
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, solicitor, accountant or other professional adviser or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Distribution Finance Capital Holdings plc, please pass this document, together with the accompanying documents, as soon as possible 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.



Distribution Finance Capital Holdings plc

(incorporated and registered in England and Wales under number 11911574)

Notice of Annual General Meeting and Explanatory Circular to Shareholders

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Distribution Finance Capital Holdings plc set out on page 2 of this document which contains the recommendation by the Directors of the Company to shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of Distribution Finance Capital Holdings plc, to be held at 187 Worlds End Lane, Orpington, Kent, BR6 6AT on 30 June 2020 at 2 p.m, is set out on pages 4 and 5 of this document. Shareholders will also find enclosed with this document a form of proxy for use in connection with the Annual General Meeting.

In light of the COVID-19 pandemic and in response to the UK Government's guidance, the Annual General Meeting will take place as a closed meeting and shareholders will not be able to attend in person.

Please complete and submit the form of proxy in accordance with the instructions printed on the enclosed form. The form of proxy must be received by Equiniti no later than 2 p.m. on 26 June 2020. Alternatively, a proxy may be appointed electronically at www.sharevote.co.uk or if you hold shares in CREST, by using the CREST electronic proxy appointment service.

LETTER FROM THE CHAIRMAN OF DISTRIBUTION FINANCE CAPITAL HOLDINGS PLC

DISTRIBUTION FINANCE CAPITAL HOLDINGS plc

(incorporated and registered in England and Wales under number 11911574)

John Baines – *Chairman*

Mark Stephens – *Senior Independent Non-Executive Director*

Carole Machell – *Independent Non-Executive Director*

Thomas Grathwohl – *Independent Non-Executive Director*

Stephen Greene – *Non-Executive Director*

Haakon Stenrød – *Non-Executive Director*

Carl D’Ammassa – *Executive Director (Chief Executive Officer)*

Gavin Morris – *Executive Director (Chief Financial Officer)*

Registered Office:
2nd Floor
12 Groveland Court
London
EC4M 9EH

5 June 2020

Dear Shareholder

I am pleased to inform you that the Company’s Annual General Meeting will be held at 187 Worlds End Lane, Orpington, Kent BR6 6AT on 30 June 2020 at 2 p.m.

The notice of Annual General Meeting is set out on pages 4 and 5 of this document and a form of proxy is enclosed to enable you to exercise your voting rights. The purpose of the Annual General Meeting is to seek shareholders’ approval for the resolutions.

In light of the COVID-19 pandemic and in response to the UK Government’s current guidance regarding social distancing and the prohibition of public gatherings, this year’s Annual General Meeting will take place as a closed meeting and shareholders will not be able to attend in person. Shareholders and guests who travel to the meeting will be refused entry.

The Company will make arrangements such that the legal requirements to hold the Annual General Meeting can be satisfied through the attendance of a minimum number of people and the format of the meeting will be simply to propose and vote on the resolutions set out in the Notice.

The Company will continue to closely monitor the rapidly developing impact of COVID-19, including the latest Government guidance and restrictions, and how this may affect the arrangements for the Annual General Meeting. If it becomes necessary or appropriate to revise the current arrangements for the Annual General Meeting, further information will be made available on our website at www.dfcapital-investors.com, by RNS announcement and by any other means legally required at that time.

Despite these exceptional circumstances, the Board is keen to maintain engagement with shareholders. In order to facilitate this, if you are a shareholder and would like to ask the Board a question on the formal business of the AGM, please email your question to the Company Secretary, Sarah Clark at sclark@dfcapital.co.uk by 2 p.m. on 26 June 2020. Responses will be made via return of email or published on our website at www.dfcapital-investors.com as deemed appropriate by the Board of Directors.

Whilst you will be unable to attend, you have the right to appoint a proxy to vote at the Annual General Meeting on your behalf. To appoint a proxy, please complete the enclosed form of proxy and send it to our registrar, Equiniti. Alternatively, you can appoint a proxy online at www.sharevote.co.uk, following the instructions provided on the enclosed form of proxy, or if you hold shares in CREST, by using the CREST electronic proxy appointment service.

Proxy appointments must be received by Equiniti by no later than 2 p.m. on 26 June 2020.

Please note that the Company anticipates that legislation will be passed in the coming weeks, enabling companies to delay Annual General Meetings by up to three months in light of the COVID-19 pandemic. Should such legislation be passed before 30 June 2020, the Company will take advantage of such legislation to delay the Annual General Meeting to a date in August when it would be hoped that a regular Annual General Meeting could be held, with shareholders in attendance. Should the decision to delay the Annual General Meeting be taken, the Company will write to shareholders informing them of the new date for the Annual General Meeting and for submitting forms of proxy.

The Board is pleased to confirm that the final results for the year ended 31 December 2019 will be published no later than 30 June 2020. If the Annual General Meeting is postponed, resolutions to approve the Annual Report, the appointment of Deloitte as auditor and to authorise the Directors to agree the auditor’s remuneration will be proposed at the postponed Annual General Meeting. If the Annual General Meeting is not postponed, a General Meeting will be convened in August to approve these matters.

Recommendation

In the opinion of the Directors, each of the resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and shareholders as a whole. Accordingly, the Directors recommend that shareholders vote in favour of the resolutions at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings of ordinary shares, which amount to approximately 0.51 per cent. of the issued ordinary shares of the Company.

Yours faithfully



John Baines
Chairman

NOTICE OF ANNUAL GENERAL MEETING

DISTRIBUTION FINANCE CAPITAL HOLDINGS PLC

(incorporated and registered in England and Wales under number 11911574)

Notice is hereby given that the Annual General Meeting of Distribution Finance Capital Holdings plc (the “Company”) will be held at 187 Worlds End Lane, Orpington, Kent, BR6 6AT on 30 June 2020 at 2 p.m. You will be asked to consider and vote on the resolutions below.

Resolution 10 will be proposed as a special resolution. All other resolutions will be proposed as ordinary resolutions.

For further information on all of the resolutions, please refer to the Explanation of Resolutions which can be found on pages 6 to 9.

Election of Directors

1. To elect Carl D’Amassa as a Director of the Company.
2. To elect Stephen Greene as a Director of the Company.
3. To elect Haakon Stenrød as a Director of the Company.
4. To elect John Baines as a Director of the Company.
5. To elect Carole Machell as a Director of the Company.
6. To elect Mark Stephens as a Director of the Company.
7. To elect Thomas Grathwohl as a Director of the Company.
8. To elect Gavin Morris as a Director of the Company.

Directors’ Authority to Allot Shares

9. That the Directors be generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006 (the “Act”), to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company:
 - (a) up to a nominal amount of £355,473.09; and
 - (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £355,473.09 in connection with an offer by way of a rights issue to:
 - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

The authorities conferred on the Directors to allot securities under paragraphs (a) and (b) will expire at the conclusion of the annual general meeting of the Company to be held in 2021 or at 6.00 p.m. on 30th September 2021, whichever is sooner (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may before these authorities expire, make an offer or enter into an agreement which would or might require such securities to be allotted after such expiry and the Directors may allot such securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

Disapplication of Pre-emption Rights*

10. That, subject to the passing of Resolution 9, the Directors be given powers pursuant to sections 570 and 573 of the Companies Act 2006 (the “Act”) to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 9 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561(1) and sub-sections (1) to (6) of section 562 of the Act did not apply to any such allotment, provided that such power be limited to:

- (a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 9 above, by way of a rights issue only) to:
 - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) the allotment of equity securities for cash (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £106,641.92, such authorities to expire at the conclusion of the annual general meeting of the Company to be held in 2021 or at 6.00 p.m. on 30th September 2021, whichever is sooner (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may before these authorities expire, make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

*Special resolution

By order of the Board



Sarah Clark

Company Secretary

Date: 5 June 2020

Registered Office: 2nd Floor, 12 Groveland Court, London, EC4M 9EH

EXPLANATION OF RESOLUTIONS

Resolutions 1 – 9 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the relevant resolution.

Resolution 10 is proposed as special resolution. For it to be passed, at least three quarters of the votes cast must be in favour of the resolution.

An explanation of each of the resolutions is set out below:

Resolutions 1 to 8 – Election of Directors

Resolutions 1 to 8 are to approve the election of all of the Directors to the Board as it is the first Annual General Meeting of the Company since it was incorporated.

The Directors believe that the Board offers an appropriate balance of knowledge and skills through the combination of the Executive and Non-Executive Directors. Except for Stephen Greene and Haakon Stenrod, who were appointed pursuant to relationship agreements with the Company's two largest shareholders Arrowgrass Master Fund Limited and Watrium AS, all the other continuing Non-Executive Directors are considered to be wholly independent.

Biographical details of all of the Directors appear as an appendix to this document.

Resolution 9 – Directors' Authority to Allot Shares

Resolution 9 is proposed to renew the Directors' power to allot shares. Resolution 9(a) seeks to grant the Directors authority to allot, pursuant to section 551 of the Act, shares and grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £355,473.09. This represents 35,547,309 ordinary shares of one pence each, which is approximately one third of the Company's issued ordinary share capital as at 4 June 2020, (being the latest practicable date prior to the publication of this Notice). In accordance with The Investment Association's Share Capital Management Guidelines (the "Guidelines"), Resolution 9(b) seeks to grant the Directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal value of £355,473.09 (representing 35,547,309 ordinary shares of one pence each). This amount represents one third of the Company's issued ordinary share capital as at 4 June 2020, (being the latest practicable date prior to the publication of this Notice).

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the annual general meeting of the Company to be held in 2021 or at 6.00 p.m. on 30th September 2021, whichever is sooner. The Directors have no present intention of exercising either of the authorities under this resolution, but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

As at the date of this Notice, no shares are held by the Company in treasury.

Resolution 10 – Disapplication of Pre-emption Rights

Resolution 10 is to approve the disapplication of pre-emption rights. The passing of this resolution would allow the Directors to allot shares for cash and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority under Resolution 10 would be limited to:

- (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and
- (b) allotments or sales (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £106,641.92 which represents approximately 10 per cent. of the Company's issued ordinary share capital as at 4 June 2020 (being the latest practicable date prior to the publication of this Notice)

The Directors have no present intention of exercising the authority under this resolution, but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

Resolution 10 replaces a similar resolution that was approved prior to the Initial Public Offering ("IPO") of the Company.

The authorities contained in Resolution 10 will expire at the conclusion of the annual general meeting of the Company to be held in 2021 or at 6.00 p.m. on 30th September 2021, whichever is sooner.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those shareholders registered in the register of members of the Company at 6.30 p.m. on 26 June 2020 (or, in the event of any adjournment, at 6.30 p.m. on the day which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the Annual General Meeting (the “AGM”). 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 AGM.

Appointment of proxies

2. If you are a member who is entitled to attend and vote at the AGM, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote on your behalf at the AGM. A form of proxy, which may be used to make such appointment and to give proxy instructions, accompanies this Notice. Given the current restrictions on attendance, in order to ensure that your vote is exercised, shareholders who wish to appoint a proxy are encouraged to appoint the Chair of the meeting as their proxy, rather than a named person who will not be permitted to attend the meeting.
3. A proxy does not need to be a member of the Company. You may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Equiniti on 0371 384 2030 or you may photocopy the form of proxy accompanying this Notice. Overseas holders should contact +44 (0)121 415 7047. Lines are open from 9a.m. to 5p.m. Monday to Friday, excluding public holidays in England and Wales. Please indicate in the box next to the proxy holder’s name, the number of shares in relation to which he or she is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. If you do not have a form of proxy and believe that you should have one, please contact Equiniti as set out above.
4. Due to the format of this year’s meeting shareholders are strongly encouraged to appoint the Chair of the meeting as their proxy rather than one or more named persons who will not be permitted to attend the meeting.
5. Shareholders can:
 - (a) appoint a proxy and give proxy instructions by returning the form of proxy enclosed with this Notice by post (see notes 7 and 8 below);
 - (b) register their proxy appointment electronically (see note 9 below); or
 - (c) if they hold shares in CREST, register their proxy appointment by utilising the CREST electronic proxy appointment service (see notes 10 to 13 (inclusive) below).
6. The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 11 below).

Appointment of proxies by post

7. To be valid any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA no later than 2 p.m. on 26 June 2020.
8. In the case of a shareholder which is a corporation, the form of proxy must be executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution. The power of attorney or authority (if any) should be returned with the form of proxy.

Appointment of proxies electronically

9. Shareholders may appoint a proxy electronically by visiting www.sharevote.co.uk. You will be asked to enter the Voting ID, Task ID and Shareholder Reference Number shown on your form of proxy and agree to certain terms and conditions. To be valid, your proxy appointment and instructions should reach Equiniti no later than 2 p.m. on 26 June 2020.

Appointment of proxies through CREST

10. 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.
11. 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 & Ireland Limited’s specifications and must contain the information required for such instruction, as described in the CREST Manual (www.euroclear.com). 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 Company’s agent, Equiniti, by 2 p.m. on 26 June 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’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.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & 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 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. 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 (as amended).

Appointment of proxies by joint holders

14. In the case of joint holders, where more than one of the joint holders’ purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

Corporate representatives

15. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Total voting rights

16. As at 4 June 2020, the latest practicable date prior to the date of this Notice, the Company’s issued share capital consisted of 106,691,926 ordinary shares, carrying one vote each and 50,000 redeemable preference shares which do not carry a right to vote on the resolutions at the AGM. Therefore, the total number of voting rights in the Company as at 4 June 2020 was 106,691,926.
17. It is proposed that all votes on the resolutions at the AGM will be taken by way of a poll rather than on a show of hands. The Company considers that a poll is more representative of shareholders’ voting intentions because votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the voting will be announced through a Regulatory Information Service and will be published on our website www.dfcapital-investors.com as soon as reasonably practicable thereafter.

Communication

18. Any electronic address provided either in this Notice or any related documents (including the form of proxy) may only be used for the limited purposes specified herein and not to communicate with the Company by electronic means or for any other more general purpose.
 19. Except as provided above, shareholders who have general enquiries about the AGM should call our shareholder helpline on 0371 384 2030. Calls to this number are charged at the standard rate per minute plus network extras. Overseas holders should contact +44 (0)121 415 7047. Lines are open from 9 a.m. to 5 p.m. Monday to Friday, excluding public holidays in England and Wales. No other methods of communication will be accepted.
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BOARD PROFILES

John Baines

Independent Chairman

John has over 30 years of experience in the banking industry following qualification as a chartered accountant. John was formerly Chief Financial Officer (CFO) of several UK banks, including Cooperative Bank, Aldermore and Coutts and Co. John has a wide variety of business experience in both UK and overseas businesses, including retail banking, SME, wealth management and investment banking.

Mark Stephens

Senior Independent Non-Executive Director

Mark has 30 years of experience in UK banking across a wide range of functional areas. Mark was formerly the Chief Executive Officer (CEO) of Harrods Bank and was previously the deputy CEO and one of the founders of Aldermore.

Carole Machell

Independent Non-Executive Director

Carole held a series of executive positions at Barclays until changing to a portfolio career in 2016. Prior to joining Barclays, she spent 8 years at JP Morgan in a range of Operations, Technology and strategic roles. She was also Managing Director of OMLX, The Swedish Derivatives Exchange and worked at Meryl Lynch.

Thomas Grathwohl

Independent Non-Executive Director

Tom is a former GE Capital Senior Managing Director with 40 years of distribution finance industry experience. Tom assisted in the sale process of GE Capital Commercial Distribution Finance to Wells Fargo in 2016. During his tenure at Wells Fargo, Tom assisted in the global integration of the GE Capital Commercial Distribution Finance Business.

Stephen Greene

Non-Executive Director

Stephen has investment banking, investing and capital markets experience, previously holding positions at Keel Harbour Capital Limited, Arrowgrass Capital Partners, RMG Wealth Management, ACPI Investments and Deutsche Bank. Recently he has transitioned into more technology focused roles, specifically within financial services and artificial intelligence, and currently serves as a Non-Executive Director of Trufin plc and Coleura Labs Limited, Managing Director of Orsus Ventures Limited, and formerly served as Managing Director of Satalia. Stephen has a Money, Banking and Finance degree from the University of Birmingham and is a Chartered Financial Analyst (CFA) charterholder.

Haakon Stenrød

Non-Executive Director

Haakon is an Investment Director at Watrium AS. He was previously a partner with the leading Nordic investment banking group ABG Sundal Collier. He has broad transaction experience in M&A, equity capital markets, debt and restructuring advisory. He holds an M.Sc. in Industrial Economics and Technology Management from the Norwegian University of Science and Technology.

Carl D'Ammassa

Executive Director (Chief Executive Officer)

Carl has over 20 years' experience working in commercial and SME finance, with extensive divisional managing director and CEO experience built across a number of UK based businesses. Carl previously held the position of CEO at White Oak UK, a specialist lender to SMEs. Prior to this Carl was Group Managing Director at Aldermore Bank, leading its growing business lending franchise. He spent 10 years at GE Capital, and later took roles at Hitachi Capital and Hydrex Ltd. Carl has previously been Chairman and a Board Director of The Leasing Foundation and was a Non-Executive Director of AFS Group Holdings Ltd.

Gavin Morris

Executive Director (Chief Financial Officer)

Gavin possesses over 20 years of financial services experience across banking, corporate lending and leasing. Gavin has deep finance expertise in a regulated environment from his time at GE Capital Bank in the role of Acting CFO and in a number of "Head of" finance roles including Treasury, Regulatory Reporting, Controllership, Pricing and FP&A. Gavin was involved in both the set up and dismantling of GE Capital Bank. Gavin is a qualified chartered accountant and spent 10 years with KPMG.

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