NAURU	SYR SYRIAN ARAB REPUBLIC	
COM COMOROS	ISM BRITISH ISLES	NZL NEW ZEALAND	TCA TURKS AND CAICOS ISLANDS	
CPV CAPE VERDE	ISR ISRAEL	OMN OMAN	TCO CHAD	
CRI COSTA RICA	ITA ITALY	PAK PAKISTAN	TGO TOGO	
CUB CUBA	JAM JAMAICA	PAN PANAMA	THA THAILAND	
CXR CHRISTMAS ISLAND	JEY JERSEY	PCN PITCAIRN ISLANDS		
CYM CAYMAN ISLANDS	JOR JORDAN	PER PERU		
CYP CYPRUS	JPN JAPAN	PHL PHILIPPINES		
CZE CZECH REPUBLIC	KAZ KAZAKHSTAN	PLW PALAU		
	KEN KENYA	PNG PAPUA NEW GUINEA		
	KGZ KYRGYZSTAN	POL POLAND		
		PRI PUERTO RICO		



ABN 20 078 532 180

SPL

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



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (Melbourne time) on Wednesday, 18 November 2020**

Proxy Form

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, 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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Starpharma Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Starpharma Holdings Limited to be held virtually on Friday, 20 November 2020 at 11.00am (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, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 5 and 6 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, 4, 5 and 6 by marking the appropriate box in step 2.

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 Mr Robert B Thomas AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr David McIntyre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Starpharma Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of issue of Performance Rights to Dr Jacinth Fairley – In lieu of FY20 cash bonus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of issue of Performance Rights to Dr Jacinth Fairley – Prospective performance rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Renewal of Proportional Takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SPL

268959A



Computershare

