



Frontier IP Group plc

Matters Reserved for the Board

August 2018

Adopted by the board on 22 August 2018

Reference herein to “the Board” shall mean the Board of Directors of the Company. The following are the matters specifically reserved for the Board. (Certain of these matters may be delegated to the relevant Committee of the Board).

1. Strategy and management

- 1.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.
- 1.2 Approval of the Group's strategic aims and objectives.
- 1.3 Approval of the annual budget and any material changes to it.
- 1.4 Oversight of the Group's operations ensuring:
 - competent management;
 - sound planning;
 - maintenance of sound management and internal control systems;
 - adequate accounting and other records; and
 - compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Extension of the Group's activities into new business or geographic areas.
- 1.7 Any decision to cease to operate all or any material part of the Group's business.
- 1.8 Any portfolio capital allocation decision.
- 1.9 Any disposal from the Group's portfolio.
- 1.10 Any corporate acquisitions or disposals by the Group.

2. Structure and capital

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs including the use of treasury shares.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Changes to the Group's management and control structure.
- 2.4 Any changes to the Company's listing on AIM or its status as a plc.

3. Financial reporting and controls

- 3.1 Approval of the Annual Report and Financial Statements, including the strategic report, corporate governance statement and directors' remuneration report.



- 3.2 Approval of the half-yearly report, interim management statements, any preliminary announcement of the final results or other period reporting required by AIM rules.
- 3.3 Approval of the dividend policy
- 3.4 Declaration of the interim dividend and recommendation of any final dividend.
- 3.5 Approval of significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined authorities)

4. Internal controls

Ensuring maintenance of a sound system of internal control and risk management including:

- 4.1 Approving the Company/Group's risk appetite;
- 4.2 Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- 4.3 Approving procedures for the prevention of fraud and the prevention of bribery;
- 4.4 Undertaking an annual assessment of these processes; and
- 4.5 Approving an appropriate statement for inclusion in the annual report.

5. Contracts

- 5.1 The entry into strategic partnerships and collaborations with universities and other research institutions.
- 5.2 The entry into contracts which are material strategically or by reason of value in the ordinary course of business.
- 5.3 The entry into contracts not in the ordinary course of business.

6. Communication

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of strategic objectives.
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of all circulars, prospectuses and listing particulars.
- 6.4 Approval of press releases concerning matters decided by the Board.

7. Board membership and other appointments

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Group and on the Board.
- 7.3 Appointment to the Board, following recommendations by the Nomination Committee.



- 7.4 Selection of the Chairman of the Board and the Chief Executive Officer.
- 7.5 Appointment of the Senior Independent Director to provide a sounding board for the Chairman and to serve as intermediary for the other directors when necessary.
- 7.6 Establishment, membership and chairmanship of Board committees following recommendations from the Nomination Committee.
- 7.7 Continuation in office of Directors at the end of their term of office, where they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.8 Continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Group, subject to the law and their service contract.
- 7.9 Appointment or removal of the Company Secretary.
- 7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders in general meeting, following the recommendation of the Audit Committee.
- 7.11 Appointment to boards of subsidiaries.

8. Remuneration

- 8.1 Determining the remuneration policy for the Directors and Company Secretary.
- 8.2 Determining the remuneration of the Non-executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of authority

- 9.1 The division of responsibility between the Chairman and the Chief Executive Office – which should be clearly established, set out in writing and agreed by the Board.
- 9.2 Approval of the delegated levels of authority, including the Executive Directors' authority limits (which must be in writing).
- 9.3 Approving the terms of reference of Board committees, and approving material changes thereto.
- 9.4 Receiving reports from Board committees on their activities and taking appropriate action in response to recommendations made by same.

10. Corporate governance matters

- 10.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual Directors, and the division of responsibilities.
- 10.2 Determining the independence of Non-executive Directors in light of their character, judgement and relationships.
- 10.3 Considering the balance of interests between shareholders, employees, other stakeholders and the community.
- 10.4 Reviewing the Group's overall corporate governance arrangements.



10.5 Authorising conflicts of interest where permitted by the Company's articles of association.

11. Policies

Approval of Group policies as created and amended from time to time.

12. Other

- 12.1 Prosecution, commencement, defence or settlement of material (by size or reputation) litigation, or an alternative dispute resolution mechanism.
- 12.2 Approval of the overall levels of insurance of the Group including directors' & Officers liability insurance and indemnification of Directors.
- 12.3 Any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 12.4 This schedule of matters reserved for Board decisions. Matters which the Board consider suitable for delegation are contained in the terms of reference of its Committees.
- 12.5 In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.