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If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the UK or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Shares, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



DFS Furniture plc

Incorporated in England and Wales under the Companies Act 2006 with registered number 07236769

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chair of DFS Furniture plc (the "Company") which is set out on pages 3 to 4 of this document.

Notice of a General Meeting (the "**General Meeting**") of the Company to be held at DFS Group Support Centre, 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA at 3.30pm (or, if later, immediately following the conclusion or adjournment of the AGM) on Friday 4 November 2022 is set out on pages 11 to 12 of this document. A Form of Proxy for use at the General Meeting is enclosed and, to be valid, should be completed, signed and returned so as to be received by the Company's Registrars, Equiniti as soon as possible but, in any event, so as to arrive no later than 3.30pm on 2 November 2022. The form of proxy can be delivered by post or by hand to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Completion and return of a form of proxy will not preclude shareholders from attending and voting at the General Meeting should they choose to do so. Further instructions relating to the form of proxy are set out in the notice of the General Meeting.

A summary of the action to be taken by Shareholders is set out on page 4 of this document and in the notice of General Meeting.

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for DFS Furniture plc as Sponsor and no-one else in connection with the matters set out in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by FSMA or the regulatory regime established thereunder, Jefferies will not be responsible to any other person other than DFS Furniture plc for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the contents of this document or the matters set out in this document.

Capitalised terms have the meaning ascribed to them in Part IV (Definitions) of this document.

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PART I

LETTER FROM THE CHAIR

DFS Furniture plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 07236769)

1 Rockingham Way, Redhouse Interchange
Adwick-le-Street, Doncaster
19 October 2022

Dear Shareholders

Distributable Reserves

1 Introduction

As set out on page 117 in the section entitled "Distributable reserves" in the Directors' report contained in the Annual Report (which is incorporated by reference in this document), the Company has discovered that in the course of 2022 certain distributions were made otherwise than in accordance with the Companies Act 2006 (the "**Act**").

The Act requires the Company to ensure that prior to paying any dividend or purchasing its own shares it has the requisite level of distributable profits (and in the case of dividends, net assets) by reference to relevant accounts. Whilst the Company followed its internal processes ahead of the payment of the Interim Dividend and Special Dividend in May 2022 and the commencement of the Company's share buyback programme as announced on 15 March 2022 to check the sufficiency of the Company's distributable reserves, the Board has subsequently become aware that the calculation of net assets had not correctly reflected the consideration paid for shares held by the Company's employee benefit trust or those held in treasury. As a result, despite there being ample distributable reserves available in the Group, insufficient distributable profits had been transferred to the Company at the time of the Interim Dividend and Special Dividend payments and subsequent purchases of shares pursuant to the Company's share buyback programme meaning that up to 14 September 2022, regrettably £21.9 million of the total distributions (the "**Relevant Distributions**") (of which £1.4 million related to the Dividend payments and the remainder to the share buybacks made between the payment of those Dividends and 14 September 2022 (inclusive) (the "**Relevant Share Buybacks**")) was made otherwise than in accordance with the Act.

Upon becoming aware of the issue, the Board took immediate action to remedy this technical oversight by paying dividends of £70 million to the Company from elsewhere in the Group. The sum of £70 million was determined taking account of the distributable reserves that would be required in respect of the historic Relevant Distributions (£21.9 million) with excess in order to give future flexibility.

However, as a matter of law, the Company could have claims against the shareholders who received the Dividends and the directors of the Company at the time the Relevant Distributions were paid (the "**Relevant Directors**"). The Company has no intention of pursuing any such claims. Instead, the Company is proposing the Resolution at the General Meeting to put the Company, its current and former shareholders and the Relevant Directors in the position they would have been in had the Relevant Distributions been made fully in accordance with the Act. This includes entering into deeds of release to release the shareholders and the Relevant Directors, in each case from any liability in respect of the Dividends (in the case of the shareholders) and the Relevant Distributions (in the case of the Relevant Directors).

Due to the fact that the Relevant Share Buybacks were conducted at a time when the Company did not have sufficient distributable profits, title to the Shares that were the subject of such buybacks has not transferred to the Company from Jefferies or Peel Hunt (as appropriate) who were each acting as the Company's brokers in relation to the Relevant Share Buybacks. The Company is therefore also proposing to enter into a deed with each of Jefferies and Peel Hunt in order, inter alia, to effect the lawful transfer of the Shares that were the subject of the Relevant Share Buybacks, therefore transferring equitable title in the relevant shares from Jefferies or Peel Hunt (as appropriate) to the Company.

As the Relevant Directors are each related parties of the Company, the entry by the Company into deeds of release in favour of the Relevant Directors (the "**Release of Relevant Directors**") is a related party transaction for the purposes of the Listing Rules. As such, the Release of Relevant Directors is conditional, amongst other things, on shareholder approval, which will be sought at a General Meeting convened for 4 November 2022.

Further details of the various documents that it is proposed are entered into by the Company in connection with this matter are included in Part II (Summary of the Arrangements) of this document.

2 Voting at the General Meeting

In accordance with the Listing Rules, none of the Relevant Directors will vote on the Resolution to be proposed at the General Meeting and each of the Relevant Directors has undertaken to take all reasonable steps to ensure that its associates will not vote on the Resolution.

As at close of business on 14 October 2022, being the latest practicable date prior to the publication of this document (the "**Latest Practicable Date**"), the Relevant Directors were recorded in the Company's register of members as holding in aggregate 904,327 Shares, representing approximately 0.38 per cent. of the Company's existing ordinary share capital (excluding Shares held in treasury and the Buyback Shares).

3 General Meeting

You will find set out at the end of this document a notice convening a General Meeting to be held at DFS Group Support Centre, 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA at 3.30pm (or, if later, immediately following the conclusion or adjournment of the AGM) on Friday 4 November 2022 at which the Resolution will be proposed.

PART I

LETTER FROM THE CHAIR continued

4 Action to be Taken

The business of the General Meeting will be conducted on a poll. We would encourage shareholders to vote in the following ways:

If you will be attending the General Meeting in person, please bring the attendance card enclosed with your Proxy Form. If you are not able or do not wish to attend the General Meeting in person, you can cast your votes by proxy by completing the enclosed Proxy Form and returning it to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Alternatively, you can vote using the internet at www.sharevote.co.uk using the relevant reference numbers printed on your Proxy Form. Completion and return of the Proxy Form will not prevent shareholders from attending in person and voting at the meeting should you subsequently decide to do so.

CREST members may use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the General Meeting. Institutional investors may also be able to appoint a proxy electronically via the Proxymity platform – please go to www.proxymity.io as detailed in the Notes to the Notice of General Meeting on pages 13 to 15 of this document.

5 Further information

Your attention is drawn to the further information contained in Parts II to IV of this document.

6 Recommendation

The Board has not considered whether the Resolution is in the best interests of the Company, given the interests of the Directors in the Resolution. Accordingly, the Board cannot recommend that Shareholders vote in favour of the Resolution but does recommend that Shareholders vote. Notwithstanding this, the Board has been advised by Jefferies, in its capacity as the Company's sponsor, that the waiver of claims against the Relevant Directors and the entry into the deed of release in favour of the Relevant Directors are fair and reasonable so far as the Shareholders are concerned.

The Board has taken steps to ensure that the issues referred to in this document do not arise again, including by conducting a review of the relevant accounting and legal guidance and augmenting the Company's existing procedures by establishing a detailed checklist of considerations, standard calculations with supporting reports and additional review procedures in relation to the payment of any distribution. We are sorry this has occurred and are grateful for Shareholders' understanding.

Yours faithfully

Steve Johnson

Non-Executive Chair
DFS Furniture plc

PART II

SUMMARY OF THE ARRANGEMENTS

1 The Relevant Distributions

The Board has become aware of a technical issue in relation to £21.9 million in aggregate of the total distributions (of which £1.4 million related to the May 2022 Dividends and the remainder to the Relevant Share Buybacks). This issue resulted in the Relevant Distributions being made at a time when the Company had insufficient distributable profits and therefore otherwise than in accordance with the Act.

2 Consequences of the Relevant Distributions being made other than in accordance with the Act

The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Act, it may have claims against past and present Shareholders who were recipients of the Dividends and against persons who were directors of the Company at the time of payment of the Dividends and at the time of entry into the Relevant Share Buybacks.

The Board notes that the Company has no intention of bringing such claims.

The Company has been further advised that Jefferies and Peel Hunt are each entitled to be reinstated on the Company's register of members in respect of the Shares that were the subject of the Relevant Share Buybacks.

The Board also notes that at the time of each of the Relevant Share Buybacks, neither Jefferies nor Peel Hunt were aware that the relevant Shares were purchased by the Company otherwise than in accordance with the Act.

3 Resolution

In order to: (i) remedy the potential consequences of the Relevant Distributions having been made by the Company otherwise than in accordance with the Act; (ii) obtain the approval of Shareholders for the related party transaction in accordance with the Listing Rules; and (iii) put all potentially impacted parties so far as possible in the position that they were intended to be had the Relevant Distributions been made in accordance with the requirements of the Act, the Company is proposing the Resolution, the full text of which is set out in the Notice of Meeting set out at the end of this document.

If passed, the effect of the Resolution, which will be proposed as a special resolution, will be to: (i) authorise and confirm the appropriation of the relevant distributable profits of the Company to the payment of each of the Relevant Distributions; (ii) waive and release those Shareholders who appeared on the record date for the Dividends from any and all claims which the Company has or may have in relation to the payment of the Dividends, such waiver and release to be effected by way of entry by the Company into a deed of release; (iii) authorise the Company to enter into buyback deeds with each of Jefferies and Peel Hunt to acquire the relevant Shares the subject of the Relevant Share Buybacks, pursuant to which the Company will also waive and release any claims which it has or may have against Jefferies and Peel Hunt in respect of the monies paid by the Company to them in respect of the Relevant Share Buybacks; and (iv) waive and release any rights of the Company to make claims against the Relevant Directors in respect of each of the Relevant Distributions, such waiver and release to be effected by way of entry by the Company into a deed of release.

The approach that the Company is proposing by way of Resolution in respect of the Dividends and the Relevant Share Buybacks is consistent with the approach taken by other UK listed companies that have, similarly, made distributions otherwise than in accordance with the Act.

4 Appropriation of relevant distributable profits

The approach that the Company is proposing involves the authorisation of the appropriation of the distributable profits of the Company to the payment of each of the Relevant Distributions. As a matter of common law, it is necessary for the appropriation of distributable profits to be approved by Shareholders.

5 Release of claims against shareholders

The Company has been advised that it is preferable for Shareholders to approve the Company's entry into of the shareholders' deed of release since the release of those past and present Shareholders who appeared on the register of members on the record date for the Dividends (or their personal representatives (and their successors in title) if they are deceased) from any and all claims which the Company has or may have in respect of the payment of the Dividends will, insofar as those persons remain Shareholders of the Company, comprise a shareholder distribution. This will not however have any impact on the financial position of the Company because the aggregate amount of the Dividends is offset by the release of each relevant Shareholder from the liability to repay the amount already paid and the Company will not be required to make any further payments to shareholders in respect of the Dividends.

6 The Relevant Share Buybacks and the buyback deeds

The entry by the Company into the buyback deeds with each of Jefferies and Peel Hunt requires Shareholder authorisation under section 694 of the Act. For the purposes of the Act, the buyback deeds will each constitute an "off-market" purchase contract where the relevant Shares will be purchased otherwise on a recognised investment exchange. Specific authority to make these off-market purchases is also being sought in the Resolution. The Board intends to hold the Shares purchased under this authority as treasury shares.

The purpose of the buyback deeds between the Company and each of Jefferies and Peel Hunt is to effect the lawful transfer of the Shares that are the subject of the Relevant Share Buybacks in accordance with the Act, thereby transferring equitable title in the Shares from Jefferies or Peel Hunt (as appropriate) to the Company. The buyback deed between Jefferies and the Company relates to 6,783,132 Shares and the buyback deed between Peel Hunt and the Company relates to 7,031,724 Shares. Immediately following entry into the buyback deeds with each of Jefferies and Peel Hunt, a total of 13,814,856 Shares (the "Buyback Shares") will be bought back by the Company.

The terms of each of the buyback deeds provides that on entry into the deed, Jefferies or Peel Hunt (as appropriate) will be reinstated on the Company's register of members, evidencing their legal title over the relevant Shares. Immediately following this reinstatement, the Company will purchase the relevant Shares for an aggregate consideration of £2 (£1 payable to Jefferies and £1 payable to Peel Hunt) (and neither Jefferies nor Peel Hunt will be required to account for the monies originally paid to it by the Company in respect of any of the Relevant Share Buybacks).

PART II

SUMMARY OF THE ARRANGEMENTS continued

Pursuant to the buyback deeds, the Company will also waive any rights or claims which it has or may have against Jefferies and Peel Hunt in respect of the Relevant Share Buybacks and the moneys paid by the Company to Jefferies and Peel Hunt in respect of the relevant Shares. In addition, Jefferies and Peel Hunt will each acknowledge that its reinstatement on the Company's register of members in respect of the relevant Shares will satisfy the Company's obligation to restore legal title in the relevant Shares to it. The Company will also indemnify Jefferies and Peel Hunt, each of their respective affiliated companies and their respective directors, officers, employees and agents ("**Indemnified Parties**") from and against any and all claims, losses, damages, liabilities or expenses which the Indemnified Party may suffer or incur, or which may be made or threatened against an Indemnified Party in relation to the matters the subject of the relevant buyback deed.

Jefferies and Peel Hunt will also each waive any rights or claims they have or may have to dividends otherwise due in respect of the relevant Shares, any rights or claims it has or may have to the current value of the relevant Shares and any other rights, claims, interests or benefits which may have arisen in respect of the Shares prior to the date of the relevant buyback deed.

The entry by the company into the buyback deeds will result in the Company's distributable reserves being reduced by £2. Otherwise it will have no effect on the Company's financial position.

7 Release of claims against Relevant Directors

Under the Act it is necessary for Shareholders to approve the Company's waiver and release of any rights of the Company to make claims against the Relevant Directors in respect of the Relevant Distributions, since the Board would itself have a potential conflict of interest in approving such a waiver and release. This is because members of the Board are named as beneficiaries of the waiver and release.

In addition, the entry by the Company into the directors' deed of release and consequential waiver of any rights of the Company to make claims against past and present directors in respect of the Relevant Distributions constitutes a related party transaction (as defined in the Listing Rules) as each of the Relevant Directors is a related party for the purposes of the Listing Rules. As a result, the Resolution must be approved by the Company's shareholders who are not interested related parties in the directors' deed of release. Accordingly, each of the Relevant Directors have undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on the Resolution.

The entry by the Company into the directors' deed of release will not have any effect on the Company's financial position.

8 Other information

Having undertaken the Relevant Share Buybacks otherwise than in accordance with the Act, those Shares that were the subject of the Relevant Share Buybacks technically remain in issue. As such, the share capital of the Company as at the Latest Practicable Date comprises 258,636,720 Shares (244,821,864 Shares if the Buyback Shares are excluded).

As at the Latest Practicable Date, there were 9,681,836 outstanding share-based awards or options granted under all incentive plans operated by the Company, which if exercised would represent 3.80 per cent. of the issued share capital of the Company (excluding Shares held in treasury). If the specific authority to make off-market purchases described at paragraph 6 of this Part II (*Summary of the Arrangements*) was exercised in full, that percentage would increase to 4.02 per cent.

PART III

ADDITIONAL INFORMATION

1 Company

The Company was incorporated and registered in England and Wales on 27 April 2010 under the Companies Act 2006 as a private company limited by shares with registered number 07236769. It re-registered as a public company limited by shares on 18 February 2015. Its LEI number is 213800GDSOBNKS1U1P93.

The registered office of the Company is 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster DN6 7NA and its telephone number is +44 (0)1302 330 365. The Company's website is at www.dfscorporate.co.uk. Information on the website does not form part of this document.

2 Relevant Directors' interests in shares

2.1 Shares

As at the Latest Practicable Date, the following Relevant Directors beneficially owned Shares (either directly or through connected persons):

Relevant Director	Number of shares
Tim Stacey	684,173
Mike Schmidt	68,077
Ian Durant	44,666
Jane Bednall	13,333
Jo Boydell	13,333
Alison Hutchinson	48,056
Steve Johnson	26,666
Loraine Martins	6,023

2.2 Share options

As at the Latest Practicable Date, the following options to acquire Shares had been granted to the following Relevant Directors and remained outstanding:

Relevant Director	Type of award	Date of Grant	Number of Shares over which options granted	Exercise Price	Normal vesting date
Tim Stacey	2019 LTIP	25/10/19	248,275	£2.42	25/10/22
	2020 LTIP	06/10/20	337,711	£1.77	6/10/23
	2021 LTIP	11/10/21	251,908	£2.62	11/10/24
	2021 LTIP	12/11/21	39,169	£2.81	12/11/24
	2021 DBT	21/10/21	31,911	£2.71	21/10/24
	2021 DBT	20/12/21	28,300	£2.35	21/12/24

3 Relevant Directors' service contracts and appointment letters

3.1 Service Contracts

Tim Stacey and Mike Schmidt each entered into a service contract with the Company (dated 24 May 2022 and 10 July 2019 respectively). Tim Stacey's service contract is terminable 12 months' notice by either party. Mike Schmidt's service contract was terminable on 6 months' notice by either party. Mike Schmidt served notice to terminate his service contract on 5 July 2022 and left the Company on 14 October 2022.

Tim Stacey's base salary is £453,200 and Mike Schmidt's base salary was £339,900. Executive directors' salaries are reviewed each April in line with the rest of the Company's workforce.

Executive directors are also eligible to participate in an annual bonus, and bonus awards may be made up to the maximum allowable opportunity at the Remuneration Committee's discretion. The minimum bonus opportunity is £Nil, target is 65 per cent. of the maximum bonus opportunity and the maximum is 120 per cent. of salary in the case of Tim Stacey (and was 110 per cent. of salary in the case of Mike Schmidt).

Executive directors are also eligible to participate in the LTIP, and LTIP awards may be made up to the maximum allowable opportunity at the Remuneration Committee's discretion. The minimum LTIP opportunity is Nil, target is 60 per cent. of the maximum opportunity and the maximum is 175 per cent. of salary in the case of Tim Stacey (and was 140 per cent. of salary in the case of Mike Schmidt).

PART III

ADDITIONAL INFORMATION continued

When determining any loss of office payment for a departing director, the Remuneration Committee will always seek to minimise cost to the Company whilst complying with the terms of the service contract and seeking to reflect the circumstances persisting at the time. The Remuneration Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such obligation) or by way of settlement or compromise of any claim arising in connection with the termination of an executive director's office or employment. Executive directors will generally receive base salary for the duration of their contractual notice period, or in lieu of notice, except for certain circumstances such as termination for gross misconduct.

Executive directors may, at the Remuneration Committee's discretion, be eligible for an annual bonus for the financial year of cessation. Any annual bonus awarded would be based on performance during the year as determined by the Remuneration Committee and pro-rated for time.

For good leavers (in accordance with the definition in the plan rules) DBP awards will generally continue and vest at the normal date. The Remuneration Committee may determine to time pro-rate the number of shares to vest however normal policy is that awards will not be pro-rated for time. If a participant ceases employment and is not a good leaver their awards will lapse in full on the date of such cessation.

For good leavers (in accordance with the definition in the plan rules), outstanding LTIP awards will generally continue and vest at the normal date, subject to the Remuneration Committee's assessment of performance against targets, with awards pro-rated for time in office. However, the Remuneration Committee retains discretion to allow vesting on cessation and to not pro-rate awards for time if it considers the circumstances warrant this action. If a participant ceases employment for any other reason, awards will lapse in full on the date of cessation. Unless otherwise determined by the Remuneration Committee and except in the event of the participant's death, any applicable post-vesting holding period will continue to apply post cessation of employment.

Any vested DBP and LTIP shares that are subject to post-cessation shareholding will be held for two years after cessation.

3.2 Non-executive director service contracts

The non-executive directors do not have service contracts but are appointed under letters of appointment which provide for a review after an initial three-year term, terminable by either the director or the Company with one month's prior written notice. Each non-executive director is subject to annual re-election at the Company's annual general meeting. Ian Durant was first appointed to the Board on 2 May 2017, Alison Hutchinson on 1 May 2018, Jo Boydell on 6 December 2018, Steve Johnson on 6 December 2018, Jane Bednall on 1 January 2020 and Loraine Martins on 28 June 2021. Ian Durant will retire from the Board at the conclusion of the Company's AGM which will be held at 2.30pm on 4 November 2022.

The current fee structure for the non-executive directors is as follows: the Chair's fee is £192,895, the senior independent non-executive director's fee is £64,300, each chair of a Board committee has a fee of £63,580 and the basic non-executive director fee is £53,580.

The non-executive directors' fees are kept under review and if they are increased such increases will typically be in line with those awarded to the wider workforce. The non-executive directors do not participate in any incentive plans.

4 Related party transactions

The Company has not entered into any related party transaction with or relating to any of the Relevant Directors.

5 Major Shareholders

As at the Latest Practicable Date, the Company had been notified of the following holdings in the Company's issued ordinary share capital exclusive of treasury shares and the Buyback Shares pursuant to DTR 5 (each, a "Notifiable Interest"):

Shareholder	Number of shares	Number of voting rights	Percentage of voting rights attached to the issued ordinary share capital (exclusive of treasury shares and the Buyback Shares)	Date of Notification
Aberforth Partners LLP	12,843,307	12,843,307	5.34	15 June 2022
abrdn plc	10,781,534	10,781,534	4.48	14 April 2020
Adriana S.A.	21,960,922	21,960,922	9.12	15 September 2022
Allianz Global Investors GmbH	12,386,797	12,386,797	5.15	24 August 2022
Aviva plc	19,034,051	19,034,051	7.91	30 April 2020
Cobas Asset Management	10,088,413	10,088,413	4.19	22 August 2022
Janus Henderson Investors	12,003,538	12,003,538	4.99	6 September 2022
JO Hambro Capital Management Limited	24,478,718	24,478,718	10.17	10 October 2022
Jupiter Fund Management	12,548,079	12,548,079	5.21	24 May 2022
Liontrust Investment Partners LLP	10,693,566	10,693,566	4.44	27 November 2019
Pelham Capital Ltd	12,961,757	12,961,757	5.39	12 December 2019
Stadium Capital Management	10,611,623	10,611,623	4.41	28 September 2017
State Street Bank	18,441,958	18,441,958	7.66	3 February 2022

Save as set out above, the Company is not aware of any other Notifiable Interests.

6 Material contracts

There are no contracts which the shareholders would reasonably require in making a properly informed assessment of how to vote on the Resolution and have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this document, and are, or may be material.

The only contract which is significant to the business of the Group is its £215 million revolving credit facility which matures in December 2024 with an option to extend the facility for a further year, subject to mutual agreement with the consortium of lending banks.

7 Significant changes

There has been no significant change in the financial position of the Group since 26 June 2022, being the end of the last financial period for which audited financial statements have been published.

8 Consent

Jefferies has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

9 Documents available for inspection

Copies of the following documents may be inspected on the Company's website www.dfscorporate.co.uk/investors/shareholder-meetings and also during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster DN6 7NA up to and including the date of the General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report;
- (c) the Interim Accounts;
- (d) each of the documents described in Part II of this document to be entered into by the Company in connection with the matters set out herein;
- (e) the consent letter referred to in paragraph 8 above; and
- (f) this document and the Form of Proxy.

Part IV

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

AGM	the annual general meeting of Shareholders to be formally held at 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA at 2.30pm on 4 November 2022
Annual Report	the Company's report and accounts for the 52 weeks ended 26 June 2022
Board	the board comprising the Directors
Company	DFS Furniture plc
DBP	Deferred Bonus Plan
Directors	the directors of the Company
Dividends	the Interim Dividend and the Special Dividend
DTR	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part 6 of FSMA
Interim Accounts	the interim accounts of the Company for the 11 weeks ended 14 September 2022 and filed with the Registrar of Companies on 22 September 2022
Interim Dividend	the payment of 3.7 pence per Share by way of interim dividend on 25 May 2022
Jefferies	Jefferies International Limited
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting
FCA	the Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000
General Meeting	the General Meeting of the Company to be held at 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA at 3.30pm (or, if later, immediately following the conclusion or adjournment of the AGM) on Friday 4 November 2022 or any adjournment thereof, notice of which is set out at the end of this document
Group	the Company and its subsidiary undertakings
Listing Rules	means the Listing Rules issued and maintained by the FCA under Part VI of FSMA
LTIP	Long Term Incentive Plan
Peel Hunt	Peel Hunt LLP
Resolution	the special resolution set out in the notice of General Meeting at the end of this document
Shares	the Shares of £0.10 pence each in the capital of the Company
Shareholders	the holders of the Shares
Special Dividend	the payment of 10 pence per Share by way of special dividend on 25 May 2022
Sponsor	Jefferies International Limited

DFS FURNITURE PLC

Incorporated in England and Wales under the Companies Act 2006 with registered number 07236769

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of DFS Furniture plc (the "**Company**") will be held at DFS Group Support Centre, 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA at 3.30pm (or, if later, immediately following the conclusion or adjournment of the Company's annual general meeting of shareholders being held at 2.30pm immediately before the General Meeting) on Friday 4 November 2022 to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution.

Special resolution

THAT:

- (a) In relation to certain dividends paid by the Company, being the payment of 3.7 pence per ordinary share by way of interim dividend on 25 May 2022 (the "**Interim Dividend**") and 10 pence per ordinary share by way of special dividend on 25 May 2022 (the "**Special Dividend**", and together with the Interim Dividend, the "**Dividends**"):
 - (i) The appropriation of distributable profits of the Company (as shown in the Interim Accounts) to the payment of the Interim Dividend in excess of distributable reserves paid on 25 May 2022, be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend.
 - (ii) The appropriation of distributable profits of the Company (as shown in the Interim Accounts) to the payment of the Special Dividend in excess of distributable reserves paid on 25 May 2022, be and is hereby authorised and confirmed by reference to the same record date as the original accounting entries for such dividend.
 - (iii) Any and all claims which the Company has or may have arising out of or in connection with the payment of the Dividends against those shareholders who appeared on the register of members of the Company on the relevant record date for the Dividends be waived and released, and that a deed of release in favour of such shareholders be entered into by the Company in the form of the deed produced to the General Meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness, or any two Directors or any Director and the Group Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company.
 - (iv) Any distribution involved in the giving of the release (referred to in paragraph (iii) above) in relation to the Dividends be made out of the relevant distributable profits of the Company appropriated to the Dividends by reference to a record date identical to the record date for the Dividends.
- (b) In relation to the Company's purchase of 13,814,856 Shares between 25 May 2022 to 14 September 2022 (inclusive) (the "**Relevant Share Buyback**"):
 - (i) The appropriation of distributable profits of the Company (as shown in the Interim Accounts) to the payment of the purchase prices paid in respect of the Relevant Share Buyback be and is hereby authorised and confirmed.
 - (ii) The Company hereby confirms the transfer of the amount equivalent to the nominal value of 13,814,856 Shares purportedly purchased pursuant to the Relevant Share Buyback from the Company's share capital to the capital redemption reserve.
 - (iii) The Company be and is hereby authorised for the purposes of section 694 of the Companies Act 2006 to make 'off-market' purchases (within the meaning of section 693(2) of the Companies Act 2006) of, in aggregate, 13,814,856 Shares in accordance with the terms of the proposed buyback deeds to be entered into between the Company and each of Jefferies International Limited ("**Jefferies**") and Peel Hunt LLP ("**Peel Hunt**"), in such form as produced to the General Meeting and initialled by the Chairman for the purposes of identification, for the aggregate consideration of £2 (£1 payable by the Company to Jefferies and £1 payable by the Company to Peel Hunt) (the "**Buyback Deeds**"), such authority to expire at the conclusion of the next annual General Meeting of the Company, or if earlier, on or on 28 February 2024 (unless renewed, varied or revoked by the Company prior to or on that date).
 - (iv) any Director in the presence of a witness, or any two Directors or any Director and the Group Company Secretary be authorised to execute each of the Buyback Deeds as a deed for and on behalf of the Company.
 - (v) any and all claims which the Company has or may have arising out of or in connection with the payments made for the Relevant Share Buyback (including any related interest thereon) against each of Jefferies and Peel Hunt be waived and released in accordance with the Buyback Deeds.
 - (vi) any distribution involved in the giving of the release to each of Jefferies and Peel Hunt pursuant to the terms of the Buyback Deeds in relation to the Relevant Share Buyback be made out of the relevant distributable profits of the Company appropriated to the Relevant Share Buyback by reference to a payment date identical to the payment date for the Relevant Share Buyback.

NOTICE OF GENERAL MEETING continued

- (c) Any and all claims which the Company has or may have against its Directors (whether past or present) arising out of or in connection with the approval, declaration or payment of the Relevant Distributions be waived and released and the deeds of release in favour of such persons be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness, or any two Directors or any Director and the Group Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company.

By order of the Board of Directors

Elizabeth McDonald

Group Company Secretary
DFS Furniture plc
19 October 2022

Registered office:
Registered Office
DFS Furniture plc
1 Rockingham Way,
Redhouse Interchange,
Adwick-le-Street
Doncaster
DN6 7NA

Notes

Entitlement to attend and vote

- Only those shareholders registered in the Company's register of members at 6.30pm on 2 November 2022, or, if this meeting is adjourned, at 6.30pm on the day which is two days prior to the adjourned meeting, shall be entitled to vote at the General Meeting. Changes to the register of members after this deadline shall be disregarded in determining the rights of any person to vote at the meeting.

Attending in person

- If you wish to attend the meeting in person, please arrive by 3.15pm on 4 November 2022 at DFS Group Support Centre, 1 Rockingham Way, Redhouse Interchange, Adwick-le-Street, Doncaster, DN6 7NA. Registration opens at 2.30pm. The venue is wheelchair-accessible. Shareholders that wish to attend the General Meeting in person are strongly encouraged to notify the Group Company Secretary, Elizabeth McDonald, by emailing liz.mcdonald@dfs.co.uk by no later than 5.00pm on 1 November 2022, so that the Company can ensure that, if required, appropriate social distancing measures are in place at the meeting venue for the General Meeting.

Appointment of proxies

- If you are a shareholder who is entitled to attend and vote at the General Meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General 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.
- If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
- A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. 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 you may photocopy the form. Alternatively, (an) additional Proxy Form(s) may be obtained by contacting Equiniti's helpline on 0371 384 2030. Overseas holders should contact +44 (0)121 415 7047. Lines are open from 8.30am to 5.30pm Monday to Friday (excluding bank or public holidays in England & Wales). Please indicate in the space next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together. 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 Chair) and give your instructions directly to them.
- Shareholders can:
 - Appoint a proxy and give proxy instructions by returning the enclosed Proxy Form by post (see Note 8).
 - Register their proxy appointment electronically (see Note 9).
 - If a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see Note 10).
 - Institutional investors may be able to appoint a proxy electronically via the Proxymity platform (see Note 11)

Appointment of a proxy does not preclude you from attending the meeting and voting in person.

- 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 by post

- The Notes to the Proxy Form explain how to direct your proxy how 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 at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; and
 - received by Equiniti no later than 3.30pm on 2 November 2022.

In the case of a shareholder 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 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. If you have not received a Proxy Form and believe that you should have one, or if you require additional Proxy Forms, please contact Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or on 0371 384 2030, lines open 8.30am to 5.30pm Monday to Friday (excluding bank or public holidays). Overseas holders should contact +44 (0)121 415 7047.

Appointment of proxies electronically

- As an alternative to completing the hard-copy Proxy Form, you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites. To be valid, your proxy appointment(s) and instructions must reach Equiniti Limited no later than 3.30pm on 2 November 2022.

NOTICE OF GENERAL MEETING continued

Appointment of proxies through CREST

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com).

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited (ID RA19) no later than 3.30pm on 2 November 2022, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of a proxy through Proximity

11. If you are an institutional investor you may be able to appoint a proxy electronically via the proximity platform, a process which has been agreed by the company and approved by the register. For further information regarding proximity, please go to www.proximity.io. Your proxy must be lodged by 3.30pm on 2 November 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Appointment of proxy by joint members

12. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, 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

13. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply 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 at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or on 0371 384 2030, lines open 8.30am to 5.30pm Monday to Friday (excluding bank or public holidays in England & Wales). Overseas holders should contact +44 (0)121 415 7047.

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

14. A shareholder may terminate a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. In the case of a shareholder 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 no later than 3.30pm on 2 November 2022. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Corporate representatives

15. A corporation which is a shareholder can appoint one or more corporate representatives 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.

Questions at the meeting

16. Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; and
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
17. Shareholders who are unable to attend the General Meeting in person are invited to submit any questions via email to the Company Secretary using the following address: liz.mcdonald@dfs.co.uk.

Nominated persons

18. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("**Nominated Person**"):
- You may have a right, under an agreement between you and the shareholder of the Company who has nominated you to have information rights ("**Relevant Shareholder**"), to be appointed or to have someone else appointed as a proxy for the meeting.
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.
 - Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Voting

19. Voting on the resolution will be conducted by way of a poll rather than on a show of hands. This is a more transparent method of voting as shareholders' votes are counted according to the number of shares registered in their names. As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's corporate website.

Website giving information regarding the meeting

20. A copy of this notice and other information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.dfscorporate.co.uk.

Communication

21. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- by contacting the Registrar's helpline on 0371 384 2030. Overseas holders should contact +44 (0)121 415 7047. Lines are open from 8.30am to 5.30pm Monday to Friday (excluding bank or public holidays in England & Wales); or
 - in writing to: Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA.
22. You may not use any electronic address provided either in this Notice of General Meeting or in any related documents (including the Letter from the Chair and Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

