

THIS CIRCULAR AND THE ACCOMPANYING TENDER FORM, FORM OF PROXY AND ANNUAL REPORT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Circular and Annual Report (but not the accompanying personalised Tender Form and Form of Proxy) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the Circular should not be mailed, distributed, sent, forwarded to or transmitted in or into the United States, Canada, Australia, South Africa, Japan or any other jurisdiction which would breach any applicable law or regulations (the “Restricted Territories”). If you have sold or otherwise transferred only part of your holding of Ordinary Shares in the Company, you should retain the Circular.

The Tender Offer is not being made, directly or indirectly, in any Restricted Territory and neither this Circular nor the accompanying personalised Tender Form or Form of Proxy may be distributed or sent in or into or from any Restricted Territory and doing so may render invalid any purported tender. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward this Circular and/or the accompanying Tender Form and Form of Proxy should read the paragraph headed “Overseas Shareholders” in paragraph 2 of Part II of this Circular before taking any action.

This Circular has not been, and will not be, reviewed or approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body. This Circular is not a prospectus and cannot be relied on for any investment contract or decision.

Before making any decision in connection with the Tender Offer you are strongly advised to read the whole of this Circular.

TruFin PLC

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered number 125245)

Notice of Annual General Meeting

and

Tender Offer

**to purchase Ordinary Shares for up to a maximum
value of approximately £5 million
at a fixed price of 92 pence per Ordinary Share**

THE TENDER OFFER WILL CLOSE AT 1.00 P.M. ON 4 JUNE 2019, unless extended by means of an announcement posted on the Company’s website and delivered through a Regulatory Information Service. Please note that the Record Date for participation in the Tender Offer is 6.00 p.m. on 4 June 2019 and the Tender Offer will only be available to Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at that time (“Eligible Shareholders”). Eligible Shareholders who hold their Ordinary Shares in certificated form and who wish to participate in the Tender Offer should ensure that their completed Tender Forms (in respect of their certificated shareholdings) are returned either by post or by hand, during normal business hours only, to the Receiving Agent, Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received no later than 1.00 p.m. on 4 June 2019. Eligible Shareholders who wish to tender Ordinary Shares held in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares being tendered. Eligible Shareholders who wish to tender their Ordinary Shares held in uncertificated form (that is, in CREST) should not complete a Tender Form but should submit TTE instructions electronically through CREST as described in Part II of this Circular.

If you have any questions about the procedure for tendering Ordinary Shares or you want help in filling in the Tender Form, please telephone Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays), on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259. Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti cannot provide advice on the merits of the Tender Offer nor give financial, tax, investment or legal advice.

Notice of an Annual General Meeting of the Company at which, amongst other resolutions, a resolution to approve the market purchases by the Company of Ordinary Shares pursuant to the Tender Offer is set out at the end of this Circular. The Annual General Meeting will be held at 11.30 a.m. on 4 June 2019 at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL. A Form of Proxy for use at the Annual General Meeting is enclosed with this

Circular. To be valid, Forms of Proxy, completed in accordance with the instructions thereon, should be returned by post or by hand (during normal business hours only) to the Company's Registrar, Equiniti (Jersey) Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible and in any event so as to be received no later than 48 hours before the time set for the commencement of the Annual General Meeting. TruFin will not agree to purchase tendered Ordinary Shares unless the Tender Offer Resolution set out in the notice of Annual General Meeting at the end of this Circular is passed.

Capitalised terms have the meaning ascribed to them in the "Definitions" section of this Circular.

Forward-looking Statements

This Circular may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group and certain plans and objectives of the Board. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements often use words such as "anticipate," "target," "expect," "estimate," "intend," "plan," "goal," "believe," "will," "may," "should," "would," "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Board in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this document could cause actual results or developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Circular. The Company assumes no obligation to update or correct the information contained in this Circular, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this Circular are made as at the date of this Circular, unless some other time is specified in relation to them, and publication of this Circular shall not give rise to any implication that there has been no change in the facts set out in this Circular since such date. Nothing contained in this Circular shall be deemed to be a forecast, projection or estimate of the future financial performance of the Group except where expressly stated.

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EXPECTED TIMETABLE FOR THE ANNUAL GENERAL MEETING AND THE TENDER OFFER

	2019
Tender Offer opens	20 May
Latest time and date for receipt of Forms of Proxy	by 11.30 a.m. on 2 June
Annual General Meeting	11.30 a.m. on 4 June
Announcement of results of Annual General Meeting	4 June
Latest time and date for receipt of Tender Forms and share certificates for tendered certificated Ordinary Shares	by 1.00 p.m. on 4 June
Latest time and date for TTE instructions from CREST	by 1.00 p.m. on 4 June
Record Date for the Tender Offer	6.00 p.m. on 4 June
Announcement of results of the Tender Offer	by 7.00 a.m. on 5 June
CREST accounts credited with Ordinary Shares in respect of unsuccessful tenders	by 6 June
CREST accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares	by 7 June
Despatch of cheques for Tender Offer proceeds for certificated Ordinary Shares	by 13 June
Despatch of balance share certificates in respect of unsuccessful tenders	by 13 June

The above times and/or dates may be subject to change by the Company and in the event of any such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

References to times in this Circular are to BST, London time, unless otherwise stated.

DEFINITIONS

In this Circular, the Tender Form and the Form of Proxy the following definitions apply unless the context requires otherwise:

“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange as amended from time to time
“AIM”	the market of that name operated by the London Stock Exchange
“Annual General Meeting” or “AGM”	the annual general meeting of the Company convened for 11.30 a.m. on 4 June 2019, notice of which is set out at the end of this Circular, or any reconvened meeting following any adjournment thereof
“Arrowgrass”	Arrowgrass Master Fund Ltd.
“Articles”	the articles of association of the Company from time to time
“Basic Entitlement”	the number representing 5.582 per cent. of the aggregate number of Ordinary Shares registered in the Shareholder’s name in the Register on the Record Date, rounded down to the nearest whole number of Ordinary Shares
“Board” or “Directors”	the board of directors of the Company, whose names are set out on page 9 of this Circular (or, where the context requires, the directors of the Company from time to time)
“certified” or “in certificated form”	an Ordinary Share which is not in uncertificated form
“Circular”	this document
“Companies Law”	the Companies (Jersey) Law 1991, as amended
“Company” or “TruFin”	TruFin PLC
“Conditions”	the meaning given to it in paragraph 1 of Part II
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) and the Companies (Uncertificated Securities)

	(Jersey) Order 1999 as amended from time to time, and any applicable rules made under those regulations
“CREST Rules”	the rules from time to time issued by Euroclear governing the admission of securities to and the operation of the CREST UK System
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system-participant (as defined in the CREST Regulations)
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“CREST UK System”	the facilities and procedures of the relevant systems of which Euroclear is the approved operator pursuant to the CREST Regulations
“Demerger”	the demerger of DFC from the Group that completed on 8 May 2019
“Demerger Circular”	the circular relating to the Demerger published by the Company on 17 April 2019
“DFC”	Distribution Finance Capital Limited
“Electronic Tender”	the inputting and settlement of a TTE instruction in accordance with the procedures set out in Part II of this Circular which constitutes or is deemed to constitute a tender of Ordinary Shares pursuant to, and on the terms of, the Tender Offer as set out in this Circular
“Eligible Shareholders”	Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at the Record Date
“Equiniti”	Equiniti Limited
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST
“FCA”	Financial Conduct Authority
“Form of Proxy”	the personalised form of proxy accompanying this Circular for use by Shareholders at the AGM
“Group”	TruFin PLC and its subsidiaries as at the date of this Circular
“in uncertificated form”	title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Management Team”	Henry Kenner, James van den Bergh, Raxita Kapashi and Jason Rogers
“member account ID”	the identification code or number attached to any member account in CREST
“Ordinary Shares”	ordinary shares of £0.91 each in the share capital of the Company
“Overseas Shareholders”	Shareholders who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom

“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“PSP Market Value Awards”	the options over a total of 4,868,420 Ordinary Shares granted by the Company to the Management Team on 21 February 2018
“Receiving Agent”	Equiniti
“Record Date”	6.00 p.m. on 4 June 2019
“Register”	the register of members of the Company
“Registrar”	Equiniti (Jersey) Limited
“Resolutions”	Resolutions 1 to 14 set out in the AGM notice at the end of this Circular
“Restricted Territories”	each and any of the United States, Canada, Australia, South Africa and Japan and any other jurisdiction where the mailing of this Circular into or inside or from such jurisdiction would breach any applicable law or regulations
“Settlement Date”	the date by which the consideration for Ordinary Shares tendered under the Tender Offer will be settled by payment through CREST or despatched by cheque to the Eligible Shareholders entitled thereto, which is expected to be 7 June 2019 in respect of Ordinary Shares held in CREST and by 13 June 2019 in respect of Ordinary Shares held in certificated form
“Shareholders”	holders of Ordinary Shares
“Tender Form”	the personalised tender form accompanying this Circular for use in connection with the Tender Offer by Eligible Shareholders who hold their Ordinary Shares in certificated form
“Tender Offer”	the invitation by the Company to Eligible Shareholders to tender Ordinary Shares for purchase by the Company on the terms and subject to the conditions set out in this Circular and also, in the case of certificated Ordinary Shares only, the Tender Form
“Tender Offer Resolution”	the special resolution to be proposed at the AGM for approval of the Tender Offer, which is numbered 1 in the notice of AGM set out at the end of this Circular
“Tender Price”	the tender price of 92 pence per Ordinary Share, representing the three month volume weighted average price per Ordinary Share to 16 May 2019 (being the latest practicable date prior to the publication of this Circular), as adjusted for the period prior to completion of the Demerger on 8 May 2019, as provided by Bloomberg
“TFE instruction”	a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear)

“TTE instruction”	a transfer to escrow instruction (as defined by the CREST Manual issued by Euroclear)
“uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertified Securities Regulations, may be transferred by means of CREST
“Unconditional Date”	the date on which the Conditions to the Tender Offer are met and the Tender Offer becomes unconditional, which is expected to be 4 June 2019
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia

All quoted share prices contained in this Circular have been rounded to the nearest pence. Unless otherwise indicated, all references in this Circular to times are to London times.

PART I

LETTER FROM THE CHAIRMAN OF TRUFIN PLC

TruFin PLC

<i>Directors:</i>	<i>Position</i>	<i>Registered Office:</i>
Simon Henry Kenner	<i>Executive Chairman</i>	26 New Street
James van den Bergh	<i>Deputy Chief Executive Officer</i>	St. Helier
Raxita Kapashi	<i>Chief Financial Officer</i>	Jersey
Steve Baldwin	<i>Senior Independent Non-Executive Director</i>	JE2 3RA
Penny Judd	<i>Independent Non-Executive Director</i>	
Peter Whiting	<i>Independent Non-Executive Director</i>	
Paul Dentskevich	<i>Independent Non-Executive Director</i>	

17 May 2019

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

Dear Shareholder

Notice of Annual General Meeting and proposed Tender Offer to purchase Ordinary Shares for up to a maximum value of approximately £5 million at a fixed price of 92 pence per Ordinary Share

1. Introduction

I am pleased to invite you to the Company's Annual General Meeting which will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 4 June 2019 at 11.30 a.m.

The notice of Annual General Meeting is set out on pages 34 to 36 of this Circular.

A copy of the Annual Report and Accounts for the year ended 31 December 2018 (the "2018 Annual Report") is enclosed together with a Form of Proxy to enable you to exercise your voting rights.

The purpose of the Annual General Meeting is to seek Shareholders' approval for the Resolutions. It is also an opportunity for Shareholders to express their views and to ask questions of the Board. We, as your Board, are committed to open dialogue with our Shareholders and our Annual General Meeting is an excellent means to engage with you directly.

The sale of the Company's indirect interests in Zopa Group Limited to Arrowgrass Master Fund Ltd. for cash consideration of £44.5 million completed on 7 May 2019 (the "Zopa Sale"). On 17 April 2019, the Board announced that, subject to completion of the Zopa Sale, the Company would return a minimum of £10 million to Shareholders during 2019, of which a return of at least £5 million shall be effected by 30 June 2019 and the remainder by 31 December 2019.

Earlier today the Board announced its intention to return surplus cash to Shareholders by way of the Tender Offer for a maximum value of approximately £5 million at the Tender Price of 92 pence per Ordinary Share. The Tender Offer is being made available to all Eligible Shareholders who are on the Register on the Record Date. Shareholders can decide whether they want to tender up to their Basic Entitlement together with potential further tenders, depending on the number of Ordinary Shares tendered by other Eligible Shareholders.

The Tender Offer is subject to approval by the Shareholders of the purchase of the Ordinary Shares pursuant to the Tender Offer and the terms of the Tender Offer as described in this Circular. To the extent that the full £5 million is not returned to Shareholders through the Tender Offer, the Company intends to return the balance of the £5 million to existing Shareholders in cash, by way of a special interim dividend.

This Circular sets out the background to and reasons for the Tender Offer and why the Board believes the Tender Offer to be in the best interests of the Company and its Shareholders. The Tender Offer requires the approval of Shareholders at the Annual General Meeting.

2. Annual General Meeting

Tender Offer

The Tender Offer is being conducted in accordance with the requirements of the Companies Law. In order to comply with these requirements the Company is proposing the Tender Offer Resolution to authorise and to approve the terms of the Tender Offer at the Annual General Meeting to be held at 11.30 a.m. on 4 June 2019.

The Tender Offer Resolution must be passed by at least 75 per cent. of those Shareholders present in person or by proxy and voting at the Annual General Meeting. The Company will not purchase Ordinary Shares pursuant to the Tender Offer unless the Tender Offer Resolution to be proposed at the Annual General Meeting is duly passed.

The Company has received an irrevocable undertaking from Arrowgrass holding, in total, 72,400,544 Ordinary Shares, representing 74.4 per cent. of the Company's issued share capital, to vote in favour of the Tender Offer Resolution.

The Tender Offer is also conditional on the Board being satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer, satisfy the solvency test prescribed by the Companies Law and the Board approving a solvency statement, signed by the Directors, to that effect.

The Tender Offer is not conditional upon Resolutions 2 to 14 to be proposed at the Annual General Meeting being duly passed.

Further details of the Tender Offer can be found in paragraphs 3 to 5 of this Part I and Part II of this Circular.

Remaining Resolutions

An explanation of the remaining Resolutions is as follows:

Resolutions 13 and 14 are proposed as special resolutions. For each of these to be passed, at least 75 per cent. of the votes cast must be in favour of the Resolution.

Resolutions 2 – 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.

ORDINARY RESOLUTIONS

Resolution 2 – 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 2018.

Resolutions 3 to 9 – Election of Directors

The Articles require that any Director shall only hold office until the following annual general meeting, whereupon he may be proposed for re-election.

At the Annual General Meeting, each Director will offer himself or herself for re-election.

The Directors believe that the Board offers an appropriate balance of knowledge and skills and that all the Non-Executive Directors are independent in character and judgement.

Biographical details of all the Directors appear on page 17 of the 2018 Annual Report.

Resolutions 10 and 11 – Auditors

Resolution 10 proposes the re-appointment of Deloitte LLP as Auditors of the Company until the conclusion of the Company's annual general meeting in 2020. 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 LLP 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. The Board of Directors will determine in due course whether to carry out a tender process for the role of Auditor.

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' authority to allot shares. Resolution 12 seeks to grant the Directors authority to allot, pursuant to and in accordance with the Articles, shares and grant rights to subscribe for or to convert any security into shares in the Company up to a maximum number of 32,456,140 Ordinary Shares, representing approximately one third of the Company's issued ordinary share capital as at 16 May 2019 (being the latest practicable date prior to the publication of this Circular).

This authority shall expire on the earlier of close of business on 4 September 2020 and the conclusion of the annual general meeting of the Company to be held in 2020. 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 12 replaces a similar resolution that was passed on 7 May 2019.

If the Tender Offer proceeds and, as a result, the Company's issued share capital is reduced, the Directors undertake not to exceed the one third limit in relation to the resulting issued share capital.

SPECIAL RESOLUTIONS

Resolution 13 – Purchase of own Shares

Resolution 13 is to approve the purchase by the Company of its own Ordinary Shares in the market. The authority is in addition to the authority in Resolution 1 and limits the number of shares that could be purchased to a maximum of 9,736,842 Ordinary Shares (equivalent to 10 per cent. of the Company's issued Ordinary Share capital as at 16 May 2019 (being the latest practicable date prior to the publication of this Circular)) and sets a minimum and maximum price.

Any shares the Company buys under this authority may either be cancelled or held in treasury. Treasury shares can be re-sold for cash, cancelled or used for the purposes of employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. The Directors believe that it is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base.

This authority shall expire on the earlier of 4 September 2020 and the next annual general meeting of the Company.

Resolution 13 replaces a similar resolution that was passed on 19 June 2018.

Resolution 14 – Disapplication of Pre-emption Rights

Resolution 12 seeks authority for the Company to allot shares and grant rights to subscribe for or to convert any security into shares in the Company. However, Article 3 of the Articles requires that shares or other securities allotted for cash are offered first to existing Shareholders in proportion to their existing holdings (commonly referred to as pre-emption rights).

Resolution 14 approves the disapplication of pre-emption rights. The passing of this Resolution would allow the Directors to allot shares for cash 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 in connection with pre-emptive offers; and
- (b) allotments (otherwise than pursuant to (a) above) of up to 9,736,842 Ordinary Shares, which represents approximately 10 per cent. of the Company's issued ordinary share capital as at 16 May 2019 (being the latest practicable date prior to the publication of this Circular).

This authority shall expire on the earlier of close of business on 4 September 2020 and the conclusion of the annual general meeting of the Company to be held in 2020. 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 14 replaces a similar Resolution that was passed on 7 May 2019.

If the Tender Offer proceeds and, as a result, the Company's issued share capital is reduced, the Directors undertake not to exceed the 10 per cent. limit in relation to the resulting issued share capital.

3. Background to and Reasons for the Tender Offer

The Zopa Sale generated approximately £44.5 million of cash for the Company. As stated in the Demerger Circular, the total cash proceeds of the Zopa Sale are intended to be used by the Company for the following purposes:

- £25 million for capitalising DFC's balance sheet for lending which was effected on 7 May 2019 by TruFin Holdings subscribing for £25 million of shares in DFC prior to completion of the Demerger on 8 May 2019;
- £9.5 million for additional working capital to support and implement the strategy of the Group, including the costs and expenses payable by the Company relating to the Demerger; and
- to return a minimum of £10 million to Shareholders during 2019, of which a return of at least £5 million shall be effected by 30 June 2019 and the remainder by 31 December 2019.

The Board believes that now is an appropriate time to return up to £5 million of cash to its Shareholders by way of the Tender Offer. In arriving at the level of cash to be returned to Shareholders, the Board has taken into account the levels of funding remaining in the Group to enable it to maintain its financial strength and to allow it to pursue acquisition opportunities should they arise. To the extent that the full £5 million is not returned to Shareholders through the Tender Offer, the Company intends to return the balance of the £5 million to existing Shareholders in cash, by way of a special interim dividend.

The Board intends to return a further £5 million by 31 December 2019.

4. The Tender Offer

The Board is proposing to return up to approximately £5 million of cash through a purchase of up to 5,435,105 existing Ordinary Shares from Eligible Shareholders. The Tender Offer is being made available to all Eligible Shareholders who are on the Register on the Record Date. Shareholders can decide whether they want to tender up to their Basic Entitlement together with potential further tenders, depending on the number of Ordinary Shares tendered by other Eligible Shareholders. Once purchased, those Ordinary Shares will be cancelled and will not be available for re-issue. To the extent that the full £5 million is not returned to Shareholders through the Tender Offer, the Company intends to return the balance of the £5 million to existing Shareholders in cash, by way of a special interim dividend, subject to the Board being satisfied on reasonable grounds that the Company will, immediately after payment of the special interim dividend, satisfy the solvency test prescribed by the Companies Law and the Board approving a solvency statement, signed by the Directors, to that effect.

The Tender Offer is being made on the terms and subject to the conditions set out in this Circular and also, in the case of certificated Ordinary Shares only, the Tender Form, in respect of up to 5,435,105 Ordinary Shares in issue on the Record Date at the Tender Price of 92 pence per Ordinary Share.

The Tender Offer is conditional on the passing of the Tender Offer Resolution. The Tender Offer is only available to Eligible Shareholders and in respect of the number of Ordinary Shares registered in those Shareholders' names.

The principal terms of the Tender Offer (which are set out in more detail in Part II of this Circular) are as follows:

- Under the Tender Offer, each Eligible Shareholder is entitled to have its shareholding purchased by the Company at the Tender Price of 92 pence per Ordinary Share up to that Eligible Shareholder's Basic Entitlement together with potential further purchases depending on the number of Ordinary Shares tendered by other Eligible Shareholders (subject to the overall maximum number indicated below).
- The Company will purchase existing issued Ordinary Shares for a total purchase price of up to £5 million.
- The maximum number of Ordinary Shares that will be purchased by the Company under the Tender Offer is 5,435,105, representing approximately 5.582 per cent. of the Company's issued share capital as at 16 May 2019 (assuming full take-up of the Tender Offer at the Tender Price).
- All Ordinary Shares validly tendered by any Eligible Shareholder up to their Basic Entitlement will be accepted in full.
- Eligible Shareholders are permitted to submit Tender Forms or TTE instructions in respect of Ordinary Shares that are in excess of their Basic Entitlement ("Excess Tenders"). Excess Tenders will only be accepted to the extent that other Eligible Shareholders tender less than their Basic Entitlement or do not tender any Ordinary Shares.
- To the extent that other Eligible Shareholders have not taken up their Basic Entitlement (thereby creating "Excess Capacity"), Eligible Shareholders will have their Excess Tenders satisfied in full to the extent that the Excess Capacity exceeds the aggregate Excess Tenders. To the extent that the aggregate Excess Tenders exceeds Excess Capacity, Excess Tenders shall be scaled down pro-rata to the total number of Ordinary Shares so tendered by that Eligible Shareholder, such that the total cost of Ordinary Shares purchased pursuant to the Tender Offer does not exceed £5 million and if any fractions arise from scaling back, the number of Ordinary Shares accepted will be rounded down to the nearest whole number.

- Successfully tendered Ordinary Shares will be cancelled by the Company and will not be available for re-issue.
- Eligible Shareholders who hold their Ordinary Shares in certificated form who wish to participate in the Tender Offer must return a completed Tender Form, together with any shares certificate(s) and/or other document(s) of title so as to be received by the Receiving Agent by no later than 1.00 p.m. on 4 June 2019. Eligible Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) who wish to participate in the Tender Offer should not complete a Tender Form but should submit TTE instructions electronically through CREST as described in Part II of this Circular.
- **Eligible Shareholders do not have to tender any Ordinary Shares if they do not wish to, but once submitted, a Tender Form and/or a TTE instruction (as appropriate) is irrevocable and cannot be withdrawn. Eligible Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.**
- All or part of a registered holding of Ordinary Shares may be tendered, but only one tender may be made in respect of any single Ordinary Share. The total number of Ordinary Shares tendered by any Eligible Shareholder should not exceed the total number of Ordinary Shares held by such Shareholder.
- All Ordinary Shares which are successfully tendered will be purchased by the Company at the Tender Price.
- The Company has received an irrevocable undertaking from Arrowgrass holding, in total, 72,400,544 Ordinary Shares, to tender at least its Basic Entitlement.
- The decision of the Company as to the results of the Tender Offer (including, without limitation, the basis on which excess tenders are satisfied) shall be final and binding on all Shareholders.
- Shareholders should note that the Company is entitled not to, and will not, proceed with the Tender Offer, in the circumstances set out in paragraph 1(u) of Part II of this Circular. This right may only be exercised prior to 6.00 p.m. on 4 June 2019. Shareholders should also note that the Tender Offer is conditional on those matters set out in paragraph 1(a) of Part II of this Circular.
- The Tender Offer will remain open from 20 May 2019 until 1.00 p.m. on 4 June 2019 (unless extended in accordance with the terms set out in this Circular).
- Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part II of this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, on the Tender Form.
- Shares will be purchased by the Company free of commissions and dealing charges.

5. Overseas Shareholders

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 2 of Part II to this Circular headed “Overseas Shareholders” and, for Shareholders who hold their Ordinary Shares in certificated form, to the relevant provisions of the Tender Form.

6. Current Trading and Prospects

The successful Demerger and subsequent listing of Distribution Finance Capital Holdings plc's shares on AIM completed on 9 May 2019 at an initial public offering price of 90 pence per share giving a market valuation of Distribution Finance Capital Holdings plc of approximately £96 million.

There have been no other key developments since the announcement of the Company's annual results and the announcement of the Demerger.

All businesses have been trading in line with management expectations.

The strategy of the Group following the Demerger remains unchanged, notably to continue to focus on the existing businesses whilst looking for new opportunities in the sector.

A full review of the cost structure is currently being undertaken to ensure that the Group is structured appropriately.

The proposed return of value to Shareholders by way of the Tender Offer has been factored into the strategic plans of the Group.

7. Taxation

A summary of the taxation consequences of the Tender Offer for UK resident Shareholders is set out in Part III of this Circular.

Any Shareholder who is in any doubt as to their tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

8. Notification of Interests

Under the Articles, substantial Shareholders are required to notify the Company of their interests in Ordinary Shares. Following the Company's proposed purchase of Ordinary Shares in relation to the Tender Offer, a substantial Shareholder's interest in the Company's issued ordinary share capital may change giving rise to an obligation on the Shareholder in question to make a notification or a further notification to the Company within two days of becoming aware of such change.

If Shareholders are in any doubt as to whether they should make a notification to the Company, or as to the form of that notification, then Shareholders are advised to consult their solicitor or other professional adviser without delay.

9. Action to be taken

In relation to the AGM

Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the AGM. **Whether or not you intend to be present at the AGM, and whether or not you intend to tender any of your Ordinary Shares under the Tender Offer you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by the Company's Registrars, Equiniti (Jersey) Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by not later than 11.30 a.m. on 2 June 2019.**

The completion and return of a Form of Proxy will not preclude Shareholders from attending the AGM and voting in person should they wish to do so.

In relation to the Tender Offer

The procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form and is summarised below:

(i) Ordinary Shares held in certificated form

Eligible Shareholders who hold Ordinary Shares in certificated form and who wish to tender all or any of their existing holdings of Ordinary Shares should complete the Tender Form in accordance with the instructions printed thereon (including a witnessed signature) and in Part II of this Circular, and return it by post or (during normal business hours only) by hand

to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. A prepaid envelope is enclosed for this purpose. Eligible Shareholders who hold their Ordinary Shares in certificated form must also return with the relevant Tender Form their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered. Completed Tender Forms must be received by not later than 1.00 p.m. on 4 June 2019. Further details of the procedures for tendering and settlement are set out in Part II of this Circular and in the accompanying Tender Form.

(ii) *Ordinary Shares held in uncertificated form (that is, in CREST)*

Eligible Shareholders who hold their Ordinary Shares in uncertificated form and who wish to tender all or any of their existing holdings of Ordinary Shares should tender electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. on 4 June 2019. Further details of the procedures for tendering and settlement are set out in Part II of this Circular.

10. Additional Information

Eligible Shareholders who do not wish to sell any Ordinary Shares under the Tender Offer need take no action in relation to the Tender Form or otherwise. Shareholders are encouraged, whether or not they are able to or intend to participate in the Tender Offer, to return the duly completed Form of Proxy.

If you are in any doubt about the completion of the Tender Form or making a TTE instruction, please contact Equiniti on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259. For legal reasons, Equiniti will not be able to give advice on the merits of the Tender Offer or to provide legal, financial or taxation advice, and accordingly for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

11. Share Incentive Arrangements

As referred to in the Demerger Circular, holders of unexercised PSP Market Value Awards will be given the opportunity to benefit from the Tender Offer and any other value returned to Shareholders in the form of a cash payment from the Company. The amount of any such cash payment will be determined by reference to the gross amount that the award holder would have received had they held and successfully tendered the number of Ordinary Shares subject to their unexercised PSP Market Value Awards. The cash payments will be made by the Company at the time of the Company's next annual bonus cycle in 2020. The exercise price and the target thresholds that apply to the PSP Market Value Awards will also be adjusted to reflect the Tender Offer in accordance with the terms on which the PSP Market Value Awards were granted.

12. Recommendation

The Directors consider that the Tender Offer and the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly your Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting as they intend to do in respect of their own beneficial holdings of Ordinary Shares (in respect of which they have the power to exercise or direct the exercise of voting rights) which, in aggregate, amount to 235,461 Ordinary Shares representing 0.24 per cent. of the issued Ordinary Shares.

The Directors are making no recommendation to Shareholders in relation to participation in the Tender Offer itself.

Whether or not Shareholders decide to tender their Ordinary Shares will depend, amongst other things, on their own individual circumstances, including their own tax position. Shareholders are recommended to consult their duly authorised independent advisers in making their own decisions.

Yours faithfully

Henry Kenner

Chairman

PART II

DETAILS OF THE TENDER OFFER

Shareholders on the Register at 6.00 p.m. on 4 June 2019 (other than certain Overseas Shareholders, as described in paragraph 2 below headed “Overseas Shareholders” in this Part II) are hereby invited to tender Ordinary Shares for purchase by the Company for cancellation on the terms and subject to the conditions set out in this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, in the accompanying Tender Form.

The Company intends to accept valid tenders, on the terms and subject to the conditions set out below and, for Shareholders who hold their Ordinary Shares in certificated form, in the accompanying Tender Form, of up to 5,435,105 Ordinary Shares (being up to 5.582 per cent. of the Ordinary Shares in issue as at 16 May 2019, being the latest practicable date prior to the publication of this Circular), assuming full take-up of the Tender Offer at the Tender Price.

1. TERMS AND CONDITIONS OF THE TENDER OFFER

The Company hereby offers to purchase Ordinary Shares from Eligible Shareholders on and subject to the following terms and conditions:

- (a) The Tender Offer is conditional on the following (the “Conditions”):
- (i) the passing of the Tender Offer Resolution set out in the notice of the Annual General Meeting at the end of this Circular (the proposed Tender Offer Resolution will authorise and approve the terms of the Tender Offer in respect of the purchase of Ordinary Shares by the Company pursuant to the Tender Offer);
 - (ii) the Tender Offer not having been terminated in accordance with paragraph 1(u) of this Part II prior to 6.00 p.m. on 4 June 2019; and
 - (iii) the Board being satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer, satisfy the solvency test prescribed by the Companies Law and the Board approving a solvency statement, signed by the Directors, to that effect.

If these Conditions are not satisfied the Tender Offer will lapse and the Company will not purchase any Ordinary Shares pursuant to the Tender Offer. The Conditions may not be waived. If the Conditions are not satisfied then the Tender Offer will lapse.

- (b) Each Ordinary Share tendered under the Tender Offer will be tendered at the Tender Price.
- (c) The Tender Offer is only available to Shareholders (other than certain Overseas Shareholders) on the Register on the Record Date, and only in respect of the number of Ordinary Shares registered in their names on that date.
- (d) Each Eligible Shareholder is entitled, subject to the terms and conditions set out in this Part II, to tender up to its Basic Entitlement. Eligible Shareholders are permitted to submit Tender Forms or TTE instructions in respect of Ordinary Shares that are in excess of their Basic Entitlement (“Excess Tenders”). To the extent that other Eligible Shareholders have not taken up their Basic Entitlement (thereby creating “Excess Capacity”), Eligible Shareholders will have their Excess Tenders satisfied in full to the extent that the Excess Capacity exceeds the aggregate Excess Tenders. To the extent that the aggregate Excess Tenders exceeds Excess Capacity, Excess Tenders shall be scaled down pro-rata to the total number of Ordinary Shares so tendered by that Eligible Shareholder, such that the total cost of Ordinary Shares purchased pursuant to the Tender Offer does not exceed £5 million and if any fractions arise from scaling back, the number of Ordinary Shares accepted will be rounded down to the nearest whole number.

- (e) Tender Forms which have been, or are deemed to be, validly and properly completed and received by the Receiving Agent, by 1.00 p.m. on 4 June 2019 will become irrevocable at such time as they are received.
- (f) The Tender Offer will close at 1.00 p.m. on 4 June 2019 and no Tender Forms or TTE instructions received after that time will be accepted in whole or in part, except to the extent that the Company extends the period for tendering under the Tender Offer, in which case a new date for the Tender Offer will be given. **The Company reserves the right, subject to applicable legal and regulatory requirements, to extend the period for tendering under the Tender Offer at any time prior to 1.00 p.m. on 4 June 2019.** Any material change to the expected timetable will be notified to Shareholders by way of an announcement through a Regulatory Information Service. Any such extension will comply with all applicable legal and regulatory requirements including, but not limited to, the duration of such extension.
- (g) All or any part of a holding of Ordinary Shares may be tendered. Subject to the satisfaction of the Conditions referred to in paragraph 1(a) above, Ordinary Shares successfully tendered will be purchased by the Company fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same and will be cancelled and will not rank for any future dividends or other distributions.
- (h) The aggregate number of Ordinary Shares purchased pursuant to the Tender Offer shall not in any event exceed 5,435,105 (assuming full take-up of the Tender Offer at the Tender Price).
- (i)
 - (i) All tenders in respect of Ordinary Shares held in certificated form must be made on the accompanying Tender Form duly completed in accordance with the instructions set out below and in the Tender Form (which constitute part of the terms of the Tender Offer). Such tenders will only be valid if the procedures contained in this Circular and in the Tender Form are complied with in full.
 - (ii) All tenders in respect of Ordinary Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of a TTE instruction in CREST in accordance with the instructions set out in this Part II and the relevant procedures in the CREST Manual (which together constitute part of the terms of the Tender Offer). Such tenders will only be valid when the procedures contained in this Circular and in the relevant parts of the CREST Manual are complied with in full.
 - (iii) The Tender Offer and all tenders relating thereto will be governed by and construed in accordance with English law. Delivery of a Tender Form and/or the input of a TTE instruction in CREST, as applicable, will constitute submission to the exclusive jurisdiction of the English courts.
- (j) It is expected that the results of the Tender Offer and, if applicable, the extent to which tenders will be scaled back, will be announced on 5 June 2019.
- (k) All documents and remittances sent by or to Shareholders will be sent at the risk of the Shareholder concerned. If the Tender Offer does not become unconditional and lapses, share certificates and other documents of title will be returned by post to the person whose name and address (outside the Restricted Territories) is set out in Box 1 of the Tender Form or, if relevant, to the person whose name and address (outside the Restricted Territories) is set out in Box 3 of the Tender Form, in each case by no later than ten business days after the date of such lapse, or, in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all such Ordinary Shares held in escrow balances by TFE instruction to the original available balances to which those Ordinary Shares relate.

- (l) If part only of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Eligible Shareholder will be entitled to receive the following:
 - (i) if Ordinary Shares are held in certificated form – a balance certificate in respect of the unsold Ordinary Shares; or
 - (ii) if Ordinary Shares are held in uncertificated form (that is, in CREST) – the transfer of the unsold Ordinary Shares by the Receiving Agent by TFE instruction to the original registered holder(s) of those unsold Ordinary Shares.
- (m) Further copies of the Tender Form may be obtained on request from Equiniti by calling between 8.30 a.m. and 5.30 p.m. Monday to Friday on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259.
- (n) The decision of the Company as to the results of the Tender Offer (including, without limitation, the basis on which excess tenders are satisfied) shall be final and binding on all Shareholders.
- (o) Holdings in certificated form under the same name with different designations will be treated as separate shareholdings for the purposes of the application of terms of the Tender Offer and a separate Tender Form will need to be submitted in order to tender each such separate holding.
- (p) Subject to the satisfaction of the Conditions referred to in paragraph 1(a) above, all successfully tendered Ordinary Shares will be purchased by the Company at the Tender Price, and such purchases will be on-market purchases in accordance with Article 57(4) of the Companies Law. Such Ordinary Shares will then be cancelled by the Company.
- (q) All questions as to the number of Ordinary Shares tendered, and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by the Company, in its sole and absolute discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law).

The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right (subject to paragraph 1(a) above) to waive any of the terms or conditions of the Tender Offer and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities (if any) have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched until after the Tender Form is complete in all respects and the share certificates and/or other document(s) of title satisfactory to the Company have been received or until after the relevant TTE instruction has settled (as the case may be).

None of the Company, the Receiving Agent, or any other person is or will be obliged to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

- (r) Ordinary Shares will be purchased by the Company under the Tender Offer free of commissions and dealing charges.
- (s) The failure of any person to receive a copy of this Circular or, for a person who holds his Ordinary Shares in certificated form, the Tender Form shall not invalidate any aspect of the Tender Offer. None of the Company, the Receiving Agent or any other person will incur any liability in respect of any person failing to receive this Circular and/or, for a person who holds its Ordinary Shares in certificated form, the Tender Form.

- (t) The Company reserves the right to change the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable law and regulatory requirements. Any such change will require, amongst other things, notification to Shareholders by public announcement and may, in certain circumstances, require that the period of the Tender Offer be extended.
- (u) If at any time prior to 6.00 p.m. on 4 June 2019:
 - (i) the Board in its absolute discretion concludes that the Tender Offer would no longer be in the best interests of the Company and/or the Shareholders as a whole; or
 - (ii) there shall occur any material adverse change in the national or international, financial, economic, political or market conditions; or
 - (iii) there shall occur any material adverse change in the financial position or prospects and/or circumstances of the Company (including, without limitation, the solvency of the Company),

which, in respect of (ii) and (iii) above, in the reasonable opinion of the Directors of the Company, renders the Tender Offer temporarily or permanently impractical or inadvisable (taking into account the background to and reasons for the Tender Offer), the Company shall terminate the Tender Offer and shall, as soon as practicable thereafter, announce the same through a Regulatory Information Service and notify Shareholders in writing.
- (v) No acknowledgement of receipt of any Tender Form, share certificate(s), other document(s) of title and/or TTE messages (as appropriate) will be given.
- (w) The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to the agreements arising from the acceptance of the Tender Offer or any collateral agreements relating to the Tender Offer.

2. OVERSEAS SHAREHOLDERS

- (a) The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction. Any such Shareholder will be responsible for any such issue, transfer or other taxes by whomsoever payable and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes such person may be required to pay. **No steps have been taken to register or qualify the Tender Offer or to authorise the extending of this Tender Offer or the distribution of the Circular, the Tender Form and any related documents in any territory outside the United Kingdom or Jersey.**
- (b) In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facility of a national securities exchange of the United States or in or into any Restricted Territory, and Ordinary Shares cannot be tendered by any such use, means, instrumentality or facility or from within the United States. This includes, but is not limited to, post, facsimile transmission, telex, electronic mail and telephone.

Accordingly, copies of this Circular, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from any of the Restricted Territories, including to Shareholders with registered addresses in any of the Restricted Territories or to persons who are custodians, nominees or trustees holding shares for person in any of the Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from, any of the Restricted Territories or use such mails or any such means, instrumentality or facility, in connection with the Tender Offer, and so doing may render invalid any purported tender under the Tender Offer. Persons wishing to tender under the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to any tender under the Tender Offer. Envelopes containing Tender Forms should not be postmarked in any of the Restricted Territories or otherwise despatched from any of the Restricted Territories and all tendering Shareholders must provide addresses outside the Restricted Territories for the remittance of cash or return of any documents.

- (c) A Shareholder will be deemed not to have tendered Ordinary Shares pursuant to the Tender Offer if (i) such Shareholder is unable to make the representations and warranties set out in paragraph 4 (headed “Effect of Tender”) in this Part II; (ii) such Shareholder completes Box 1 of a Tender Form with an address in any of the Restricted Territories or has a registered address in any of the Restricted Territories; or (iii) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from any of the Restricted Territories. The Company reserves the right, in its absolute discretion, to investigate in relation to any acceptance, whether the representations and warranties referred to in sub-paragraphs (h) and (i) of paragraph 4 (headed “Effect of Tender”) in this Part II given by any Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- (d) If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Circular, the Tender Form or any related documents in, into or from any of the Restricted Territories, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to paragraph 2 headed “Overseas Shareholders” in this Part II.
- (e) The provisions in this paragraph 2 headed “Overseas Shareholders” and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Company in its absolute discretion but only if the Company is satisfied that such waiver, variation or modification will not constitute or give rise to breach of applicable securities or other laws. References to a “Shareholder” shall include references to the persons executing Tender Forms and, in the event of more than one person executing Tender Forms, the provisions in this paragraph 2 above shall apply to them jointly and severally.

Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

3. PROCEDURE FOR TENDERING

(a) *Different procedures for Ordinary Shares in certificated and uncertificated form*

If you hold Ordinary Shares in certificated form, you may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3(b) below and the instructions printed thereon.

If you hold Ordinary Shares in certificated form but under different designations, you should complete a separate Tender Form, as appropriate, in respect of each designation. Additional Tender Forms are available from Equiniti by telephone on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259.

The line is open between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Tender Offer nor give financial, tax, investment or legal advice.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) you may only tender such Ordinary Shares by TTE instruction in accordance with the procedure set out in paragraph 3(c) below and, if those Ordinary Shares are held under different member account IDs, you should send a separate TTE instruction for each member account ID.

(b) *Ordinary Shares held in certificated form (that is, not in CREST)*

To tender your Ordinary Shares held in certificated form you must complete, sign and have witnessed the Tender Form. The completed, signed and witnessed Tender Form should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or by hand during normal business hours only to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 4 June 2019**. No tenders received after that time will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in the United States, Canada, Australia, South Africa or Japan or otherwise appearing to the Company or its agents to have been sent from any of those jurisdictions may be rejected as an invalid tender. For further information on Overseas Shareholders, see paragraph 2 (headed "Overseas Shareholders") in this Part II.

The completed and signed Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title is/are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above **so as to be received by the Receiving Agent, Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 1.00 p.m. on 4 June 2019**, together with any share certificate(s) and/or documents(s) of title that you may have available with a note of explanation stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. The relevant share certificate(s) and document(s) of title should be forwarded as soon as possible thereafter and, in any event, so as to arrive by not later than 1.00 p.m. on 4 June 2019.

In respect of those Ordinary Shares for which your share certificate(s) is/are lost, you should complete a letter of indemnity, which can be obtained by writing to the Registrars, Equiniti (Jersey) Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. **This indemnity and related payment should be returned as described above so as to be**

received by the Receiving Agent, Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 1.00 p.m. on 4 June 2019.

Where you have returned a letter of indemnity in respect of unavailable share certificate(s) and you subsequently find or obtain the relevant share certificate(s), you should immediately send the share certificate(s) by hand during normal business hours only or by post to the Receiving Agent, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as described above.

If a Shareholder does not return his share certificate(s) by 1.00 p.m. on 4 June 2019, the Company may deem (in its absolute discretion) that such Shareholder has only tendered the number of Ordinary Shares in respect of which share certificates have been received.

If the Tender Offer does not become unconditional and lapses, Tender Forms, share certificates and other documents of title will be returned to Eligible Shareholders by post not later than 10 business days after the date of such lapse.

(c) ***Ordinary Shares held in uncertificated form (that is, in CREST)***

If the Ordinary Shares which you wish to tender are held in uncertificated form, then to tender such shares you should take (or procure the taking of) the action set out below to transfer (by means of a TTE instruction) the number of Ordinary Shares which you wish to tender under the Tender Offer to the appropriate escrow account, specifying Equiniti Limited (in its capacity as the Receiving Agent and a CREST participant under the participant ID and member account ID referred to below) as the Receiving Agent, as soon as possible and in any event so that the TTE instruction settles by no later than 1.00 p.m. on 4 June 2019. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE instructions accordingly.

An Electronic Tender made in accordance with this sub-paragraph (c) (which has not been validly withdrawn) shall constitute an offer to sell the number of Ordinary Shares at the Tender Price on the terms of the Tender Offer, by transferring such shares to the relevant escrow account as detailed in – paragraph 3(c)(i) below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE instruction to Euroclear in relation to the Ordinary Shares which you wish to tender.

After settlement of a TTE instruction, you will not be able to access in CREST for any transaction or charging purposes the Ordinary Shares the subject of such TTE instruction, notwithstanding that they will be held by Equiniti as the Receiving Agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional and the relevant tender is accepted, the Receiving Agent will transfer the Ordinary Shares to itself for cancellation, returning any Ordinary Shares not successful in the Tender Offer to you.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below. This can be downloaded from the Euroclear website at www.euroclear.com.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Ordinary Shares to settle prior to 1.00 p.m.

on 4 June 2019. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(i) *Electronic Tenders*

To tender Ordinary Shares in uncertificated form you should send (or if you are a CREST sponsored member, procure your sponsor sends) to Euroclear a TTE instruction in relation to such Ordinary Shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following additional details:

- (a) the number of Ordinary Shares in respect of which you wish to tender and which are to be transferred to an escrow account;
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Receiving Agent, Equiniti Limited, in its capacity as a CREST receiving agent. This is 2RA46;
- (e) the member account ID of the Receiving Agent, Equiniti, for the Tender Offer and the Basic Entitlement. This is RA326001;
- (f) the corporate action ISIN, which is JE00BYVWJZ03;
- (g) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on 4 June 2019;
- (h) input with standard delivery instruction of priority 80;
- (i) the corporate action number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (j) the contact name and telephone number inserted in the shared note field.

An appropriate announcement through a regulatory information service will be made if any of the details contained in this paragraph 3(c)(i) are altered.

(ii) *Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 4 June 2019.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for making an Electronic Tender, please telephone Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259. The line is open between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. For legal reasons, Equiniti will not be able to give advice on the merits of the Tender Offer or

to provide legal, financial or taxation advice, and accordingly, for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.

4. EFFECT OF TENDER

Each Shareholder by whom, or on whose behalf, a Tender Form is executed or an Electronic Tender is made (as appropriate) irrevocably undertakes, represents, warrants and agrees to and with the Company and the Receiving Agent (so as to bind him, his personal or legal representatives, heirs, successors and assigns) that:

- (a) in respect of an Eligible Shareholder:
 - (i) by whom, or on whose behalf, a Tender Form is executed, the execution of the Tender Form shall constitute an offer to sell to the Company at the Tender Price, the number of Ordinary Shares inserted (or deemed inserted by inserting a "X" in Box 1A) in Box 1A and/or Box 1B (as applicable) of the Tender Form (or such lesser number of Ordinary Shares as is accepted for purchase pursuant to the Tender Offer), in each case on and subject to the terms and conditions set out and referred to in this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, the relevant Tender Form and that, once lodged, such offer shall be irrevocable;
 - (ii) by whom, or on whose behalf, an Electronic Tender is made, the input of the TTE instruction shall constitute an offer to sell to the Company at the Tender Price, the number of Ordinary Shares specified in the TTE instruction, or deemed to be tendered (or such lesser number of Ordinary Shares as is accepted for purchase pursuant to the Tender Offer), in each case on and subject to the terms and conditions set out and referred to in this Circular and that once the TTE instruction has settled, such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and when the same are purchased, the Company will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature together with all rights attaching thereto with effect from such time, including the right to vote the Ordinary Shares and to receive all dividends and other distributions declared, paid or made on or after such time;
- (c) the execution of the Tender Form and/or the input of the TTE instruction (as appropriate) will, subject to the Tender Offer Resolution to authorise and approve the proposed purchases by the Company being passed and subject to the Tender Offer otherwise becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company, or other person(s) nominated by the Company, as such Shareholder's attorney and/or agent ("attorney") and an irrevocable instruction and authorisation for the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares being tendered by that Shareholder in favour of the Company and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or any other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may, in the opinion of such attorney, be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in the Company or its nominee(s) such Ordinary Shares;

- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by such attorney and/or by the Company or any of its directors in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) such Shareholder holding Ordinary Shares in certificated form will deliver to the Receiving Agent their share certificate(s) and/or other document(s) or title in respect of the Ordinary Shares being tendered by that Shareholder or an indemnity acceptable to the Company in lieu thereof or will procure that the delivery of such document(s) to such person as soon as possible thereafter and, in any event, before the AGM;
- (f) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (g) such Shareholder shall do all such things and acts as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable to complete the Company's purchase of the Ordinary Shares and/or to perfect any of the authorities expressly given hereunder;
- (h) such Shareholder, if an Overseas Shareholder, has fully observed and complied with any applicable legal requirements so that the invitation under the Tender Offer may be lawfully made to him under the laws of the relevant jurisdiction;
- (i) such Shareholder is not a resident of any Restricted Territory, does not hold any Ordinary Shares which he has tendered on behalf of a resident of any Restricted Territory and has not received or sent copies or originals of this Circular, the Tender Form or any related document in, into or from any Restricted Territory and has not otherwise utilised in connection with the Tender Offer directly or indirectly, the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Territory, the Tender Form has not been mailed or otherwise been sent in, into or from any Restricted Territory and such Shareholder is tendering Ordinary Shares pursuant to the Tender Offer from outside any Restricted Territory and such Shareholder is not an agent or fiduciary acting on a non-discretionary basis for the principal who has given any instructions with respect to the Tender Offer from within any Restricted Territory;
- (j) the creation of an assured payment obligation in favour of a Shareholder's payment bank in accordance with the CREST assured payment arrangements as referred to in paragraph 5 (headed "Purchase of Ordinary Shares and Settlement") in this Part II will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholder the cash consideration to which he is entitled pursuant to the Tender Offer;
- (k) on execution each Tender Form takes effect as a deed;
- (l) in respect of Ordinary Shares held in uncertificated form, the input of a TTE instruction constitutes the irrevocable appointment of the Receiving Agent as the Shareholder's attorney and/or agent (with power to delegate to any director of the Receiving Agent) and an irrevocable instruction and authority to the attorney and/or agent (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST any of the Relevant Shares in respect of which the Tender Offer has been accepted (but not exceeding the number of Ordinary Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer does not become unconditional and lapses or has been terminated, or there are Ordinary Shares which have not been accepted under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the lapsing of the Tender Offer, to transfer all Relevant Shares to the original available balances from which those Ordinary Shares came. "Relevant Shares" means Ordinary Shares in uncertificated form and in respect of which a TTE instruction pursuant to the procedure described in this Part II and where the transfer(s) to escrow was or were in respect of Ordinary Shares held under the

same member account ID and participant ID as the member account ID and participant ID relating to the Tender Form concerned (but irrespective of whether or not any Tender Form Reference Number, or a Tender Form Reference Number corresponding to that appearing on the Tender Form concerned, was included in the TTE instruction concerned);

- (m) that, subject to the Tender Offer becoming unconditional, the execution of a Tender Form or the inputting of a TTE instruction (as appropriate), constitutes an irrevocable authorisation and request:
 - (i) if the Ordinary Shares concerned are in certificated form, to the Company to procure the despatch by post of a cheque drawn in pounds sterling at a branch of a UK clearing bank for the cash consideration to which a tendering Shareholder is entitled, at the risk of such Shareholder, to the person whose name and address outside any of the Restricted Territories is set out in Box 1 (or, if relevant, Box 4) of the Tender Form; or
 - (ii) if the Ordinary Shares are in uncertificated form, to the Company to procure the creation of an assured payment obligation in favour of the payment bank of the tendering Shareholder in accordance with the CREST assured payment arrangements in respect of the cash consideration to which such Shareholder is entitled;
- (n) that the execution of a Tender Form and/or the input of the TTE instruction (as appropriate) constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (o) the execution of the Tender Form constitutes a warranty by such Shareholder that the information given by or on behalf of the Shareholder in the Tender Form will be true in all respects at the time the Company purchases the Ordinary Shares referred to in paragraph 4(a) above as if it had been given afresh at such time and shall not be extinguished by such purchase.

A reference in this section headed "Effect of Tender" to a Shareholder includes a reference to the person or persons executing the Tender Form or inputting the TTE instruction and, in the event of more than one person executing a Tender Form or inputting the TTE instruction, the provisions of this paragraph will apply to them jointly and severally.

5. PURCHASE OF ORDINARY SHARES AND SETTLEMENT

Upon the terms and conditions of the Tender Offer, the outcome of the Tender Offer is expected to be announced by no later than 7.00 a.m. on 5 June 2019 and the Company expects to complete the purchase of Ordinary Shares on 6 June 2019.

Tendering Shareholders should note that the Annual General Meeting has been convened for 11.30 a.m. on 4 June 2019. Payment for the Ordinary Shares which are to be purchased pursuant to the Tender Offer is expected to be made on 7 June 2019 in respect of Ordinary Shares held in CREST and by 13 June 2019 in respect of Ordinary Shares held in certificated form.

Delivery of cash for the Ordinary Shares to be purchased by the Company pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company notwithstanding any delay in making such payment.

Settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by the Company will be made as follows:

(a) **Ordinary Shares in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Ordinary Shares held by Shareholders in uncertificated form, the consideration will be paid in pounds sterling through CREST by the Receiving Agent (on behalf of the Company) procuring the creation of an assured payment obligation on 7 June 2019 in favour of the payment banks of tendering Shareholders in accordance with the CREST assured payment arrangements.

The Company reserves the right to settle all or any part of the consideration referred to in this paragraph 5(a), for all or any tendering Shareholder(s), in the manner referred to in paragraph 5(b) below if, for any reason, it wishes to do so.

(b) **Ordinary Shares in certificated form**

Where an accepted tender relates to Ordinary Shares held by Shareholders in certificated form, cheques for the consideration will be despatched by 13 June 2019 by the Receiving Agent (on behalf of the Company) by first class post, at the risk of the person(s) whose name and address (outside any of the Restricted Territories) is set out in Box 1 (or, if relevant, Box 3 of the Tender Form). All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank at the risk of the person(s) entitled thereto.

6. ADDITIONAL PROVISIONS

All powers of attorney and authorities conferred by or referred to in this Circular or the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and irrevocable in accordance with paragraph 4 of Part II of this Circular.

PART III

UK TAX CONSIDERATIONS IN RELATION TO THE TENDER OFFER

The following comments do not constitute tax advice and are intended only as a general guide. They are based on current UK tax law and what is understood to be HM Revenue & Customs' current published practice as at the date of this Circular (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK tax treatment of Shareholders. Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional adviser without delay.

The comments below are intended to apply only to Shareholders: (i) who are resident (and, in the case of individuals, domiciled) in (and only in) the UK for UK tax purposes (unless the position of non-UK resident Shareholders is expressly referred to); (ii) to whom split-year treatment does not apply; (iii) who are the absolute beneficial owners of their Ordinary Shares and any dividends paid in respect of those shares; (iv) who hold their Ordinary Shares as investments (otherwise than through an individual savings account or a pension arrangement) and not as securities to be realised in the course of a trade; and (v) to whom the UK tax rules concerning carried interest do not apply in relation to their holding or disposal of shares.

The comments below may not apply to certain Shareholders, such as dealers in securities, broker dealers, insurance companies and collective investment schemes, pension schemes, Shareholders who are exempt from UK taxation, Shareholders who acquired their Ordinary Shares under TruFin's share incentive arrangements or by (or deemed to be by) virtue of an office or employment. Such Shareholders may be subject to special rules.

The material set out below does not constitute tax advice. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional tax adviser.

General

When TruFin purchases Ordinary Shares from Shareholders pursuant to the Tender Offer, for UK tax purposes those Shareholders will be treated as receiving: (a) a capital sum for the disposal of their Ordinary Shares equal to the amount treated as paid up on each Ordinary Share for tax purposes (being £0.91 per share); and (b) an income distribution equal to the difference between £0.91 per share and the amount of the Tender Price (the **"Distribution Amount"**).

If TruFin declares a special interim dividend to Shareholders (the **"Special Dividend"**), Shareholders will be treated as receiving an income distribution equal to the amount of the Special Dividend paid to them (the **"Dividend Amount"**) for UK tax purposes.

Taxation of income

Liability to UK income tax or UK corporation tax on income in respect of the Distribution Amount or the Dividend Amount will depend upon the individual circumstances of the Shareholder. An overview of the applicable UK tax rules is set out below.

UK resident individual Shareholders

If an individual resident (for tax purposes) in the UK receives a Distribution Amount pursuant to the Tender Offer or a Dividend Amount pursuant to the Special Dividend (in either case, an **"Income Amount"**), the amount of income tax payable on the receipt will depend on the individual's own personal tax position.

No tax should be payable if the Income Amount received, when aggregated with the Shareholder's other dividend income in the year of assessment, does not exceed the annual tax-free allowance (£2,000 for 2019/20). "Dividend income" for these purposes includes any UK and non UK source dividends and certain other distributions in respect of shares. Dividend income in excess of the tax-free allowance is taxed at the following rates:

- 7.5 per cent. to the extent that it falls below the threshold for higher rate income tax;
- 32.5 per cent. to the extent it falls within the higher rate band; and
- 38.1 per cent. to the extent it falls within the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

The Income Amount will not carry a tax credit.

UK resident trustee Shareholders

Trustees of UK resident trusts should take appropriate advice on the tax consequences of the Tender Offer and (if applicable) the Special Dividend. Generally, UK resident trusts that are regarded as discretionary or accumulation trusts may be subject to tax at the dividend trust rate on the total of the Income Amount received (7.5 per cent. for trust income up to £1,000 and 38.1 per cent. for trust income over £1,000). The annual tax-free allowance applies to individuals only and there is no equivalent allowance for trusts.

Corporate Shareholders within the charge to UK corporation tax

If a corporate Shareholder within the charge to UK corporation tax receives an Income Amount pursuant to the Tender Offer or the Special Dividend, it is likely that the Income Amount will fall within one or more of the classes of income distribution qualifying for exemption from corporation tax. In that case, the whole of the purchase price should be brought into account in the calculation of any chargeable gain on the disposal (see the section entitled "Taxation of chargeable gains" below).

However, the income distribution exemptions are not comprehensive and are also subject to anti-avoidance rules. To the extent that the Income Amount received does not fall within an exemption, that Income Amount will be taxable as an income distribution at the prevailing corporation tax rate of 19 per cent. (subject to any available exemptions or relief) and that amount will be excluded from the chargeable gains computation, as it will have been taken into account for the purposes of computing income.

Taxation of chargeable gains

When TruFin purchases Ordinary Shares from Shareholders pursuant to the Tender Offer, for UK tax purposes those Shareholders will be treated as receiving a capital sum (the "**Capital Amount**") for the disposal of their Ordinary Shares equal to the amount treated as paid up on each Ordinary Share for tax purposes (being £0.91 per share). This disposal of Ordinary Shares may, depending on the individual circumstances of the Shareholder (including the availability of exemptions and reliefs) give rise to a chargeable gain or an allowable loss for the purposes of UK taxation on chargeable gains. The extent of any gain or loss arising to a particular Shareholder will also depend on their base cost in the Ordinary Shares that they dispose of.

For Shareholders who acquired ordinary shares in Distribution Finance Capital Holdings plc (the "**DFC Holdings Shares**") pursuant to the demerger of TruFin's holding in Distribution Finance Capital Limited effected on 8 May 2019 (the "**Demerger**") and have not acquired or disposed of any

DFC Holdings Shares or any Ordinary Shares since the Demerger, their base cost in the Ordinary Shares they dispose of pursuant to the Tender Offer should be calculated as follows:

- The Shareholder's aggregate base cost in their holdings of Ordinary Shares and DFC Holdings Shares (being their aggregate base cost in the ordinary shares they held in TruFin prior to the Demerger) must be apportioned between the holding of Ordinary Shares and the holding of DFC Holdings Shares (broadly) by reference to the respective values of such holding of Ordinary Shares and such holding of DFC Holdings Shares on the Unconditional Date.
- The base cost so apportioned to the holding of Ordinary Shares must then be apportioned between the holding of Ordinary Shares that is disposed of pursuant to the Tender Offer (the "**Disposed Holding**") and the holding of Ordinary Shares that is retained (the "**Retained Holding**") (broadly) by reference to the respective values of such Disposed Holding and such Retained Holding on the Unconditional Date.

Shareholders are recommended to seek separate independent professional tax advice to calculate their base cost in the Ordinary Shares they dispose of pursuant to the Tender Offer, including where they have acquired or disposed of any DFC Holdings Shares or any Ordinary Shares since the Demerger and prior to the Unconditional Date.

UK resident individual Shareholders

No tax should be payable if any chargeable gain in respect of the Capital Amount received, when aggregated with the Shareholder's other chargeable gains in the year of assessment, does not exceed the annual tax-free exemption (£12,000 for 2019/20). Chargeable gains in excess of the tax-free exemption are taxed at the following rates:

- 20 per cent. for Shareholders liable to income tax at the higher or additional rate
- 10 per cent. for Shareholders whose taxable income for the year in question is less than the upper limit of the basic rate income tax band (£37,500 for 2019/20), except to the extent that the aggregate of their total taxable income and gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to tax at the rate of 20 per cent.

UK resident trustee Shareholders

UK resident trusts should take appropriate advice on the tax consequences of the Tender Offer. Generally, UK resident trustee Shareholders can benefit from an annual exemption from chargeable gains tax of £6,000. Chargeable gains in excess of the tax-free exemption are taxed at 20 per cent.

Corporate Shareholders within the charge to UK corporation tax

Corporate shareholders suffer tax on chargeable gains at the prevailing rate of corporation tax (19 per cent. for the year from 1 April 2019, although the UK Government has announced its intention to reduce the rate to 17 per cent. in 2020). Indexation allowance may reduce the amount of any chargeable gain for these purposes, but will not create or increase any allowable loss, and will only apply from the date of acquisition up to 31 December 2017 (and not, following rule changes introduced by the Finance Act 2018, up to the date the chargeable gain is realised).

Stamp duty and stamp duty reserve tax ("SDRT")

On the basis that the Ordinary Shares are listed on AIM and not on any other market, no stamp duty or SDRT will arise on the purchase by TruFin of Ordinary Shares under the Tender Offer.

Transactions in securities

Under section 684 Income Tax Act 2007 (for individuals), HM Revenue & Customs can, in certain circumstances, counteract income tax advantages arising in relation to transactions in securities. Were section 684 to be successfully invoked against any individual Shareholder, that individual Shareholder would be likely to be taxed as though the consideration for the sale of their Ordinary Shares to the Company was an income distribution.

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for corporates), HM Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to transactions in securities. If these provisions were to be applied by HM Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income distribution.

These transactions in securities provisions apply only in certain circumstances and in particular do not apply where it can be shown that the transaction in question was entered into for genuine commercial reasons and did not involve as one of its main objects the obtaining of an income tax or corporation tax advantage. In view of these restrictions on the application of the anti-avoidance provisions, no application has been made to HM Revenue & Customs for clearance in respect of the application of these provisions to the Tender Offer. **UK resident individual Shareholders and corporate Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.**

TRUFIN PLC

(Incorporated and registered in Jersey under the Companies (Jersey) Law with registered number 125245)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of TruFin PLC (the “Company”) will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 4 June 2019 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1, 13 and 14 will be proposed as Special Resolutions and Resolutions 2 to 12 will be proposed as Ordinary Resolutions:

SPECIAL RESOLUTION

Purchase of Own Shares under the Tender Offer

1. That the Company be authorised to purchase, in accordance with Article 57 of the Companies Law, Ordinary Shares as per the terms of the Tender Offer described in this Circular provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be acquired is 5,435,105;
 - (b) the price which may be paid for each Ordinary Share is 92 pence;
 - (c) unless previously renewed, varied or revoked by the Company in a general meeting, the authority hereby conferred shall expire on 30 June 2019;
 - (d) the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Ordinary Shares in pursuance of any such contract;
 - (e) the Directors provide a statement of solvency in accordance with Articles 55 and 57 of the Companies Law; and
 - (f) such shares are acquired for cancellation or to be held as treasury shares in accordance with Article 58A of the Companies Law.

ORDINARY RESOLUTIONS

2018 Annual Report

2. To receive the reports of the Directors and the Auditors and the audited accounts for the financial year ended 31 December 2018.

Election of Directors

3. To re-elect Simon Henry Kenner as a Director of the Company.
4. To re-elect James van den Bergh as a Director of the Company.
5. To re-elect Raxita Kapashi as a Director of the Company.
6. To re-elect Steve Baldwin as a Director of the Company.
7. To re-elect Penny Judd as a Director of the Company.
8. To re-elect Peter Whiting as a Director of the Company.
9. To re-elect Paul Dentskevich as a Director of the Company.

Auditors

10. To re-appoint Deloitte LLP 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. The directors of the Company be authorised for the purposes of the articles of association of the Company (the "Articles") to allot (with or without confirming rights of renunciation), grant options over or otherwise deal in any unissued shares of the Company (whether for cash or non-cash consideration) on such terms and conditions as they may in their discretion think fit up to an aggregate maximum of 32,456,140 ordinary shares of £0.91 each in the capital of the Company ("Ordinary Shares") such authority to expire at the earlier of the conclusion of the next annual general meeting of the Company or at close of business on 4 September 2020 (unless previously renewed, varied or revoked by the Company prior to or on that date).

SPECIAL RESOLUTIONS

General Authority to Purchase own Shares

13. In addition to the authority in Resolution 1, that the Company be generally and unconditionally authorised to purchase in accordance with Article 57 of the Law Ordinary Shares provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be acquired is 9,736,842 (being 10% of the Ordinary Shares in issue as at the date of this Resolution);
 - (b) the minimum price which may be paid for each Ordinary Shares is nil;
 - (c) the maximum price which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange for the five business days immediately preceding the day on which such share is contracted to be purchased;
 - (d) unless previously renewed, varied or revoked by the Company in a general meeting, the authority hereby conferred shall expire on 4 September 2020 or, if earlier, on the date of the next annual general meeting of the Company;
 - (e) the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Ordinary Shares in pursuance of any such contract;
 - (f) the Directors provide a statement of solvency in accordance with Articles 55 and 57 of the Law; and
 - (g) such shares are acquired for cancellation or to be held as treasury shares in accordance with Article 58A of the Law.

Disapplication of Pre-emption Rights

14. The directors of the Company are empowered to allot equity securities pursuant to the Articles as if Article 3 (pre-emption rights) of the Articles did not apply to such allotment, such power being limited to:

- (a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient; and
- (b) otherwise than pursuant to (a), the allotment of equity securities up to an aggregate maximum of 9,736,842 Ordinary Shares,

such power to expire at the earlier of the conclusion of the next annual general meeting of the Company or at close of business on 4 September 2020 (unless previously renewed, varied or revoked by the Company prior to or on that date).

BY ORDER OF THE BOARD

Henry Kenner
Chairman

Date: 17 May 2019

Registered Office:

26 New Street
St. Helier
Jersey
JE2 3RA

Notes:

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at 6.30 p.m. on 2 June 2019 or, if this Annual General Meeting (the "**Meeting**") is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Website giving information regarding the Meeting

2. Information regarding the Meeting is available from www.TruFin.com.

Attending in person

3. If you wish to attend the Meeting in person, you will need to bring with you a form of formal identification which includes your photograph, such as a passport or a picture driving licence.

Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete and return the enclosed form of proxy and return it to Equiniti (Jersey) Limited, FREEPOST RTHJ-CLLL-KBKU, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU in accordance with the instructions thereon.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

8. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Equiniti (Jersey) Limited, FREEPOST RTHJ-CLLL-KBKU, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU in accordance with the instructions thereon; and
- received by Equiniti (Jersey) Limited (at the above address) no later than 11.30 a.m. on 2 June 2019.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company in accordance with the company's articles of association or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy using CREST

9. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the crest message must be received by the company's agent (7RA01) by 11.30 a.m. on 2 June 2019. 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 applications host) from which the company's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through crest should be communicated to the proxy by other means. CREST personal members or other crest sponsored members, and those crest members who have appointed voting service provider(s), should contact their crest sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on crest procedures, limitations and system timings, please refer to the CREST manual. We may treat a proxy appointment sent by crest as invalid in the circumstances set out in article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

Appointment of proxy by joint members

10. 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).

Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Equiniti (Jersey) Limited on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 121 415 0259, where relevant, quoting the allotment number of your Application Form. Calls to Equiniti (Jersey) Limited help line number are charged at your standard provider's rates. Phone lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales).

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

12. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti (Jersey) Limited, FREEPOST RTHJ-CLLL-KBKU, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Equiniti (Jersey) Limited no later than 11.30 a.m. on 2 June 2019.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

13. A corporation which is a member can appoint one or more corporate representative who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

14. As at 5.00 p.m. on 16 May 2019 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 97,368,421 ordinary shares of £0.91 and 50,000 redeemable preference shares of £1.00 each. Each ordinary share carries the right to one vote at a general meeting of the Company and the preference shares carry no right to vote and, therefore, the total number of voting rights in the Company as at 5:00 p.m. on 16 May 2019 is 97,368,421.

Questions at the Meeting

15. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
- (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Voting

16. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands so that the votes of all shareholders attending in person or by proxy are properly taken into account.

Documents on display

17. The following documents will be available for inspection at the offices of Ocorian Limited, 26 New Street, St Helier, Jersey, JE2 3RA from the date of this notice until the time of the Meeting and, at the Meeting, for at least 15 minutes prior to the Meeting until the end of the Meeting:
- (a) Copies of the service contracts of executive directors of the Company.
 - (b) Copies of the letters of appointment of the non-executive directors of the Company.
 - (c) The memorandum and articles of association of the Company.

Communication

18. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- (a) in writing to the Company Secretary, Ocorian Limited, 26 New Street, St Helier, Jersey, JE2 3RA;
 - (b) by email to contact@TruFin.com
- (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

