
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 St James' Building, 61-95 Oxford Street, Manchester, M1 6EJ on 19 May 2021 at 12 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 ongoing COVID-19 pandemic and the UK Government's guidance currently in place, it is anticipated that the Annual General Meeting will take place as a closed meeting and shareholders will not be able to attend in person. If it becomes necessary or appropriate to revise the current arrangements for the Annual General Meeting, further information will be published on the Company's website at www.dfcapital-investors.com, by RIS announcement and by any other means legally required at that time.

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 p.m. on 17 May 2021.

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 Stenrød – *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

23 April 2021

Dear Shareholder

I am pleased to inform you that the Company's Annual General Meeting ("**AGM**") will be held at St James' Building, 61-95 Oxford Street, Manchester, M1 6EJ on 19 May 2021 at 12 p.m.

The notice of the AGM 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 AGM is to seek shareholders' approval for the resolutions.

Our preference had been to welcome shareholders in person to our 2021 AGM particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. At present, however, the Board expects that, in line with the restrictions in force as at the date of this Notice, shareholders will be prevented from attending the AGM and will be refused entry so that it will only be attended by two shareholders in order to achieve a quorate meeting. Other officers and professional advisers will not be in attendance and the meeting will end immediately following the formal business of the AGM. Given the constantly evolving nature of the situation, if it becomes necessary or appropriate to revise the current arrangements for the AGM, further information will be published on the Company's website at www.dfcapital-investors.com, by RIS announcement and by any other means legally required at that time.

Accordingly, we strongly encourage shareholders to complete and return the enclosed form of proxy appointing the Chair of the meeting as their proxy with their voting instructions. Appointing the Chair of the AGM as your proxy is the only way to ensure your vote is exercised at the AGM as it is expected that other proxies will not be granted access to the meeting. 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 17 May 2021.

Despite the ongoing nature of these exceptional circumstances, the Board remains 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, Tim Maw at cosec@dfcapital.co.uk by 12 p.m. on 18 May 2021. 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.

Recommendation

In the opinion of the Directors, each of the resolutions to be proposed at the AGM 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 0.63 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 St James’ Building, 61-95 Oxford Street, Manchester, M1 6EJ on 19 May 2021 at 12 p.m. You will be asked to consider and vote on the resolutions below.

Resolution 14 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 2020.

Re-election of Directors

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

Auditors

10. To re-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 £597,897.33; and
- (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £597,897.33 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 2022 or at 6.00 p.m. on 19 August 2022, 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.

Political Donations

13. To authorise the Company, and all companies that are its subsidiaries, at any time during the period for which this resolution has effect for the purposes of section 366 of the Companies Act 2006 (the “Act”) to:

- (a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total.

during the period beginning with the date of the passing of this Resolution and ending following the conclusion of the annual general meeting of the Company to be held in 2022 or at 6.00 p.m. on 19 August 2022, whichever is sooner. For the purposes of this Resolution, the expressions “**political donations**”, “**political party**”, “**political organisation**”, “**independent election candidate**” and “**political expenditure**” have the meanings set out in Part 14 of the Act.

Disapplication of Pre-emption Rights*

14. 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

the allotment of equity securities for cash (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £179,369.19 such authorities to expire at the conclusion of the annual general meeting of the Company to be held in 2022 or at 6.00 p.m. on 19 August 2022, 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



Tim Maw
Company Secretary

Date: 23 April 2021

Registered Office: 196 Deansgate, Manchester, M3 3WF

EXPLANATION OF RESOLUTIONS

Resolutions 1 – 13 (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 14 is proposed as a special resolution. For this 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 2020. This was sent to shareholders on 23 April 2021 and is available on the Company's website.

Resolutions 2 to 9 – Re-election of Directors

In accordance with Corporate Governance best practice and the Company's Articles of Association, every Director shall be subject to annual re-election by the members and so they will retire and submit themselves for re-election at this Annual General Meeting.

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 Stenrød 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 re-appointment of all of the Directors of the Company standing for re-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 2022. 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 £597,897.33. This represents 59,789,733 ordinary shares of one pence each, which is approximately one third of the Company's issued ordinary share capital as at 23 April 2021, (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 12(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 £597,897.33 (representing 59,789,733 ordinary shares of one pence each). This amount represents one third of the Company's issued ordinary share capital as at 23 April 2021, (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 2022 or at 6.00 p.m. on 19 August 2022, 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 – Political Donations

It is the policy of the Company not to make political donations or to incur political expenditure, as those expressions are normally understood. However, following broader definitions introduced by the Companies Act 2006 (the “Act”), the Directors seek to propose a resolution designed to avoid inadvertent infringement of the Act by the Company or any company which at any time during the period for which this Resolution has effect is a subsidiary of the Company when carrying out activities in furtherance of its legitimate business interests.

The Act requires companies to obtain shareholders’ authority for donations to registered political parties and other political organisations totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions. The definition of donation in this context is very wide and may extend to bodies such as those concerned with policy review, law reform and the representation of the business community. It could also include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or to influence support for any particular political party.

In line with guidance published by the Investment Association, this Resolution is put to shareholders annually rather than every four years as required by the Act. This authority will expire at the conclusion of the Company’s annual general meeting to be held in 2022 or at 6.00 p.m. on 19 August 2022, whichever is sooner.

Resolution 14 – Disapplication of Pre-emption Rights

Resolution 14 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 14 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 £179,369.19, which represents approximately 10 per cent. of the Company’s issued ordinary share capital as at 23 April 2021 (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 authority contained in Resolution 14 will expire at the conclusion of the annual general meeting of the Company to be held in 2022 or at 6.00 p.m. on 19 August 2022, 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 17 May 2021 (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.
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 8.30 a.m. to 5.30 p.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. Given that attendance in person at the AGM may not be possible, we strongly encourage shareholders to submit a proxy vote in advance of the AGM and to appoint the Chair of the meeting as proxy. Appointing the Chair of the AGM as your proxy is the only way to ensure your vote is exercised at the AGM as it is expected that other proxies will not be granted access to 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 member attending the AGM and voting in person if the member wishes to do so, whether electronically or in person at the physical meeting should this be permitted under applicable COVID-19 restrictions.

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 17 May 2021.
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 17 May 2021.
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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 (RA19), by 12 p.m. on 17 May 2021. 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 23 April 2021, the latest practicable date prior to the date of this Notice, the Company’s issued share capital consisted of 179,369,199 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 23 April 2021 was 179,369,199.
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 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays in England and Wales. No other methods of communication will be accepted.

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