



NOTICE IS HEREBY GIVEN

Annual General Meeting  
**of IQE plc**

Tuesday 28 June 2022 at 9:00 am.

## Dear Shareholder,

I am pleased to invite you to IQE plc's (IQE or Company) Annual General Meeting (AGM) which will be held at 9:00am on Tuesday 28 June 2022 at Peel Hunt LLP, 7<sup>th</sup> Floor, 100 Liverpool Street, London EC2M 2AT.

## Arrangements

At the time of writing, applicable legislation and UK Government guidelines regarding social contact and public gatherings have been relaxed, allowing us to hold an in-person AGM for the first time in two years. The health and safety of our employees, shareholders and the wider community remains a primary concern. As such, we may be required to adjust the arrangements for this year's AGM in the event that there are changes in the external environment. We strongly recommend that shareholders consult our website for any updates on the arrangements for the AGM before making plans for their attendance at [www.iqep.com/investors/aggm/](http://www.iqep.com/investors/aggm/).

We have made positive progress over the past couple of years in the digital offering for our AGM. This year, we are offering shareholders a choice of either joining the AGM in person or, if they choose to do so, joining a live webcast of the AGM. Those attending the live webcast will not count towards the quorum of the meeting and will need to cast their votes in advance of the meeting by submitting a proxy vote.

You can join the AGM webcast at: <https://webcasting.brrmedia.co.uk/broadcast/6261727b67e322082fa89055>. You will need your unique Shareholder Reference Number which can be found printed on your proxy card or Notice of Availability. The webcast will start promptly at 9:00am and will last for approximately one hour.

If you have any questions which you would like the Board to answer in relation to the AGM, then I encourage you to submit those questions using the above link prior to the AGM or by emailing [AGM@iqep.com](mailto:AGM@iqep.com). The webcast will also, for a limited period of time, enable you to submit written questions, and the key themes from those questions will then be put to the Board during the Q&A part of the AGM. If you will be attending the AGM in person, we encourage you to submit your question in advance. We may consolidate questions into similar themes and will publish written responses on our website at [www.iqep.com/investors/aggm/](http://www.iqep.com/investors/aggm/) as soon as possible following the AGM.

## Voting

Voting on all resolutions will be by way of a poll. We think this is the fairest approach as shareholder votes are counted according to the number of shares held.

You will not be able to vote during the webcast and so I strongly encourage you to complete and submit your proxy vote in advance of the AGM using one of the following methods:

- Electronic Proxy Voting: [www.sharevote.co.uk](http://www.sharevote.co.uk). Using your unique Voting ID, Task ID and Shareholder Reference Number as printed on the proxy form Notice of Availability. Alternatively, if you have already registered with the Company's Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password, or you can register if you have not previously done so. To register you will require your Shareholder Reference Number
- Paper Proxy Voting: to submit your proxy vote via paper, please complete the proxy form and return to our Registrars
- CREST: CREST members who wish to appoint a proxy via the CREST electronic proxy appointment service should refer to note 4 on page 4 of this document.

Shareholders are strongly encouraged to appoint the Chair of the meeting as their proxy. Proxy votes must be received no later than 9:00am on Friday 24 June 2022.

Those attending the meeting in person will be able to vote by submitting a paper poll card which will be provided at the shareholder registration desk before the AGM.

Voting will be open from the time the chair of the AGM declares the poll open until it is closed.

The Board believes that the proposed resolutions set out in the notice of meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of the resolutions to be put to the meeting, as all members of the Board intend to do in respect of their own beneficial shareholdings.

## Further information

Further information regarding the arrangements for this year's AGM is available on the Company's website at [www.iqep.com/investors/aggm/](http://www.iqep.com/investors/aggm/).

Additionally, the full annual report and accounts in respect of the financial year ended 31 December 2021 has been published on the Company's website at [www.iqep.com/investors/results-reports-presentations/](http://www.iqep.com/investors/results-reports-presentations/). A copy of the report will be enclosed with this notice if you have requested a printed copy.

If you are unable to locate any of the documents on the Company's website, need help with voting or require a paper proxy form sent to you, please contact our Registrar, Equiniti, on 0371 384 2030 if calling from the United Kingdom or +44 (0) 371 384 2030 if calling from outside of the United Kingdom. Lines are open 8:30am to 5:30pm Monday to Friday (excluding public holidays in England and Wales).

Yours faithfully,



**Phil Smith, Chairman**

20 May 2022

IQE plc, Pascal Close, Cardiff, CF3 0LW, UK

Tel: +44 29 2083 9400

Website: [www.iqep.com](http://www.iqep.com)

Company Registered in England No. 3745726

# Notice of Meeting

IQE plc (“the Company”) Notice of Meeting

## NOTICE IS HEREBY GIVEN

That the twenty-first Annual General Meeting (AGM) of IQE plc (IQE or Company) will be held on **Tuesday 28 June 2022 at 9:00am**. The meeting will be held at Peel Hunt LLP, 7th Floor, 100 Liverpool Street, London EC2M 2AT, for the transaction of the following business.

**The Board considers all of the resolutions to be in the best interests of the Company and its shareholders as a whole and recommends that you FOR all of the resolutions.**

### Resolution 1 – Reports and Accounts

To receive the Directors’ Report and Audited Financial statements, and the Directors’ and Auditors’ reports, for the financial year ended 31 December 2021.

### Resolution 2 – Directors’ Remuneration Report

To approve the Directors’ Annual Report on Remuneration for the year ended 31 December 2021 (this is an advisory vote).

### Resolution 3

To re-elect Phil Smith

### Resolution 4

To re-elect Americo Lemos

### Resolution 5

To re-elect Tim Pullen

### Resolution 6

To re-elect Carol Chesney

### Resolution 7

To re-elect Victoria Hull

### Resolution 8

To re-elect Andrew Nelson

### Resolution 9

To re-elect Derek Jones

### Resolution 10 – Reappointment of auditor

To re-appoint KPMG LLP as Auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the Accounts are laid before the Company, and authorise the Directors to fix their remuneration.

### Resolution 11 – Directors’ authority to allot shares

To generally and unconditionally authorise the Directors, in substitution for all existing authorities to the extent unused, to exercise all the powers of the Company to allot shares in accordance with article 15 of the Articles:

- (a) up to an aggregate number of 268,169,447 ordinary shares of 1p each; and
- (b) up to a further aggregate number of 268,169,447 ordinary shares of 1p each provided that (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006) and (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date and to other holders of equity securities entitled to participate therein, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter.

This authority shall expire on the earlier of 15 months after the date of passing of this resolution and the conclusion of the AGM of the Company next following the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

## Notice of Meeting continued

### Resolution 12 – Disapplication of pre-emption rights

If resolution 11 is passed, to empower the Directors pursuant to article 16 of the Articles to allot equity securities (within the meaning of section 560 of the Companies Act 2006 (the Act)) pursuant to the general authority conferred by the previous resolution as if section 561 (1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities or sale of treasury shares (other than pursuant to paragraph (a) of this resolution) to any person or persons up to an aggregate number of which are, or are to be, wholly paid up in cash to an aggregate number of 40,225,417 ordinary shares of 1p each; and
- (b) the allotment of equity securities or sale of treasury shares in connection with an offer of securities in favour of the holders of ordinary shares on the register of members at such record date as the Directors may determine, and to other persons entitled to participate therein, where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of ordinary shares being represented by depositary receipts or any other matter.

This authority shall expire on the earlier of 15 months after the date of passing of this resolution and the conclusion of the AGM of the Company next following the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

### Resolution 13 – Additional authority for disapplication of pre-emption rights

If resolution 11 is passed, and in addition to the power conferred by resolution 12, to empower the Directors pursuant to article 16 of the Articles to allot equity securities (within the meaning of section 560 of the Companies Act 2006 (the Act)) pursuant to the general authority conferred by resolution 11 as if section 561 (1) of the Act did not apply to any such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities or sale of treasury shares to any person or persons up to an aggregate number of 40,225,417 ordinary shares of 1p each; and
- (b) only be used for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the 2015 Statement of Principles on disapplying pre-emption rights published by the Pre-Emption Group.

This authority shall continue for the same period as the authority conferred by resolution 12, provided that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if this authority had not expired.

**Resolutions 1 to 11 will be proposed as ordinary resolutions. For each of those resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.**

**Resolutions 12 and 13 will be proposed as a special resolution. At least 75% of the votes cast must be in favour of the resolution.**

### Any Other Business

To transact any other ordinary business which may be transacted at an AGM.

By Order of the Board of Directors



**Tom Dale**

General Counsel & Company Secretary

## Notes:

1. A member who would be ordinarily entitled to attend and vote at the AGM may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Please note the Company's suggestions regarding the appointment of a proxy.
2. In order to vote at the AGM or any adjourned meeting (and also for the purpose of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by close of business on 24 June 2022 (or close of business two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. Any member has the right to ask any question relating to the business being dealt with at the meeting. The Company has provided members with means to ask questions and has asked that questions be provided in advance of the meeting. The Company will answer the themes raised by the questions following the meeting unless exempted by the provisions of section 319A of the Act.
4. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notary) must be returned by one of the following methods: (a) in hard copy form by post, by courier or by hand to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; (b) via [www.sharevote.co.uk](http://www.sharevote.co.uk). Alternatively, if you have already registered with the Company's Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Once logged in, simply click 'View' on the 'My Investments' page, click on the link to vote then follow the on-screen instructions. If you have not previously registered for this facility, you will first be asked to register as a new user, for which you will require your Shareholder Reference Number (which can be found on your proxy form or Notice of Availability); (c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below and in each case must be received by the Company not later than 9.00am on Friday 24 June 2022. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment thereof 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 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, or instruction, made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual.  
The message regardless of whether it relates to the appointment of a proxy or to 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 (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. 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. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members, and where applicable, their CREST sponsors or voting service providers, should note that EUI 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 therefore 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(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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
5. All Directors of the Company are required by the articles of association to retire and offer themselves for re-election at each AGM. In accordance with this requirement, Phil Smith, Americo Lemos, Tim Pullen, Carol Chesney, Victoria Hull, Andrew Nelson and Derek Jones will retire and offer themselves for re-election as Directors. Biographical details of the Directors, including their membership of Board committees, are set out in the Annual Report and Accounts for the year ended 31 December 2021.
6. The issued share capital of the Company as at 10 May 2022 (the latest practicable date before the publication of this notice) was 804,508,342 ordinary shares (excluding treasury shares), carrying one vote each.
7. Copies of the service contracts of the Directors are available for inspection at the registered office of the Company during normal business hours on any weekday.

## Notes: continued

### 8. Notes to resolutions 11, 12 and 13

#### **Directors' authority to allot shares**

These resolutions seek limited authority from shareholders for the Company to allot shares, and limited authority to allot shares in certain circumstances without first offering them to existing shareholders. They enable the Company to raise capital quickly and easily when needed, and permit the Directors to allot shares as consideration in a transaction. The Company is seeking authority to allot shares at its AGM for the full amount permitted by institutional investor guidelines in order to allow the Board as much flexibility as possible. The Board believes that this authority is in the interests of the Company and its shareholders as a whole.

#### **Authority to allot**

The Investment Association Share Capital Management Guidelines (the IA guidelines) state that an authority to allot up to two thirds of the existing issued share capital should be regarded by shareholders as routine business. The Company seeks authority to take the full amount under resolution 11. The Directors are seeking authority to allot shares of up to an aggregate number of 536,338,894 ordinary shares of 1p each. This is equal to two thirds of the Company's issued ordinary share capital (excluding treasury shares) as at 10 May 2022, being the latest practicable date prior to the publication of this notice. In accordance with the IA guidelines, one half of this amount, that is one third of the Company's issued ordinary share capital (excluding treasury shares) as at 10 May 2022, can be used only if the relevant securities are equity securities and are offered in connection with a rights issue (and which therefore does not include an open offer).

The authority conferred pursuant to resolution 11 will expire on the earlier of 15 months after the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company next following the passing of this resolution.

#### **Disapplication of pre-emption rights**

Resolutions 12 and 13 seek limited authority for the Directors to allot shares for cash under the authority granted under resolution 11 in certain circumstances without first offering them to existing shareholders. This is known as the disapplication of pre-emption rights.

The authorities requested comply with institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles on disapplying pre-emption rights (Pre-emption Principles). The Pre-emption Principles allow the Directors to issue shares for cash otherwise than in connection with a pre-emptive offer, up to 5% of a Company's issued share capital together with an additional 5%, provided that the Directors confirm that they intend to use the additional 5% authority only in connection with an acquisition or specified capital investment. The Pre-emption Principles state that companies should propose separate resolutions for each of these 5% authorities. Accordingly, two separate disapplication resolutions are being put forward at the 2022 AGM.

The Board considers that it is in the best interests of its shareholders generally that the maximum authorities should be sought in line with the Pre-emption Principles. If supported this authority would provide the Board with the flexibility, conferred by resolutions 12 and 13, to conduct a pre-emptive offering without complying with the strict requirements of the statutory pre-emption provisions. This allows the Board to raise capital quickly and easily in order to finance business opportunities when they arise in line with strategy.

Resolution 12 will permit the Directors to allot shares for cash:

- (a) up to the maximum amounts stated in resolution 11, pursuant to a pre-emptive offering to existing shareholders (that is a rights issue or an open offer) without complying with the strict requirements of the statutory pre-emption provisions (in order to deal, for example, with treasury shares, the legal requirements of particular jurisdictions and fractional entitlements); and
- (b) up to an aggregate number of 40,225,417 ordinary shares of 1p each, representing approximately 5% of the Company's issued ordinary share capital as at 10 May 2022, otherwise than in connection with a pre-emptive offering to existing shareholders.

Resolution 13 will provide an additional authority to permit the Directors to allot shares for cash up to an aggregate number of 40,225,417 ordinary shares of 1p each, otherwise than in connection with a pre-emptive offer to existing shareholders for the purposes only of financing or refinancing a transaction as set out in the Pre-emption Principles described above, representing approximately a further 5% of the Company's issued ordinary share capital as at 10 May 2022. If both resolutions 12 and 13 are passed, the Directors will have authority to allot shares for cash and dispose of treasury shares on a non pre-emptive basis up to a maximum amount equal to 10% of the Company's ordinary issued share capital (excluding treasury shares) as at 10 May 2022, but with 5% of that figure only being permitted to be used in the specific circumstances set out in resolution 12.

In any case, the Board confirms that, in accordance with the Pre-emption Principles, it does not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period on a non-pre-emptive basis, save in accordance with resolution 13, without prior consultation with shareholders. The authorities contained in resolutions 12 and 13 will expire at the same time as the authority to allot shares conferred in resolution 11.



