

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or transferred all your ordinary shares in Frontier IP Group Plc (the “Company”), you should pass this document and the accompanying Form of Proxy, without delay, to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## Frontier IP Group Plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 6262177)

Notice of a General Meeting  
to consider Resolutions in connection with  
the proposed Placing of 6,080,000 Placing Shares  
to raise £608,000 and the renewal of the Company’s general  
share allotment authorities

seymour  
pierce

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This document should be read as a whole. Your attention is drawn to the letter from the Executive Chairman of the Company set out in this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Directors of the Company, whose names are set out on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable steps to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**A notice convening a General Meeting of the Company is set out at the end of this document. The General Meeting is to be held at 11:00am on 30 November 2012 at 41 Charlotte Square, Edinburgh EH2 4HQ.**

**A Form of Proxy for use at the General Meeting accompanies this document and to be valid the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company Secretary at 41 Charlotte Square, Edinburgh, EH2 4HQ as soon as possible and in any event so as to arrive not later than 11:00am on 28 November 2012. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the meeting should they so wish.**

**This document does not constitute, nor is it intended to constitute, a prospectus or financial promotion (as both terms are defined in the Financial Services and Markets Act 2000).**

## **FORWARD LOOKING STATEMENTS**

**This document includes “forward looking statements”, which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would, “could” or similar expressions or negatives thereof.**

**Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.**

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## Definitions

The following definitions apply throughout this document and in the Form of Proxy, unless the context requires otherwise:

“AIM”	a market operated by the London Stock Exchange plc
“Admission”	the admission of the Placing Shares to trading on AIM
“Enlarged Share Capital”	the number of issued Ordinary Shares immediately following Admission
“Executive Chairman”	the executive chairman of the Company
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“Company” or “Frontier IP”	Frontier IP Group Plc, a company incorporated in England and Wales under the Companies Act 1985 with registered number 6262177 and whose registered office is at NorthWest Wing, Bush House, Aldwych, London, WC2B 4EZ
“Directors” or “Board”	the directors of the Company, whose names appear on page 5 of this document
“Form of Proxy”	the form of proxy accompanying this document for use by the Shareholders at the General Meeting
“General Meeting”	the general meeting of the Company to be held at 11:00am on 30 November 2012 at 41 Charlotte Square, Edinburgh EH2 4HQ, notice of which is set out at the end of this document
“Independent Director”	Jackie McKay, who is not participating in the Placing
“IP”	Intellectual Property
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Placing”	the proposed placing to raise £608,000 by the issue of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 6 November 2012 between the Company and Seymour Pierce Limited regarding, inter alia, the Placing
“Placing Price”	10 pence per share Placing Share
“Placing Shares”	6,080,000 new Ordinary Shares to be issued and allotted in connection with the Placing
“PLUS”	Plus Market provided by PLUS Stock Exchange plc, a member of the ICAP group
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the notice convening the General Meeting at the end of this document
“Shareholders”	holders of Ordinary Shares

## Directors, Officers and Advisers

<b>Directors</b>	Neil D Crabb, Executive Chairman Jacqueline (Jackie) A McKay, Partnership Director David J Cairns, Executive Director Marilyn D Cole, Finance Director K Andrew Richmond, Non- Executive Director Graham F Barnet, Non- Executive Director
<b>Company Secretary</b>	Marilyn D Cole
<b>Registered Office</b>	Northwest Wing Bush House Aldwych London WC2B 4EZ
<b>Nominated Adviser and Broker</b>	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN
<b>Solicitors to the Company</b>	Gateley (Scotland) LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH
<b>Registrars</b>	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

## Expected Timetable of Principal Events

Publication date of this document	7 November 2012
Latest time and date for receipt of Forms of Proxy	11:00am on 28 November 2012
General Meeting to consider and, if thought fit, approve the Resolutions	11:00am on 30 November 2012
Expected date of Admission	3 December 2012
Share certification in respect of the Placing Shares to be dispatched no later than	10 December 2012

## Placing Statistics

Placing Price	10 pence
Existing Ordinary Shares	6,972,165
Number of Placing Shares being issued by the Company for subscription in the Placing	6,080,000
Enlarged Share Capital	13,052,165
Amount being raised under the Placing (gross)	£608,000

# Letter from the Executive Chairman



## Frontier IP Group Plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 6262177)

### *Directors:*

Neil D Crabb (Executive Chairman)  
Jacqueline A McKay (Partnership Director)  
David J Cairns (Director)  
Marilyn D Cole (Finance Director and Company Secretary)  
K Andrew Richmond (Non-executive Director)  
Graham F Barnet (Non-executive Director)

### *Registered Office:*

NorthWest Wing  
Bush House  
Aldwych  
London WC2B 4EZ

*To the holders of Ordinary Shares and, for information only,  
the holders of warrants*

7 November 2012

Dear Shareholder,

### **Notice of a General Meeting to consider Resolutions in connection with the proposed Placing of Placing Shares at the Placing Price to raise £608,000 and the renewal of the Company's general share allotment authorities**

#### **Introduction**

The Company has today announced that it has conditionally raised £608,000 by way of a placing of 6,080,000 Placing Shares at 10 pence per share.

The purpose of this letter is to seek your approval of the Resolutions which are required to be passed by Shareholders in order to allow the Placing to proceed and to explain the effect of the Resolutions. Notice of a General Meeting of the Company, to be held on 30 November 2012 to consider and, if thought fit, to approve the Resolutions, is set out at the end of this document.

#### **Background to and reasons for the Placing**

Frontier IP specialises in the commercialisation of IP. It establishes partnerships with individual universities and research institutions to assist with their spin-out and licensing activities and helps to maximise the commercial value of technologies emerging from their research programmes. It also establishes funds to support the commercialisation of IP.

Frontier IP's Ordinary Shares were admitted to trading on AIM in January 2011, having previously been quoted on PLUS. Since the Company's admission to AIM, the Directors have continued to develop the business by fostering its relationships with its existing university partners, expanding the number of relationships with university partners (the Company announced a new agreement with Plymouth University in May 2011), managing dedicated funds to invest in spin-out opportunities and seeking to establish sector specific IP commercialisation funds.

Since admission to AIM, the Company has earned stakes in a further 7 new spin-out companies, taking the total number of portfolio companies to 13 and while it looks to add further relationships where there is a business case for doing so, the Company sees considerable opportunity within its existing university relationships. In addition to these relationships, the Company has made progress in its strategy of seeking to establish sector specific funds.

The Company intends to use the net proceeds of the Placing primarily to provide working capital to support:

- The ongoing needs of the business;
- the development and growth of existing relationships;
- allied advisory roles; and
- commitments to existing funds and the establishment of sector specific funds.

## **Current Trading**

The Directors of Frontier IP announced Preliminary Results for the year ended 30 June 2012 on 29th October 2012. An extract of the Executive Chairman's Statement from this announcement is set out below.

### *Introduction*

Frontier IP has made good progress during the year ended 30 June 2012 with helping its existing portfolio companies to deploy their technologies and with deepening and extending its relationships within its three university partnerships. The Company has also continued to develop new opportunities in the year, including a fund management agreement with Narec Capital Limited ("Narec Capital") and a first collaboration venture with the University of Central Lancashire ("UCLan"). We saw some slippage in the receipt of equity and in completing two licence agreements which impacted results for the year. However, the completion of the delayed licence agreements remains underway and the equity from several new spin-outs was received in the first quarter of the new financial year.

The new financial year to 30 June 2013 has started well and the Company is benefiting from a high level of activity across its business. The Company has added three new spin-out companies to its portfolio since the start of July 2012 and, in particular, in August we were very pleased to enter into a new collaboration agreement with the University of Dundee, alongside the existing long term partnership.

### *Results*

Revenue from services showed a small increase to £162,000 (2011: £158,000). Total revenue of £223,000 was lower than the prior year (2011: £307,000) due to a smaller increase in value of the Group's portfolio holdings and slippage in the receipt of equity from several new spin-outs into the new financial year as well as a delay in the completion of two licence agreements. With a 5% increase in administrative expenses due to higher personnel costs, the loss before tax was £380,000 (2011: loss of £269,000). The loss per share was 5.45p (2011: 3.86p).

Cash balances stood at £44,000 at 30 June 2012 (2011: £582,000). Net assets per share as at 30 June 2012 were 36.0p (2011: 41.4p). We are currently undertaking a fundraising, which is in its final stage, with the net proceeds intended to provide for the ongoing working capital needs of the business and to support the development and growth of existing relationships, allied advisory roles and commitments to existing funds and the establishment of sector specific funds. The new monies being raised are fundamental to the future of the business. We are making good progress and expect to update the market shortly.

### *Operational Review*

The Group now has three university partnerships, with University of Dundee, Robert Gordon University, Aberdeen and Plymouth University. We believe that there is a broad range of significant commercial opportunities across these three partnerships and, in the short to medium term, we will be focusing our attention on exploring and developing these.

The Group received equity in three new spin-out companies during the year, Glycobiochem Ltd, Kinetic Discovery Ltd and Alusid Ltd.

Glycobiochem Ltd, a spin-out from University of Dundee, markets a software product called PRODRG, which is designed to generate three-dimensional models of chemicals for use in applications such as rational drug design, as well as a range of innovative molecular and chemical tools developed specifically for research into carbohydrate processing enzymes. The Group currently holds approximately 5% of the issued share capital of the company.

Kinetic Discovery Ltd, another spin-out from University of Dundee, is a drug discovery services company which specialises in biosensor based screening. It has a spread of international customers including many of the major pharmaceutical companies, and is already trading profitably. Kinetic Discovery Ltd is embedded within the University of Dundee, enabling it to continue to benefit from university facilities. This "embedded" approach is one which we are looking to develop further across our partnerships. The Group currently holds approximately 5% of the issued share capital of the company.

Our equity holding in spin-out company Alusid Ltd arose from our collaboration with UCLan which was agreed in June with UCLan's Silicate Research Unit. Alusid Ltd is a spin-out with UCLan and was formed just prior to the year end. The company will licence and commercialise the process to transform waste materials into a highly durable and functional material with applications in the construction industry. The material has been exhibited at a number of international design shows where it was well received. The Group currently has a



beneficial ownership of 21% of the issued share capital of the company.

After the year end, Frontier IP was allotted equity in a further three spin-out companies, Tissue Repair Technologies Ltd, Ex Scientia Ltd and PoreXpert Limited.

Tissue Repair Technologies Ltd is a spin-out from University of Dundee. The company develops novel wound healing agents based on migration stimulating factor, a naturally occurring protein, which Tissue Repair Technologies Ltd believes has particular application in patients with impaired healing, such as diabetics. The Group currently holds approximately 5% of the issued share capital of the company.

Ex Scientia Ltd, a spin-out from University of Dundee, has been formed to exploit novel informatics and experimental methods to enable new, more effective ways of conducting drug discovery. The Group currently holds approximately 5.75% of the issued share capital of the company.

PoreXpert Ltd, a new spin-out from Plymouth University, was formed to accelerate the commercialisation activity of the Environmental and Fluid Modelling Group at Plymouth which provides software and consultancy for modelling porous systems. The company is now establishing distribution channels for a new version of its software released this month. The Group currently holds approximately 15% of the issued share capital of the company.

In June 2012, we were pleased to announce that we had signed an agreement with Narec Capital Limited ("Narec Capital"), the provider of consultancy and finance services to companies in the renewable energy sector. The agreement confirms Narec Capital's intention to appoint Frontier IP as its provider of fund management and administration services to a portfolio of renewable energy funds which it plans to launch later this year. The focus of this funding initiative will be on providing early-stage capital in order to accelerate the deployment and reduce the cost per megawatt hour of renewable energy technologies and projects emerging from sources including utilities, manufacturers, universities and research centres. Narec is currently investing over £150m of public and private finance to establish the UK's offshore renewable innovation facilities.

Once the funds are established, under the terms of the agreement, Frontier IP will receive fees arising from the introduction of investors and the provision of fund management services to the funds as well as investment deal fees and carried interest from the funds under management. We expect the benefits arising from the agreement to be reflected in the current financial year, to 30 June 2013. In line with existing arrangements, certain regulated activities will be provided through Sigma Technology Management Limited, the FSA authorised and regulated subsidiary of Sigma Capital Group plc, a shareholder in the Company.

In August 2012, we entered into a Collaboration Agreement with University of Dundee. This is in addition to our existing spin-out commercialisation Relationship Agreement. The objective of this new collaboration is for Frontier IP and the University of Dundee to work together to define, agree and, as appropriate, establish a vehicle which funds the exploitation of commercial drug development opportunities arising from the Drug Discovery Unit at University of Dundee ("DDU"). The DDU was founded in 2006 in the university's College of Life Sciences, with the aim of translating basic science into lead compounds to validate putative drug targets, to use as tools to investigate disease pathways and, when appropriate, advance to pre-clinical drug candidates.

### *Outlook*

While the wider economic backdrop continues to be challenging, we are encouraged by the level of activity since the start of the new financial year. Our additional collaboration with University of Dundee has extended that relationship and we are excited by the potential opportunity this offers in the longer term.

The recent growth in the number of portfolio companies represents an opportunity for us to take on advisory roles and we expect to extend this approach to a number of our portfolio companies.

We are also seeing developments in our historic portfolio. In particular, Nandi Proteins Limited ("Nandi"), the Heriot Watt University spin-out, has recently made significant progress with a number of major food companies towards the licensing and adoption of its protein technology. Subject to Nandi concluding licence terms, we expect to recover the significant ongoing advisory fees that are being accrued, which have been provided against to date, as well as an uplift in valuation, and we continue to work with the company to assist in the development of its business.

In addition, we are looking forward to furthering our work with Narec Capital and UCLan during the current financial year.

In summary, we believe that, dependent on the successful outcome of the fundraising which is in its final stage, Frontier IP will be well placed to make further progress and the Board remains confident about the opportunities for growth in the new financial year and beyond.

## Details of the Placing

The Company is proposing to raise £608,000 (before expenses) through a conditional placing by Seymour Pierce Limited of 6,080,000 Placing Shares at 10 pence per share. If they are all allotted, the Placing Shares will represent approximately 46.58 per cent. of the Enlarged Share Capital.

Under the terms of the Placing Agreement, Seymour Pierce Limited have agreed to use their reasonable endeavours, as agents on behalf of the Company, to procure placees for the Placing Shares at the Placing Price and have conditionally placed the Placing Shares with institutional and other investors.

The Placing is conditional upon the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, on Admission and on the Resolutions being approved. The Placing Agreement contains provisions entitling Seymour Pierce Limited to terminate the Placing Agreement at any time prior to Admission in certain circumstances that are customary for an agreement of this nature. If this right is exercised, the Placing will lapse. The Placing has not been underwritten by Seymour Pierce Limited.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the ordinary share capital of the Company following Admission.

## Directors' Participation

The table below sets out the Directors' participation in the Placing:

Director	Beneficial Holding prior to the Placing	% of Issued Share Capital prior to the Placing	Number of Placing Shares	Beneficial Holding immediately after the Placing	% of Enlarged Share Capital
Neil Crabb*	556,375	7.98	1,500,000	2,056,375	15.76
David Cairns*	70,000	1.00	300,000	370,000	2.84
Andrew Richmond*	Nil	-	500,000	500,000	3.83
Marcus Yeoman**	Nil	-	200,000	200,000	1.53
Jackie McKay	12,855	0.18	Nil	12,855	0.1
Marilyn Cole***	Nil	-	Nil	Nil	Nil
Graham Barnet***	Nil	-	Nil	Nil	Nil

\* These figures include the holding of their connected persons

\*\* It is intended that Marcus Yeoman's appointment will be effective on Admission and that his shareholding will be held by Springtime Consultants Limited of which he is a director and majority shareholder.

\*\*\* Marilyn Cole and Graham Barnet are connected to Sigma Capital Group plc ("Sigma") by virtue of being directors of Sigma. Sigma intends to acquire 250,000 Placing Shares.

The participation in the Placing by the Directors, as described above, constitutes a related party transaction under Rule 13 of the AIM Rules and, as such, for the purposes of the AIM Rules, the Independent Director, having consulted Seymour Pierce Limited, the Company's nominated adviser, considers that the terms of the Placing are fair and reasonable insofar as Shareholders are concerned.

## Board Structure

In order to strengthen the Board and to better reflect key roles within the business, the Company is intending to reorganise its Board, as follows:

- Andrew Richmond will be appointed as non-executive Chairman
- Neil Crabb will become Chief Executive
- Jackie McKay and David Cairns will become Chief Operating Officer and Portfolio Director respectively

In addition, conditional on Admission, the Company is pleased to advise that it intends to appoint Marcus Yeoman to the Board as non-executive director, replacing Graham Barnet who will step down. Marcus, aged 49, is currently non-executive director of a number of AIM listed companies including Nexus Management Plc, Reach4entertainment Enterprises Plc, 1spatial Plc and Concha Plc. He is also a non-executive director of a number of private companies which have engaged him principally to assist them with their growth strategies. His early career started with the formation of three companies in IT infrastructure and distribution, after which he moved into small company broking and corporate work with Rathbone Stockbrokers Limited and Cheviot Capital (Nominees) Limited. In 2003, Marcus established Springtime Consultants Ltd and has been acting as a consultant or non-executive director to a number of listed companies & SME ventures.

These changes will be effective on Admission.

It is also intended that Marilyn Cole, who is engaged with the Company through a services agreement with Sigma, will be replaced in due course by an independent Finance Director.

In accordance with Schedule 2 paragraph (g) of the AIM Rules, the following information has been included in respect of Marcus Yeoman's current and past directorships.

Mr Yeoman is currently a director or partner of the following companies or partnerships:

1Spatial PLC (formerly Avisen PLC, and Z Group Plc)  
Concha PLC (formerly Hot Tuna (International) Plc)  
Crumpet Outlet Limited  
Enables IT Limited  
Nexus Management Plc  
PB1234 Limited  
R4E Limited (formerly Pivot Entertainment Group Plc)  
Reach4Entertainment Enterprises Plc (formerly First Artist Corporation Plc)  
Ronaldsway Private Equity Plc  
Springtime Consultants Limited  
Storyboard Assets Plc

Mr Yeoman was a director of the following companies during the past 5 years:

Agent Morton Ltd  
Bright Futures Group Plc  
Diamond Lifestyle Holdings Plc  
Green Growth Capital Plc  
Northern Bear Plc  
Powmatique Limited  
Secora Limited  
South American Mineral Exploration Limited  
The Big Yum Limited  
Twin Flame Media Ltd  
Wealth Rapport Limited  
Fast Bet Solutions Plc (formerly Silvanus One Plc)  
Algosys Limited (formerly TradeLabs Plc)  
Starnevesse Limited

Diamond Lifestyle Holdings Plc entered into a voluntary creditors liquidation in July 2008, Mr Yeoman was a director at that time.

## Options

The Company and Neil Crabb have agreed that Neil Crabb's existing share options will be cancelled, therefore there are no share options currently in place. It is the Company's intention to grant options, as soon as practicable, as follows:

<b>Option Holder</b>	<b>Number of ordinary shares of 10 pence each</b>	<b>Exercise Price</b>	<b>Exercise Period</b>
Neil Crabb	Such number of shares as represents 3.5% of the enlarged issued share capital of the Company at the date of grant	The higher of the market value of the Ordinary Shares at the date of grant being the mid market price quoted on AIM at close of business on the date of grant or 15 pence.	The period commencing on the third anniversary of the Grant Date and expiring on the day preceding the tenth anniversary thereof
Jackie McKay	Such number of shares as represents 1.5% of the enlarged issued share capital of the Company at the date of grant	The higher of the market value of the Ordinary Shares at the date of grant being the mid market price quoted on AIM at close of business on the date of grant or 15 pence.	The period commencing on the third anniversary of the Grant Date and expiring on the day preceding the tenth anniversary thereof
David Cairns	Such number of shares as represents 1.5% of the enlarged issued share capital of the Company at the date of grant	The higher of the market value of the Ordinary Shares at the date of grant being the mid market price quoted on AIM at close of business on the date of grant or 15 pence.	The period commencing on the third anniversary of the Grant Date and expiring on the day preceding the tenth anniversary thereof

## Venture Capital Trusts ("VCT") and Enterprise Investment Scheme ("EIS")

The Company has received advance assurance from HMRC that the Placing Shares placed with VCTs are expected to constitute a qualifying holding for such VCTs. HMRC has also confirmed that the Placing Shares should satisfy the requirements for tax relief under the Enterprise Investment Scheme. Eligibility is also dependent on a Shareholder's own position and not just that of the Company.

Accordingly, Shareholders and potential investors should take their own independent advice.

## Orderly Market Agreement

Sigma, Neil Crabb, Andrew Richmond and David Cairns have each agreed not to offer, dispose of, or agree to offer or otherwise dispose of directly or indirectly, conditionally or unconditionally, whether for consideration or not, any of the Ordinary Shares in which they are legally or beneficially interested at Admission, for a period of 12 months following Admission. This restriction is subject to a number of standard exceptions, such as to permit an acceptance of an offer for the entire issued share capital of Frontier IP, the giving of an irrevocable undertaking to accept such an offer, or transfers by the covenantor (in the case of a corporate entity) to its ultimate holding company. In addition, each covenantor will be permitted to dispose of Ordinary Shares to one or more third parties provided that each such transaction is conducted with the Company's Nominated Adviser's prior consent.

## Resolutions

At the General Meeting the Shareholders will be asked to authorise the allotment of shares in the capital of the Company without the operation or application of the pre-emption provisions contained in the Companies Act 2006, all for the purpose of enabling the Company to place Ordinary Shares in the capital of the Company pursuant to the Placing. To avoid the confusion of seeking fresh authorities at the forthcoming 2012 AGM, the Board has decided to take the opportunity to now also refresh its general allotment authorities, as last granted

at the annual general meeting of the Company which took place on 2 November 2011, and accordingly the authorities now sought will continue until the date falling 15 months after the passing of this resolution or, if earlier, the conclusion of the annual general meeting of the Company to be held in 2013 and no additional allotment authorities will be sought at the forthcoming 2012 AGM. Please note the authorities sought at the General Meeting reflect both (1) the amount the Board needs to have at its disposal to complete the Placing (Resolutions 1 and 3) and (2) the amount the Board wishes to have at its disposal for future share placings, rights issues and open offers (other than the Placing) (Resolutions 2 and 4).

### **General Meeting and Action to be taken**

You will find set out at the end of this document a notice convening a General Meeting of the Company to be held at 41 Charlotte Square, Edinburgh EH2 4HQ at 11:00am on 30 November 2012 for the purpose of considering and, if thought fit, passing the Resolutions.

Shareholders are requested to complete the Form of Proxy enclosed with this document in accordance with the instructions printed on it and to return it as soon as possible, and in any event so as to be received no later than 48 hours prior to the General Meeting, to the Company Secretary, 41 Charlotte Square, Edinburgh, EH2 4HQ. Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting should you so wish.

### **Recommendation and voting intentions**

The Directors consider that the passing of the Resolutions is in the best interests of the Shareholders as a whole as the Placing Proceeds are fundamental to the future of the business. Accordingly, the Directors recommend Shareholders to vote in favour of the Resolutions, as they intend to do in respect of their own interests amounting to 639,230 Ordinary Shares (representing approximately 9.2 per cent., in aggregate, of the Ordinary Shares in issue as at the date of this letter). In addition Sigma has confirmed that it intends to vote in favour of the Resolutions in respect of its holding of 3,255,212 Ordinary Shares (46.69 per cent. of the Ordinary Shares in issue as at the date of this letter) in aggregate.

Yours faithfully

**N D Crabb**  
Executive Chairman

# Notice of General Meeting



## Frontier IP Group Plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 6262177)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Frontier IP Group Plc (the “Company”) will be held at 11:00am on 30 November 2012 at 41 Charlotte Square, Edinburgh EH2 4HQ for the purpose of considering and, if thought fit, passing the following resolutions:

### ORDINARY RESOLUTIONS

1. That, in substitution for any existing and unexercised authority under Section 551 of the Companies Act 2006 (“the Act”), but without prejudice to the exercise of any such authority prior to the date of this Resolution, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot equity securities (as defined in Section 560(1) of the Act) in the Company and to grant rights to subscribe for, or to convert any security into, equity securities in the Company (“Rights”) up to an aggregate nominal amount equal to £608,000 (being the nominal value of the ordinary shares that are required in connection with the Placing referred to in the Company’s letter to shareholders dated 7 November 2012) provided that this authority shall (unless previously revoked or varied in general meeting) expire on the date falling 15 months after the passing of this Resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require equity securities to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot equity securities and grant Rights pursuant to any such offers or agreements as if this authority had not expired.
2. That, in substitution for any existing and unexercised authority under Section 551 of the Companies Act 2006 (“the Act”), save for the authority granted pursuant to Resolution 1 above and without prejudice to the exercise of any authority prior to the date of this Resolution, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot equity securities (as defined in Section 560(1) of the Act) in the Company and to grant Rights up to an aggregate nominal amount equal to £694,783.50 (being the aggregate of (1) the nominal value of the ordinary shares that are currently reserved to satisfy the exercise of share options and warrants which have not yet been granted, plus (2) the amount the Board wishes to have at its disposal for share placings, rights issues and open offers (other than the Placing referred to in Resolution 1 above)) provided that this authority shall (unless previously revoked or varied in general meeting) expire on the date falling 15 months after the passing of this Resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require equity securities to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot equity securities and grant Rights pursuant to any such offers or agreements as if this authority had not expired.

### SPECIAL RESOLUTIONS

3. THAT, in substitution for any existing and unexercised power under Section 95 of the Companies Act 1985 and/or Sections 570 and 573 of the Act, but without prejudice to the exercise of any such power prior to the date of this Resolution, and subject to the passing of Resolution 1 above, the Directors be and they are hereby empowered, pursuant to Section 570 and Section 573 of the Act, to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to the allotment to any person or persons (otherwise than in connection with a rights issue) of equity securities in the capital of the Company up to a maximum nominal amount of £608,000 in connection with the placing pursuant to Resolution 1 above of up to 6,080,000 ordinary shares of 10 pence each in the capital of the Company at a placing price of at least 10 pence per ordinary share; and further provided that such power shall (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) commence on the passing of this Resolution and expire



on the date falling 15 months after the passing of this Resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, except that the Company may, before the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

4. THAT, in substitution for any existing and unexercised power under Section 95 of the Companies Act 1985 and/or Sections 570 and 573 of the Act, save for the authority granted pursuant to Resolution 3 above and without prejudice to the exercise of any such power prior to the date of this Resolution, and subject to the passing of Resolution 2 above, the Directors be and they are hereby empowered, pursuant to Section 570 and Section 573 of the Act, to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 2 above as if Section 561(1) of the Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to:

- (i) the allotment of new ordinary shares in the capital of the Company with an aggregate nominal value up to £175,024 to satisfy the exercise of share options and warrants which the Directors are entitled to grant but have not yet granted;
- (ii) the allotment to any person or persons (otherwise than in connection with a rights issue) of equity securities in the capital of the Company up to a maximum nominal amount of £392,000 in connection with the placing of up to 3,920,000 ordinary shares of 10 pence each in the capital of the Company at a placing price of at least 10 pence per ordinary share (other than the Placing referred to in Resolution 1 above); and
- (iii) the allotment of equity securities in connection with a rights issue, open offer or other offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to their respective holdings of such equity securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised body or any stock exchange in any territory or by virtue of shares being represented by depositary receipts or any other matter);

and further provided that such power shall (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) commence on the passing of this resolution and expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, except that the Company may, before the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

Dated: 7 November 2012

Registered Office:

NorthWest Wing  
Bush House  
Aldwych  
London WC2B 4EZ

By Order of the Board

Marilyn Dawn Cole  
Company Secretary

*Important Notes:*

*The following notes explain your general rights as a Shareholder and your rights to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.*

1. Only those Shareholders registered in the Register of Members of the Company as at 11:00am on 30 November 2012 (the "Specified Time") shall be entitled to attend or vote at the General Meeting in respect of shares registered in their name at that time. Changes to entries on the Register of Members after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary. Should the General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they

may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, to be so entitled, members must have been entered on the Register by 11:00am two days prior to the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in such notice.

2. A person entitled to receive notice of, and attend and vote at, the General Meeting may appoint a proxy or proxies to attend and exercise all or any of his rights to attend, speak and vote at that meeting in his stead. A proxy need not be a member of the Company but must attend the General Meeting to represent you. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Appointment of a proxy will not preclude a member from attending and/or voting in person at the General Meeting. A form of proxy for use at the General Meeting is enclosed and, if used, should be lodged, together with any power of attorney or other authority (if any) under which it is signed, in accordance with the terms detailed on the form of proxy. To be valid the form of proxy must be received by the Company Secretary at 41 Charlotte Square, Edinburgh EH2 4HQ not less than 48 hours before the time of the General Meeting or any adjournment thereof. Any power of attorney or other authority under which the form of proxy is signed (or a certified copy of such authority) must be included with the form of proxy.
3. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
4. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website at [www.frontierip.co.uk](http://www.frontierip.co.uk).
5. As at 6 November 2012 (being the last business day prior to the publication of this notice), the Company's issued share capital consists of 6,972,165 Ordinary Shares, carrying one vote each. Therefore, the total number of voting rights of the Company as at 6 November 2012 is 6,972,165.

#### *Communication*

6. Except as provided above, members who have general queries about the General Meeting should contact the Company Secretary.
7. Shareholders may not use any electronic address provided either in this notice of General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.