



22 October 2021

IP Group plc – section 430(2B) statement in respect of Alan Aubrey and Michael Townend’s retirement

As announced on 6 October 2021, Alan Aubrey and Mike Townend stepped down from the Board with effect from 6 October 2021. They will both remain in employment until their retirement on 6 April 2022. Following that, and as explained in the Company’s announcement, they have both entered into consulting agreements with the Group for an initial 12-month period from 7 April 2022 and will remain on the Board of Top Technology Ventures Limited, a subsidiary company of the Group for the same initial 12-month period. The Remuneration Committee has confirmed the following remuneration arrangements which will apply, in accordance with the terms of their respective service contracts, Remuneration Policy (the “Policy”), and rules of the Group’s Deferred Bonus Share Plan (“DBSP”) and Long-Term Incentive Plan (“LTIP”).

Alan Aubrey remuneration

Alan Aubrey will continue to receive his current salary and benefits (including pension contribution) on a monthly basis until his retirement on 6 April 2022. There will be no payment in lieu of notice.

He will remain eligible for any payments due under the 2021 Annual Incentive Scheme (“AIS”) for the 2021 Financial Year, subject to performance against the original targets assessed in the normal way and disclosed in the 2021 Directors’ Remuneration Report. Mr Aubrey has waived any right to an AIS payment in respect of the 2022 Financial Year.

In line with the Policy, half of any amount payable over £25,000 will continue to be deferred into nil-cost options under the DBSP for up to 2-years. DBSP awards made in 2021 and 2020 (as well as any grant made in 2022) will subsist and will be available for exercise in full on the original vesting date in each case.

The LTIP award made in 2019 will subsist and remain eligible for vesting on 31 March 2022, subject to performance against the relevant performance conditions.

Following retirement as an employee, Mr Aubrey will remain a director of Top Technology Ventures Limited. Under the rules of the LTIP this entitles him to retain LTIP awards made in 2020 and 2021 in full. However, Mr Aubrey and the Remuneration Committee have agreed that it would be appropriate to adjust voluntarily these holdings to reflect his retirement as CEO. As a result, Mr Aubrey will voluntarily surrender all of the conditional share awards granted in 2021. The 2020 LTIP award will be retained and vest in line with the relevant performance conditions. Overall this treatment will result in the 2020 and 2021 awards, in aggregate, being pro-rated for the period of his full-employment.

Any vested LTIP awards will continue to be subject to a 2-year holding period after vesting, in accordance with the Policy.

In accordance with IP Group’s Directors’ Remuneration Policy, Mr Aubrey will be required to maintain a minimum IP Group shareholding of 174,268 shares immediately upon retirement as an employee (the “Required Shareholding Amount”). The Required Shareholding Amount will taper to zero on a straight-line basis over the following 2 years. In accordance with the Group’s post-cessation shareholding policy and framework agreed, vested LTIP shares within the holding period and unvested DBSP awards will count towards the Required Shareholding Amount. Any shares issued to Mr Aubrey upon the exercise of any of the 2020 DBSP Award



and the 2021 DBSP Awards within 24 months of his retirement may be issued to and held for Mr Aubrey in the Employee Benefit Trust to ensure that the post cessation shareholding requirement is satisfied.

Mike Townend remuneration

Mike Townend will continue to receive his current salary and benefits (including pension contribution) on a monthly basis until his retirement on 6 April 2022. There will be no payment in lieu of notice.

He will remain eligible for any payments due under the 2021 Annual Incentive Scheme ("AIS") for the 2021 Financial Year, subject to performance against the original targets assessed in the normal way and disclosed in the 2021 Directors' Remuneration Report. Mr Townend has waived any right to an AIS payment for the 2022 Financial Year.

In line with the Policy, half of any amount payable over £25,000 will continue to be deferred into nil-cost options under the DBSP for up to 2-years. DBSP awards made as result of AIS deferral in 2021 and 2020 will subsist and will be available for exercise in full at the earliest vesting date in each case.

The LTIP award made in 2019 will subsist and remain eligible for vesting on 31 March 2022, subject to performance against the relevant performance conditions.

Following retirement, Mr Townend will remain a director of Top Technology Ventures Limited. Under the rules of the LTIP this entitles him to retain awards made in 2020 and 2021 in full. However, Mr Townend and the Remuneration Committee have agreed that it would be appropriate to adjust voluntarily these holdings to reflect his retirement as CIO. Mr Townend will voluntarily surrender all of the conditional share awards granted in 2021. The 2020 LTIP award will be retained and vest in line with the relevant performance conditions. Overall this treatment will result in the 2020 and 2021 awards, in aggregate, being pro-rated for the period of his full-employment.

Any vested LTIP awards will continue to be subject to a 2-year holding period after vesting, in accordance with the Policy.

In accordance with IP Group's Directors' Remuneration Policy, Mr Townend will be required to maintain a minimum IP Group shareholding of 105,983 shares immediately upon retirement as an employee (the "Required Shareholding Amount"). The Required Shareholding Amount will taper to zero on a straight-line basis over the following 2 years. In accordance with the Group's post-cessation shareholding policy and framework agreed, vested LTIP shares within the holding period and unvested DBSP awards will count towards the Required Shareholding Amount. Any shares issued to Mr Townend upon the exercise of any of the 2020 DBSP Award and the 2021 DBSP Awards within 24 months of his retirement may be issued to and held for Mr Townend in the Employee Benefit Trust to ensure that the post cessation shareholding requirement is satisfied.

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