

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares, please pass this document together with any accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



# **IP GROUP PLC**

(incorporated and registered in England and Wales under number 04204490)

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of IP Group plc to be held at 24 Cornhill, London, EC3V 3ND at 2.00pm on 28 April 2009 is set out at the end of this document.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.



### **Special business**

Resolutions 8 and 9 in the Notice of AGM will be proposed as ordinary resolutions (see above) and Resolutions 10, 11 and 12 in the Notice of AGM will be proposed as special resolutions. This means that for each of these latter three resolutions to be passed, not less than 75% of the votes cast on a show of hands must be in favour of the resolution, and, on a poll, members representing not less than 75% of the total voting rights of the members voting (in person or by proxy) must vote in favour of the resolution. Resolutions 8 to 12 all constitute the special business of the AGM and are described below:

1. Resolution 8 to give the Company authority to incur political expenditure.
2. Resolution 9 to authorise the directors to allot relevant securities for the purpose of section 80 of the Companies Act 1985.
3. Resolution 10 to authorise the directors to allot equity securities for cash without first having to offer them pro rata to existing shareholders in accordance with section 89(1) of the Companies Act 1985.
4. Resolution 11 to authorise the Company to call general meetings, other than annual general meetings, on 14 clear days' notice.
5. Resolution 12 to adopt new articles of association in substitution for the existing articles of association of the Company.

### **Resolution 8: political expenditure**

Although it has been the Company's practice not to incur political expenditure or otherwise to make payments to political parties and it intends that this will remain the case, the directors are proposing to renew the authority first obtained at the Company's AGM in 2008 to incur political expenditure in the terms of Resolution 8 as a precautionary measure, in case any of its normal activities are caught by the broad definition of political expenditure contained in section 365 of the Companies Act 2006. This authority is to be capped at £50,000.

### **Resolution 9: authority to allot shares**

The directors are currently authorised to allot relevant securities (which includes ordinary shares and preference shares) of the Company, but their authorisation ends on the date of the AGM. Paragraph (a) of this resolution seeks to renew the directors' authority to allot shares. This authority is limited to the amount set out in paragraph (a), being approximately one third of the total ordinary share capital in issue as at 26 March 2009, the latest practicable date prior to the publication of the Notice of AGM.

In addition to the above authority and following recent guidance issued by the Association of British Insurers (ABI) on authority to allot, paragraph (b) of this resolution seeks to authorise the directors to allot equity securities of the Company in connection with a fully-pre-emptive rights issue only. This authority is limited to the amount set out in paragraph (b), being approximately one third of the total ordinary share capital in issue as at 26 March 2009, the latest practicable date prior to the publication of the Notice of AGM. Taking this additional authority will allow the Company to implement a rights issue of up to an amount equal to two-thirds of share capital without needing a separate shareholders' meeting.

As at 26 March 2009, the Company did not hold any shares in the Company in treasury. The above authorities will remain in force until the date of the annual general meeting in 2010 or 27 April 2010, whichever is the earlier.

The directors have no present intention of exercising these authorities. The purpose of giving the directors such authorities is to maintain the Company's flexibility to take advantage of any appropriate opportunities that may arise.

### **Resolution 10: disapplication of pre-emption rights**

Paragraph (a) of this resolution, which will be proposed as a special resolution, seeks to renew the authority conferred on the directors at last year's annual general meeting to issue equity securities of the Company for cash without first offering them to existing shareholders in proportion to their existing shareholdings. Other than in connection with a rights or other similar issue or scrip dividend (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements), the authority contained in this resolution will be limited to an aggregate nominal value of £250,291.96 which represents less than 5% of the Company's issued ordinary share capital as at 26 March 2009 (being the latest practicable date prior to the publication of the Notice of AGM). Paragraph (b) of this resolution seeks authority to issue equity securities for cash free from pre-emption rights pursuant to the additional one-third authority in connection with a rights issue sought at Resolution 9.

The renewed authority will remain in force until the date of the annual general meeting in 2010 or 27 April 2010, whichever is the earlier.

In accordance with the Statement of Principles on disapplying pre-emption rights issued by the Pre-Emption Group (which is supported by the ABI, the National Association of Pension Funds Limited and the Investment Managers Association), the Board confirms its intention that no more than 7.5% of the issued share capital will be issued for cash on a non pre-emptive basis during any rolling three year period. The directors have no present intention of exercising this authority.

### **Resolution 11: notice of general meetings**

This resolution is required to reflect the proposed implementation in the UK in August 2009 of the Shareholder Rights Directive. The regulation implementing the Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than annual general meetings) on 14 clear days' notice and would like to preserve this right. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 11 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

### **Resolution 12: new articles of association**

It is proposed in Resolution 12 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the implementation on 1 October 2009 of the remaining parts of the Companies Act 2006. The resolution adopting the New Articles will only become effective on 1 October 2009.

The principal changes introduced in the New Articles are summarised in Part II of this document. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been specifically noted in Part II. The New Articles showing all the changes to the Current Articles are available for inspection, as noted below.

### **Action to be taken**

If you would like to vote on the resolutions set forth in the Notice of AGM but cannot come to the AGM, please fill in the proxy form sent to you with this document and return it, together with the power of attorney or other authority (if any) under which it is signed, to our registrars, Capita Registrars, by hand only to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or in accordance with the replied paid details, as soon as possible. They must receive it by no later than 2.00pm on 26 April 2009.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST messages must be received by the issuer's agent (CREST ID No. RA10) by no later than 2.00pm on 26 April 2009.

### **Recommendation**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely,

**Dr Bruce Smith**

Chairman

### **Inspection of documents**

The following documents will be available for inspection at the offices of IP Group plc, 24 Cornhill, London, EC3V 3ND from the date of this document until the time of the AGM and at the location of the AGM from 15 minutes before the AGM until it ends:

- copies of the executive directors' service contracts;
- copies of the letters of appointment of the non-executive directors; and
- a copy of the proposed new articles of association of the Company, and a copy of the existing memorandum and articles of association to show the changes being proposed in Resolution 12.

# Part II

## Explanatory notes of principal changes to the Company's articles of association

### 1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006, the objects clause and all other provisions which are currently contained in a company's memorandum will, for existing companies at 1 October 2009, be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 12(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of its shareholders.

### 2. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

### 3. Redeemable shares

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

### 4. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the law currently in force, a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

### 5. Conversion into stock

The Companies Act 2006 abolishes the ability of a company to convert shares into stock. The Current Articles contained a provision enabling the Company to convert shares into stock; this provision has been removed from the New Articles.

### 6. Use of seals and execution of documents

A company currently requires authority in its articles to have an official seal for use abroad. After 1 October 2009 such authority will no longer be required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve. In addition, the New Articles provide that the Company may also execute a document as a deed in the presence of a single director whose signature is witnessed.

### 7. Registration of share transfers

The Companies Act 2006 prescribes that share transfers must be registered by the directors as soon as practicable following such transfer(s) being lodged with the Company. The Current Articles have been amended slightly so that the position under the Companies Act 2006 is more accurately reflected in the New Articles.

### 8. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

### 9. Indemnity of auditors

The Current Articles specify that, subject to the provisions of the Companies Act 2006, the Company's auditors shall be entitled to be indemnified out of the funds of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the execution of their duties for the Company. The Company considers that it is not appropriate to include the Company's auditors within the scope of such indemnity and thus have removed them from the scope of the indemnity in the New Articles and confirms to shareholders that for the period the Current Articles remain in force, that it will not invoke such provisions for the benefit of the Company's auditors.

# Part III

## IP Group plc

### Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the **ANNUAL GENERAL MEETING** of **IP Group plc** (the "**Company**") will be held at the offices of the Company at 24 Cornhill, London, EC3V 3ND at 2.00pm on 28 April 2009 for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 9 (inclusive) will be proposed as ordinary resolutions and Resolutions 10, 11 and 12 will be proposed as special resolutions.

1. To receive and adopt the Directors' Report, the Audited Statement of Accounts and Auditors' Report of the Company for the financial year ended 31 December 2008.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 December 2008.
3. To re-appoint BDO Stoy Hayward as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid before the shareholders in accordance with the provisions of the Companies Act 1985 (the "**1985 Act**").
4. That the directors be authorised to fix the remuneration of BDO Stoy Hayward as auditors of the Company.
5. To re-elect Francis Carpenter as a director of the Company, who is vacating office and offering himself for re-election in accordance with Article 83.1 of the Company's existing articles of association, having been appointed a director of the Company since the notice of the last annual general meeting of the Company was despatched to shareholders.
6. To re-elect Mr Magnus Goodlad as a director of the Company, who is retiring by rotation and offering himself for re-election in accordance with Article 89 of the Company's existing articles of association.
7. To re-elect Dr Bruce Smith as a director of the Company, who is retiring by rotation and offering himself for re-election in accordance with Article 89 of the Company's existing articles of association.
8. That, in accordance with section 366 of the Companies Act 2006 (the "**2006 Act**"), the Company and all companies that are subsidiaries of the Company at any time during the period for which this Resolution 8 has effect be and are hereby authorised to incur political expenditure (as defined in section 365 of the 2006 Act) not exceeding £50,000 in total during the period beginning with the date of the passing of this resolution and ending at the conclusion of the Company's 2010 annual general meeting.
9. That the directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the 1985 Act to exercise all the powers of the Company to allot:
  - (a) relevant securities (as defined in section 80 of the 1985 Act) up to an aggregate nominal amount of £1,668,613.10 (being approximately one third of the Company's issued share capital as at 26 March 2009, the latest practicable date prior to the printing of this notice of meeting); and
  - (b) equity securities (as defined in section 94 of the 1985 Act) up to a further aggregate nominal amount of £1,668,613.10 (being approximately one third of the Company's issued share capital as at 26 March 2009, the latest practicable date prior to the printing of this notice of meeting) in connection with an offer by way of a rights issue,

and so that (i) such authorities shall expire on the earlier of the conclusion of the Company's 2010 annual general meeting and 27 April 2010, and (ii) before such expiry the Company may make any offer or agreement which would or might require relevant securities or equity securities to be allotted after such expiry and, notwithstanding such expiry, the directors may allot such securities pursuant to any such offer or agreement. These authorities shall be in substitution for all other authorities vested in the directors to exercise the powers of the Company to allot securities.

For the purposes of this resolution, "**rights issue**" means an offer to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class) to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractions of such securities, the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, the use of one or more currencies for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares or any legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory.

10. That, subject to the passing of Resolution 9, the directors be empowered in accordance with section 95 of the 1985 Act to allot equity securities (as defined in section 94 of the 1985 Act), payment for which is to be wholly in cash:

(a) pursuant to the authority conferred on the directors by paragraph (a) of Resolution 9:

(i) in connection with any rights issue, open offer or other pre-emptive offer, open for acceptance for a period determined by the directors, to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractions of such securities, the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, the use of one or more currencies for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares or any legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory; and

(ii) other than pursuant to paragraph (a)(i) of this Resolution 10, up to an aggregate nominal amount of £250,291.96, representing approximately 5% of the nominal value of the issued share capital of the Company as at 26 March 2009 (the latest practicable date prior to the printing of this notice of meeting); and

(b) pursuant to the authority conferred on the directors by paragraph (b) of Resolution 9 in connection with a rights issue,

as if section 89(1) of the 1985 Act did not apply to any such allotment. References herein to the allotment of equity securities shall include the sale of treasury shares (within the meaning of section 162A of the 1985 Act). The authorities given by this resolution shall expire at such time as the authorities conferred on the directors by Resolution 9 expire save that, before the expiry of these authorities, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and, notwithstanding such expiry, the directors may allot equity securities pursuant to any such offer or agreement.

For the purposes of this Resolution 10, "**rights issue**" has the same meaning as in Resolution 9 above.

11. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

12. That with effect from 00.01 a.m. on 1 October 2009:

(a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the 2006 Act, are to be treated as provisions of the Company's Articles of Association; and

(b) the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

**Registered Office**

24 Cornhill  
London  
EC3V 3ND  
27 March 2009

Registered in England and Wales No. 4204490

**By Order of the Board**

Angela Leach  
Company Secretary

# Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars on 0871 664 0300 (Calls cost 10p per minute plus network extras) or if you are calling from overseas on +44 208 639 2157.
2. To be valid, the proxy form must be completed and lodged, together with the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power or authority, with the Company's registrars, Capita Registrars, by hand only to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or in accordance with the replied paid details, not less than 48 hours before the time appointed for holding the Annual General Meeting.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6pm on 26 April 2009 (or, if the Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 26 March 2009 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 250,291,965 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 26 March 2009 are 250,291,965.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID No. RA10) by 2.00pm on 26 April 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Arrangements will be put in place at the meeting in order to facilitate voting by representatives of members which are corporations on a poll (if required) in accordance with the procedures set out in the Institute of Chartered Secretaries and Administrators' January 2008 guidance note on "Proxies & Corporate Representatives at General Meetings".