
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 pages 2 to 3 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 September 2020 at 12.00 p.m., is set out on pages 4 to 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. Separately, at 9.30 a.m. on the same date of 30 September, the Company intends to present its interim results alongside a trading and strategic update (which will not be dealt with at the AGM). Existing shareholders, or their representatives, who would like to join the virtual presentation can register their interest by emailing cosec@dfcapital.co.uk by 12.00pm on 28 September and details of the event will be provided separately. Following that presentation, a recording will be published on the Company's website at <https://www.dfcapital-investors.com>.

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 12.00 p.m. on 28 September 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 Director*

Carole Machell – *Independent Non-Executive Director*

Thomas Grathwohl – *Independent Non-Executive Director*

Stephen Greene – *Non-Executive Director*

Haakon Stenrod – *Non-Executive Director*

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

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

Registered Office:
196 Deansgate
Manchester
M3 3WF

4 September 2020

Dear Shareholder

I am pleased to inform you that the Company’s previously postponed Annual General Meeting (“AGM”) will be held at 187 Worlds End Lane, Orpington, Kent, BR6 6AT on 30 September 2020 at 12 p.m.

The notice of Annual General Meeting is set out on pages 4 to 5 of this document (the “Notice”) 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.

The business of the AGM is the same as was set out in the original Notice of Meeting from June 2020, save for resolutions 1, 10 and 11 which are new and Resolution 12 which has been changed following discussions with the Company’s largest shareholder.

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 AGM 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. Whilst it had been hoped that the postponement of the meeting would enable shareholders to attend the AGM in person, regrettably that is not the case. Please also note that the planned General Meeting will still be taking place on 8th September 2020.

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 12.00 p.m. on 28 September 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. In addition, a Webcast Shareholder Presentation will be given at 9.30 a.m. on 30 September 2020. Shareholders or their representatives who wish to join the presentation can register their interest by emailing cosec@dfcapital.co.uk by 12.00pm on 28 September and details of the event will be provided separately. The Annual Report of the Company was published on 30 June and sent to shareholders. The report is additionally available on the Company’s website.

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 12 p.m. on 28 September 2020. Please note that forms of proxy and appointments completed for the original AGM are no longer valid and therefore you will need to submit a new form of proxy.

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 0.47 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 September 2020 at 12 p.m. You will be asked to consider and vote on the resolutions below.

Resolution 13 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.

Annual Report and Accounts

1. To receive the reports of the Directors and the Auditors and the audited accounts for the financial year ended 31 December 2019.

Election of Directors

2. To elect Carl D’Ammassa as a Director of the Company.
3. To elect Stephen Greene as a Director of the Company.
4. To elect Haakøn Stenrod as a Director of the Company.
5. To elect John Baines as a Director of the Company.
6. To elect Carole Machell as a Director of the Company.
7. To elect Mark Stephens as a Director of the Company.
8. To elect Thomas Grathwohl as a Director of the Company.
9. To elect Gavin Morris as a Director of the Company.

Auditors

10. To appoint Deloitte as Auditors of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.
11. To authorise the Directors to determine the remuneration of the Auditors.

Directors’ Authority to Allot Shares

12. 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 £106,641.92; and
- (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £106,641.92 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 *

13. That, subject to the passing of Resolution 12, 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 12 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 12 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: 4 September 2020

Registered Office: 196 Deansgate, Manchester, M3 3WF

EXPLANATION OF RESOLUTIONS

Resolutions 1 – 12 (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 13 is proposed as a 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:

Resolution 1 – Annual Report and Accounts

The Directors are required to present to the Annual General Meeting the audited accounts and the Directors' and Auditors' Reports for the financial year ended 31 December 2019. This was sent to shareholders on 30 June and is available on the Company's website.

Resolutions 2 to 9 – Election of Directors

Resolutions 2 to 9 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 and that all the Non-Executive Directors (other than 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) are independent in character and judgement. The Nomination Committee, which considers the balance of the Board and the mix of skills, knowledge and experience of its members, has considered and recommends to the Board the appointment of all of the Directors of the Company standing for election. The Chairman confirms that, the Directors continue to demonstrate effective performance and commitment to the role and have sufficient time to meet their responsibilities.

Biographical details of all of the Directors appear in the Annual Report.

Resolutions 10 and 11 – Auditors

Resolution 10 proposes the re-appointment of Deloitte as Auditors of the Company until the conclusion of the Company's annual general meeting in 2021. The Company is required to appoint Auditors at every general meeting of the Company at which accounts are presented to shareholders. The current appointment of Deloitte as the Company's Auditors will end at the conclusion of the Annual General Meeting and it has advised of its willingness to stand for re-appointment.

It is normal practice for a company's directors to be authorised to agree how much the Auditors should be paid and Resolution 11 grants this authority to the Directors.

Resolution 12 – Directors' Authority to Allot Shares

Resolution 12 is proposed to renew the Directors' power to allot shares. Resolution 12(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 £106,641.92. This represents 10,664,192 ordinary shares of one pence each, which is approximately one tenth of the Company's issued ordinary share capital as at 4 September 2020, (being the latest practicable date prior to the publication of this Notice). The number of shares proposed in this resolution has been reduced following consultation with the Company's largest shareholder.

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 13 – Disapplication of Pre-emption Rights

Resolution 13 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 13 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 September 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.

The authorities contained in Resolution 13 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 28 September 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) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.

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 12 p.m. on 28 September 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 12 p.m. on 28 September 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 12 p.m. on 28 September 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 September 2020, the latest practicable date prior to the date of this Notice, the Company’s issued share capital consisted of 106,641,926 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 September 2020 was 106,641,926.
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.

Documents on display

18. The following documents will be available for inspection on the Company’s website (www.dfcapital-investors.com/) from the date of this Notice until the conclusion of the AGM and will be available for inspection at the place of the AGM for at least 15 minutes prior to and during the AGM:
 - (a) copies of the Directors’ service contracts; and
 - (b) copies of the Non-Executive Directors’ letters of appointment

Communication

19. 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.
20. 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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