

# Notice of 2022 annual general meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent advisor authorised under the Financial Services and Markets Act 2000. If you have recently sold or transferred all of your shares in Velocys plc, please forward this document, as soon as possible, either 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.**

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## **Velocys plc**

(Incorporated and registered in England & Wales  
with registered number: 05712187)

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Notice of the AGM of the Company, to be held at The Sadler Building, Heatley Road, The Oxford Science Park, Oxford OX4 4GE on Tuesday 21 June 2022 at 10.45 am is set out at the end of this document. To be valid, any proxy vote should be completed online at [www.signalshares.com](http://www.signalshares.com) citing your Investor Code (which can be found on your share certificate), or via the CREST electronic platform if you are a CREST member, and in any event your instruction must be received by no later than 10.45 am on Friday 17 June 2022. Detailed information about how to vote is set out in the notes to the Notice of Meeting.

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# Letter from the Chairman of the Company

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**Directors:**

Philip Holland (Chair)  
Henrik Wareborn (Chief Executive Officer)  
Andrew Morris (Chief Financial Officer)  
Darran Messem (Senior Independent Director)  
Ann Markey (Non-Executive Director)  
Tom Quigley (Non-Executive Director)

**Registered Office:**

Magdalen Centre  
Robert Robinson Avenue  
The Oxford Science Park  
Oxford OX4 4GA

16 May 2022

To the holders of Ordinary Shares and for information purposes only, to holders of options under the Company's share option schemes.

Dear Shareholder,

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**2022 Annual General Meeting ("AGM")**

I am writing to give you details of the resolutions to be proposed at the Company's 2022 AGM to be held at The Sadler Building, Heatley Road, The Oxford Science Park, Oxford OX4 4GE on Tuesday 21 June 2022 at 10.45 am, and which are set out in the notice of AGM at the end of this document ('**Notice**').

Shareholders should read the contents of this document in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021, together with the reports of the directors and auditors thereon ('Accounts').

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**The Board of Directors**

The Company's articles of association provide that directors are subject to election by Shareholders at the first opportunity after their appointment. In addition, one third of directors are subject to retirement by rotation at each annual general meeting. The Board has agreed that, in line with best corporate governance practice, all directors wishing to do so should stand for re-appointment at the 2022 AGM.

As announced on 10 February 2022, Andrew Morris, Chief Financial Officer, has advised the Board of his intention to leave Velocys in order to pursue other career opportunities. Accordingly, he will not be seeking re-election at the AGM.

Biographical details of each of the directors proposed for reappointment are set out on the Company's web-site at [www.velocys.com](http://www.velocys.com).

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**Annual General Meeting**

The following resolutions will be proposed at the AGM:

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**Ordinary resolutions**

Resolutions nos. 1 to 11 are to be proposed at the Meeting as ordinary resolutions (each requiring more than 50 per cent. of the votes cast to be in favour of the resolution in order for it to be passed), as follows:

**Resolution no. 1 – Report and Accounts**

To receive, consider and adopt the annual accounts of the Company as at 31 December 2021 and the directors' and auditors' reports thereon (resolution no. 1);

**Resolution no. 2 – Directors' Remuneration Report**

To approve by way of an advisory vote the Directors' Remuneration Report, as set out on pages 31 to 35 of the annual report and accounts of the Company for the year ended 31 December 2021 (resolution no. 2);

To re-elect the following directors who retire in accordance with the provisions of the UK Corporate Governance Code and, being eligible, offer themselves for election:

# Letter from the Chairman of the Company (Continued)

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## **Ordinary resolutions (continued)**

### **Resolution no. 3 – Re-election of director**

To re-elect Philip Holland, who retires as a director and being eligible, offers himself for re-election as a director at the AGM (resolution no. 3);

### **Resolution no. 4 – Re-election of director**

To re-elect Henrik Wareborn, who retires as a director and, being eligible, offers himself for re-election as a director at the AGM (resolution no. 4);

### **Resolution no. 5 – Re-election of director**

To re-elect Darran Messem, who retires as a director and being eligible, offers himself for re-election as a director at the AGM (resolution no. 5);

### **Resolution no. 6 – Election of director**

To elect Ann Markey, who retires as a director and, being eligible, offers herself for election as a director at the AGM (resolution no. 6).

### **Resolution no. 7 – Election of director**

To elect Tom Quigley, who retires as a director and, being eligible, offers himself for election as a director at the AGM (resolution no. 7).

### **Resolution no. 8 – Re-appointment of auditors**

To re-appoint PricewaterhouseCoopers LLP as auditors of the Company (resolution no. 8).

The Board and the Audit Committee recognise that PricewaterhouseCoopers LLP has provided audit services to the Group since 2008. PricewaterhouseCoopers LLP's performance has been reviewed annually and audit partner rotation requirements have been observed. The Board and the Audit Committee has obtained confirmation from PricewaterhouseCoopers LLP that its independence and ethics policies comply with FRC requirements, and that it remains independent and maintains internal safeguards to ensure its objectivity. No contractual obligations exist that restrict the Company's choice of external auditors and the Board and the Audit Committee are satisfied that the external Auditors remain independent.

### **Resolution no. 9 – Determination of auditors' remuneration**

To authorise the directors to fix the auditors' remuneration (resolution no. 9); and

### **Resolution no. 10 – Approval of amendment to the Velocys plc 2021 Share Option Scheme**

The Board is recommending an amendment to the Velocys plc 2021 Share Option Scheme to reduce the maximum number of Shares available for the grant of options from 25% of the Company's issued Share capital to 10%.

The present level of 25% was approved by shareholders in 2015 to accommodate US norms of compensation at a time when our business had become increasingly concentrated on North America. Following a review by the Remuneration Committee, the Board has concluded that it would be appropriate to reduce the level to 10% which is in line with best practice for companies traded on the AIM market, and with guidelines issued by the Investment Association.

Resolution no. 10 will be proposed as an ordinary resolution to authorise the Directors to amend the rules of the Velocys Group 2021 Share Option Scheme to reduce the maximum dilution effect of incentives granted thereunder from 25 per cent to 10 per cent of the ordinary share capital of the Company from time to time and to do all acts and things as may be necessary to carry the same into effect.

Option grants will continue to be subject to challenging performance targets in order to be exercisable in full, with the express intention of aligning the interests of Management and Employees with those of our Shareholders.

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### **Resolution no. 11 – Authority of directors to allot shares**

Resolution no. 11 will be proposed as an ordinary resolution to authorise the directors to allot Equity Securities (as defined in the Company's articles of association) up to a maximum aggregate nominal amount of £4,602,084.40 (representing approximately 33% of the total ordinary share capital of the Company presently in issue). This authority replaces the authority granted on 23 June 2021 and will expire on 31 July 2023 or at the conclusion of the next AGM, whichever is the earlier.

### **Special Resolutions**

Resolutions nos. 12 and 13 are to be proposed at the Meeting as special resolutions (each requiring at least 75 per cent. of the votes cast to be in favour of the resolution in order for it to be passed), as follows:

### **Resolution no. 12 – Renewal of authority of directors to allot shares for cash disapplying statutory pre-emption rights**

Resolution no. 12 will be proposed as a special resolution to empower the directors to issue Equity Securities on a non pre-emptive basis up to a maximum aggregate nominal value of £2,091,856.55 (representing approximately 15 per cent. of the total ordinary share capital of the Company presently in issue). The level of this authority is in line with that approved by Shareholders at the 2021 Annual General Meeting.

This authority replaces the authority granted on 23 June 2021 and will expire on 31 July 2023 or at the conclusion of the next AGM, whichever is the earlier.

### **Resolution no. 13 – Authority to purchase own shares**

Resolution no.13 will be proposed as a special resolution to authorise the Company to purchase up to 139,457,103 of its own Ordinary Shares in the market, representing 10 per cent. of the current issued ordinary share capital of the Company, at a price of not less than the nominal value of the Ordinary Shares and not more than the amount equal to 5 per cent. above the average of the middle market quotations of the Ordinary Shares as derived from the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Shares are contracted to be purchased. If approved, this authority will expire at the conclusion of next year's AGM.

The directors have no present intention of making such purchases, but consider it prudent to have this authority so as to be able to act at short notice if circumstances change. The authority would, however, only be exercised if the directors believe that to do so would result in an increase in earnings per share and would be in the best interests of the Company and the Shareholders generally.

Options over an aggregate of 72,466,728 Ordinary Shares in the Company were outstanding as at 13 May 2022 (being the last practicable date before publication of this Notice of 2022 AGM) representing 5.2 per cent. of the Company's issued ordinary share capital at that date and which would represent 5.77 per cent of the Company's issued ordinary share capital if the authority proposed at the AGM to buy back 139,457,103 Ordinary Shares was exercised in full (and all of the repurchased shares were cancelled).

The resolution will also permit the Company to purchase its own shares to hold as treasury shares rather than cancelling them. The treasury shares can be subsequently cancelled, sold for cash or used to satisfy share awards granted under employee share award schemes and would therefore provide the Company with additional flexibility in the management of its capital base. As at 13 May 2022, the Company did not hold any of its Ordinary Shares as treasury shares.

The directors would consider holding as treasury shares any shares which the Company purchases pursuant to the authority proposed to be granted by resolution no. 13. In relation to any repurchased shares held in treasury however, unless such shares are subsequently cancelled, earnings per share will only be increased on a temporary basis until such time as the shares are subsequently sold out of treasury.

# Letter from the Chairman of the Company (Continued)

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## Ordinary resolutions (continued)

### Action to be taken

Whether or not you propose to attend the AGM in person, you are requested to complete and lodge your proxy vote online at [www.signalshares.com](http://www.signalshares.com) citing your Investor Code (which can be found on your share certificate), or via the CREST electronic platform if you are a CREST member, but in any event your instruction must be received by no later than 10.45 am on Friday 17 June 2022. Detailed information about how to vote is set out in the notes to the Notice of Meeting. Unless the Proxy Vote is lodged by this date and time, the Proxy Vote will be invalid.

Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of members who are unable to attend the AGM, but who have appointed proxies, are taken into account in the final voting results.

### Recommendation

The directors consider the resolutions to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Consequently, the directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the AGM as they intend to do in respect of their own beneficial holdings which in aggregate amount to 5,627,713 Ordinary Shares in the Company, representing 0.40 per cent. of the Company's current issued ordinary share capital and of the votes that could be cast at the AGM.

Yours faithfully,



**Philip Holland**  
Chair

16 May 2022

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## Registered Office

Magdalen Centre  
Robert Robinson Avenue  
The Oxford Science Park  
Oxford OX4 4GA

# Notice of 2022 annual general meeting

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**NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING (“AGM”) of the Company will be held at The Sadler Building, Heatley Road, The Oxford Science Park, Oxford OX4 4GE on Tuesday 21 June 2022 at 10.45 am to consider and, if thought fit, pass the following resolutions. Resolutions nos. 1 to 11 will be proposed as ordinary resolutions and resolutions nos. 12 and 13 will be proposed as special resolutions.**

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## As ORDINARY BUSINESS

### Ordinary resolutions

1. To receive, consider and adopt the annual accounts of the Company as at 31 December 2021 and the directors’ and auditors’ reports thereon.
2. To approve the Directors Remuneration Report, as set out on pages 31 to 35 of the annual report and accounts of the Company for the year ended 31 December 2021.
3. To re-elect Philip Holland (Company Chair and Chair of the Nomination Committee) as a director of the Company.
4. To re-elect Henrik Wareborn (Executive Director, Chief Executive Officer and member of the Nomination Committee) as a director of the Company.
5. To re-elect Darran Messem (Senior Independent Director, Chair of the Risk & Sustainability Committee and a member of the Audit, Remuneration and Nomination Committees) as a director of the Company.
6. To elect Ann Markey (Chair of the Audit Committee and a member of the Risk & Sustainability Committee) as a director of the Company.
7. To elect Tom Quigley (Non-Executive Director, Chair of the Remuneration Committee and a member of the Audit and Risk & Sustainability Committees) as a director of the Company.
8. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting of the Company at which accounts are laid.
9. To authorise the directors of the Company to fix the remuneration of the auditors.

## As SPECIAL BUSINESS

### Ordinary resolution

10. That, the Directors be and are hereby authorised to amend the rules of The Velocys Group 2021 Share Option Scheme to reduce the maximum dilution effect of incentives granted thereunder from 25 per cent to 10 per cent of the ordinary share capital of the Company from time to time and to do all acts and things as may be necessary to carry the same into effect.

# Notice of 2022 annual general meeting (Continued)

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## As SPECIAL BUSINESS (continued)

### Ordinary resolution

11. That

- (a) the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("Act") to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £4,602,084.40 (representing approximately 33 per cent. of the Company's issued ordinary share capital at the date of posting of this notice) such authority to expire, unless sooner revoked or altered by the Company in general meeting, on 31 July 2023 or at the conclusion of the next annual general meeting of the Company in 2023 (whichever is the earlier) and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of this authority and the directors may allot shares or grant Rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and
- (b) all other authorities conferred on the directors prior to the date of passing of this resolution to allot equity securities are hereby revoked save to the extent that such authorities have been utilised or agreed to be utilised.

### Special resolution

12. That pursuant to the authority conferred by resolution numbered 11 being passed, the directors be and they are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by the previous resolution as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of such securities by way of rights to holders of ordinary shares of 1p each in the capital of the Company ("ordinary shares") in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
- (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £2,091,856.55 (representing 15% of the Company's issued ordinary share capital at the date of posting this notice)

and shall expire on 31 July 2023 or at the conclusion of the next annual general meeting of the Company in 2023 (whichever is the earlier), and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560 (3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by resolution numbered 11 being passed" were omitted.



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### Special resolution

13. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) on the AIM market of the London Stock Exchange of its ordinary shares provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 139,457,103 (representing 10% of the Company's issued ordinary share capital at the date of posting of this notice);
  - (b) the minimum price which may be paid for such shares is 1p per ordinary share;
  - (c) the maximum price which may be paid for an ordinary share shall not be more, at the time of purchase, than the amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the date on which the ordinary share is purchased;
  - (d) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the next annual general meeting of the Company in 2023; and
  - (e) the Company may make a contract or contracts to purchase ordinary shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts, as if such authority had not expired.

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### By order of the Board



**Jeremy Gorman FCA**

Secretary  
16 May 2022

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### Registered Office

Magdalen Centre  
Robert Robinson Avenue  
The Oxford Science Park  
Oxford OX4 4GA

# Notes

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1. A member of the Company entitled to attend, speak and vote at a general meeting of the Company is entitled to appoint a proxy to attend, speak and vote instead of him or her. A proxy need not be a member of the Company and completion of a proxy appointment in and of itself does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

You can vote either:

- by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid, a valid proxy must be completed online at [www.signalshares.com](http://www.signalshares.com) or through the CREST electronic proxy appointment service, or a hard copy form of proxy must be validly completed. In each case, the proxy appointment must be received by Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 10.45 am on 17 June 2022. If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Group, on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales or email Link at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk).

2. Appointment of proxies using hard copy form. If you require a paper proxy form, please contact our Registrar, Link Group, on 0871 664 0300 if calling from the UK, or +44 (0) 371 664 0300 if calling from outside of the UK, or email Link at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk). The paper proxy form should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 10.45 am on 17 June 2022.
3. Appointment of proxies electronically. You may submit your proxy electronically using the Share Portal service at [www.signalshares.com](http://www.signalshares.com). If not already registered for the Share Portal, you will need your Investor Code which is stated on your share certificate. The proxy appointment and instructions should reach the Company's registrars by the latest time for receipt of proxy appointments specified in note 1. You are advised to read the terms and conditions of use carefully.
4. CREST electronic proxy appointment service. CREST members who wish to appoint a proxy or proxies through the CREST electronic platform may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message must, in order to be valid, (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in note 1. 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 Applications 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 a proxy appointed through CREST should be communicated to him or her by other means.

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CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. 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(s), to procure that his or her CREST sponsor or voting service provider(s) take) 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

5. To revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney of the company. Any power of attorney or any other authority under which the revocation is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Group no later than 10.45 am on Friday 17 June 2022. Revocation notices received after this time will not be valid unless you attend the meeting in person.
6. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares, and each proxy must attend the meeting in person. To appoint more than one proxy you should submit your proxy online at [www.signalshares.com](http://www.signalshares.com), alternatively you can request a hard copy Form of Proxy from our registrars, Link, using the instructions in note 2, or follow the instructions at note 4 if you wish to appoint more than one proxy through the CREST electronic proxy appointment service. In any event your instruction must be received by no later than 10.45 am on Friday 17 June 2022.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at close of business on Friday 17 June 2022 (or, in the case of an adjournment, as at close of business on the day two business days prior to the day of the adjourned meeting) shall be entitled to attend and/or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register of members after close of business on Friday 17 June 2022 (or, in the case of an adjournment, after close of business on the day two days prior to the day of the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of members who are unable to attend the AGM, but who have appointed proxies, are taken into account in the final voting results.
9. As at 13 May 2022 (being the last business day prior to the date of this notice) the Company's issued share capital consisted of 1,394,571,031 ordinary shares each carrying one vote per share. Accordingly the total voting rights in the Company as at 13 May 2022 were 1,394,571,031.
10. Copies of the directors' service contracts and terms and conditions of appointment will be available for inspection at the registered office of the Company during normal business hours and at the place of the meeting from 15 minutes prior to the meeting until its conclusion.
11. A copy of this Notice, and other information required by section 311A of the UK Companies Act 2006, can be found on the Company's website ([www.velocys.com](http://www.velocys.com)).

