



Alfa Financial Software Holdings PLC Notice of the 2021 Annual General Meeting

**to be held on Monday, 10 May 2021 at 3.00pm (UK time) at
Moor Place, One Fore Street Avenue, London, EC2Y 9DT**

This document is important and requires your immediate attention

If you are in any doubt as to the action you should take, please take advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

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.

Letter from the Chairman

12 April 2021

Dear Shareholder,

The 2021 Annual General Meeting ("AGM") of Alfa Financial Software Holdings PLC (the "Company"), will be held at 3:00pm on Monday, 10 May 2021 at Moor Place, One Fore Street Avenue, London, EC2Y 9DT.

We had hoped to welcome shareholders in person to the 2021 AGM, particularly given the constraints we faced in 2020 due to the Covid-19 pandemic. At present, public health guidance and legislation issued by the UK Government in relation to the pandemic mean that there are restrictions on public gatherings and travel. In view of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, and in order to protect the health and safety of the Company's shareholders and Directors, we are proposing to hold our AGM as a combined physical and electronic meeting. The AGM will be convened with the minimum quorum of shareholders (which will be facilitated by Alfa) in order to conduct the business of the meeting. We regret that shareholders will not be permitted to attend the meeting in person and, in the interests of safety, anyone seeking to attend in person will be refused entry. We strongly encourage shareholders to vote by proxy on the resolutions set out in this Notice of Meeting.

This means that shareholders and other attendees will not be permitted to attend the Annual General Meeting in person. Shareholders' right to attend the meeting shall be limited to participation through an online meeting platform.

Shareholder engagement

The Board recognises the importance of the AGM to shareholders and is keen to ensure that you are able to engage in this year's AGM as effectively as practicable. The Board invites you to join our webcast to view and listen to the AGM remotely and to follow the proceedings in real time, if you wish to do so. Please note, that you will not be able to vote during the webcast and it is therefore important that, if you wish to vote at the AGM, you appoint a proxy to attend and vote on your behalf. Information on how to join the webcast can be found below. Shareholders can register to join the webcast using the following link:

<https://webcasting.brrmedia.co.uk/broadcast/6065b69d560fbf10fcc50bc6>

You will be prompted to enter your name and email address, together with your unique Shareholder Reference Number (this can be found on your proxy form) and PIN number (this is the last four digits of your Shareholder Reference Number) and you will then receive by email a unique webcast link together with instructions on how to login and access the webcast on the day. If you have questions about the webcast facility, please email the Company Secretary at cosec@alfasystems.com.

You can put a question to the Board relating to the business to be conducted at the AGM either by emailing cosec@alfasystems.com in advance or by submitting a question at the start of the AGM through the webcast facility. Any questions you wish to submit in advance of the AGM must be received by Thursday, 3.00pm on 6 May 2021. The Board will either respond to you directly or answer the question during the AGM. In the usual way, the Company reserves the right at the AGM to consolidate questions of a similar nature.

Business of the meeting

The formal Notice of AGM is set out on the following pages of this document, detailing the resolutions that the shareholders are being asked to vote on along with explanatory notes of the business to be conducted at the AGM. Resolutions 1 to 17 will be proposed as ordinary resolutions, and 18 to 21 will be proposed as special resolutions.

Voting by proxy

Voting on the business of the meeting will be conducted by way of a poll. The results of voting on the Resolutions will be posted on the Company's website as soon as practicable after the AGM.

Action to be taken

As shareholders will currently be unable to attend in person, it is important that you complete, sign and return a form of proxy ('Proxy Form') or vote electronically. You can vote electronically at www.sharevote.co.uk using the relevant reference numbers printed on your Proxy Form. Alternatively, if you have already registered with our registrars' (Equiniti Limited) on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions. CREST members may use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the AGM as detailed in the Notes to the Notice of the AGM.

Please note that all Proxy Forms and appointments must be received by 3.00pm on Thursday, 6 May 2021.

If I am appointed as proxy I will, of course, vote in accordance with any instructions given to me. If I am given discretion as to how to vote, I will vote in favour of each of the resolutions to be proposed at the AGM.

Recommendation

The Board considers that the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. The Directors therefore recommend that shareholders vote in favour of each of the resolutions, as they intend to do in respect of their own shareholdings. Regarding the re-election of Directors, the Board is of the opinion, and I can confirm that, following a formal performance evaluation, each Director continues to make an effective and valuable contribution and demonstrates commitment to his or her role. The Board is satisfied that each Non-Executive Director remains independent in character and judgement and that there are no relationships or circumstances likely to affect his or her character or judgement. It unanimously recommends the re-election of each of the Directors standing for re-election.

Yours faithfully

Andrew Page

Executive Chairman

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Alfa Financial Software Holdings PLC (the 'Company') will be held at **Moor Place, One Fore Street Avenue, London, EC2Y 9DT** on Monday, 10 May 2021 at 3.00pm (UK time) to consider and, if thought appropriate, pass the following resolutions of which Resolutions 1 to 17 will be proposed as ordinary resolutions and Resolutions 18 to 21 will be proposed as special resolutions. Further detail in respect of each of the Resolutions proposed can be found in the explanatory notes to this notice of meeting (the "Notice").

Ordinary resolutions

Annual Report and Accounts

1. To receive and adopt the Annual Report including the audited financial statements for the year ended 31 December 2020.

Final dividend

2. To declare a final dividend for the year ended 31 December 2020 of 1.0 pence per ordinary share payable on 2 July 2021 to shareholders on the register at the close of business on 11 June 2021.

Directors' Remuneration

3. To approve the Directors' Remuneration Policy, set out on pages 92 to 98 of the Annual Report and Accounts.
4. To approve the Directors' Remuneration Report for the year ended 31 December 2020, set out on pages 88 to 107 of the Annual Report and Accounts.

Directors

5. To re-elect Steve Breach as a Director.
6. To re-elect Adrian Chamberlain as a Director.
7. To re-elect Charlotte de Metz as a Director.
8. To re-elect Andrew Denton as a Director.
9. To re-elect Duncan Magrath as a Director
10. To re-elect Andrew Page as a Director.
11. To re-elect Chris Sullivan as a Director.
12. To re-elect Matthew White as a Director.

Auditors

13. To appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company.
14. To authorise the Audit and Risk Committee of the Company, acting for and on behalf of the Board, to determine the remuneration of the auditor.

Political donations

15. That the Company, and all companies that are its subsidiaries, at any time during the period during which this resolution is in force, be and are hereby authorised, in aggregate, to:

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

- (c) incur political expenditure not exceeding £50,000 in total, from the date of the passing of this resolution until the conclusion of the next AGM, or at 6.00pm on 30 June 2022, whichever is sooner. All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Companies Act 2006 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

For the purposes of this resolution the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings given by sections 363 to 365 of the Companies Act 2006.

Adoption of new Sharesave Plans

16. That the rules of the Alfa UK Sharesave Plan (the 'UK Sharesave'), a copy of which has been produced in draft to this meeting and for the purposes of identification only, initialled by the Chairman and a summary of the principal terms of which are set out on pages 7 and 8 to this Notice, be and is hereby approved and the Directors be and they are hereby authorised to:
 - i. make such modifications to the UK Sharesave Plan as they may consider appropriate to take account of the requirements of HMRC; and
 - ii. establish further plans based on the UK Sharesave Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the International Sharesave Sub-Plan (the 'International Sharesave Sub-Plan').

Directors' authority to allot shares

17. To generally and unconditionally authorise the Directors pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares in the Company:
 - a. up to an aggregate nominal amount of £100,000; and
 - b. comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £100,000 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006 (but without prejudice to any allotment of shares or grant of rights pursuant to which an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made) and to expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the next AGM or at 6.00pm on 30 June 2022, whichever is the earlier, but in each case so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends and the Directors may allot shares and grant rights in pursuant of that offer or agreement as if this authority had not expired.

Notice of the Annual General Meeting continued

For the purposes of this Resolution, "rights issue" means an offer to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

Special Resolutions

Disapplication of pre-emption rights

18. That if Resolution 17 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- a. to allotments for rights issues and other pre-emptive issues; and
- b. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £15,000:

such authority to expire at the end of the next AGM of the Company or, if earlier, at 6.00pm on 30 June 2022 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

19. That if Resolution 18 is passed, the Board be authorised in addition to any authority granted under Resolution 17 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £15,000; and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such authority to expire at the end of the next AGM of the Company or, if earlier, at 6:00pm on 30 June 2022 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase own ordinary shares

20. To unconditionally and generally authorise the Company for the purpose of Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of ordinary shares of £0.001 each in the capital of the Company provided that:

- a. the maximum number of ordinary shares which may be purchased is 30,000,000;
- b. the minimum price which may be paid for each share is £0.001;
- c. the maximum price which may be paid for an ordinary share is an amount equal to the higher of (i) 105 per cent. of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;
- d. this authority shall expire at the conclusion of the Company's next AGM or, if earlier, at 6.00pm on 30 June 2022 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time in each case exclusive of expenses and the Company may purchase ordinary shares pursuant to any such contract as if the authority had not expired.

Notice of general meetings

21. To authorise the Directors to call a general meeting other than an annual general meeting on not less than 14 clear days' notice.

By order of the Board

Charlotte Caulfield

Company Secretary 12 April 2021

Alfa Financial Software Holdings PLC
Registered in England and Wales No. 10713517
Registered Office:
Moor Place
One Fore Street Avenue
London
EC2Y 9DT

Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed Resolutions. Resolutions 1 to 17 are proposed as ordinary resolutions. For each of these Resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 18 to 21 are proposed as special resolutions. For each of these Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

Resolution 1: Annual Report and Accounts

The first resolution, the Directors present to the shareholders the Directors' report and financial statements of the Company for the year ended 31 December 2020.

Resolution 2: Final dividend

This resolution seeks shareholder approval to pay a final dividend of 1.0 pence per ordinary share for the year ended 31 December 2020. The dividend, if approved, will be payable on 2 July 2021 to shareholders on the register at the close of business on 11 June 2021.

Resolution 3: Approval of the Remuneration Policy

This resolution seeks shareholder approval for the Directors' Remuneration Policy, which is subject to a shareholder binding vote for the three year period commencing 1 January 2021, which is proposed within the Directors' Remuneration Report set out on pages 92 to 98 of the Annual Report.

Resolution 4: Annual Remuneration Report

This resolution seeks shareholder approval of the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year ended 31 December 2020 as set out on pages 88 to 107 of the Annual Report. This resolution is subject to an 'advisory vote' by shareholders and the Directors' entitlement to remuneration is not conditional on it.

RSM UK Audit LLP has audited those parts of the Directors' Remuneration Report as highlighted and their report can be found on pages 113 to 119 of the Annual Report.

Resolutions 5 to 12: Re-Election of Directors

Following changes made to the UK Listing Rules in May 2014, companies with a shareholder or shareholders who could, when acting in concert, exercise 30% or more of the voting rights of a company at a general meeting, are required to enter into a binding agreement with that shareholder or shareholders. CHP Software & Consulting Limited (which is controlled by Andrew Page and Andrew Denton) is a controlling shareholder of the Company (i.e. it is a shareholder that controls more than 30% of the votes at a General Meeting of the Company).

Therefore, under rule 13.8.17 of the UK Listing Rules this Notice is required to state certain information concerning any independent Director proposed for election or re-election, and under rule 9.2.2E of the UK Listing Rules such election or re-election must be approved by a majority vote of both: the independent shareholders (i.e. shareholders of the Company who are entitled to vote on the election of Directors and who are not controlling shareholders); and the shareholders as a whole.

In order to determine this, the Company will arrange for the number of votes cast by the independent shareholders to be counted separately, and will announce the results of the voting on both bases. If a majority vote is not achieved on both bases, the Company may under the Listing Rules put the matter to a second vote, this time a single vote of the shareholders as a whole at the meeting, to be held between 90 and 120 days after the AGM.

Pending the second vote, the relevant Director or Directors will be deemed to have been elected only for the period from the date of the AGM until the earlier of (a) the conclusion of any second vote, (b) 6.00pm on the date 120 days after the AGM and (c) the date of any announcement by the Board that it does not intend to hold a second vote. If the independent Director's re-election is approved by a majority vote of all shareholders at the second general meeting, the Director will then be re-elected until the next AGM.

The Listing Rule requirements for companies with a controlling shareholder also require (in rule 13.8.17 of the UK Listing Rules) additional disclosures about the independent directors' relationships, independence, effectiveness and appointments. This information is set out below.

- Relationships and Transactions: The Company has received confirmation from each of the independent Directors that there are no existing or previous relationships, transactions or arrangements between any of the independent Directors and the Company, its Directors, the controlling shareholder or any associate of that shareholder.
- Effectiveness of independent Directors: the background and experience of each of the independent Directors are set out in the biographical information on pages 66 and 67 of the 2020 Annual Report and on pages 5 to 7 of this document. The Board believes that each independent Director shows the proper commitment to his or her role and makes an effective contribution, drawing on his or her own expertise and experience.
- Independence of independent Directors: The Board has carefully considered the guidance criteria on the independence of Directors given in the Code, and believes that each of the independent Directors seeking re-election remains independent in character and judgement, and that there are no relationships or circumstances that are likely to affect, or appear to affect, his or her judgement.
- Selection of independent Directors: as disclosed in the Nominations Committee Report on page 80 of the 2020 Annual Report.

The Company has decided that all Directors should retire and stand for re-election by shareholders annually. Accordingly, resolutions 5 to 12 detail those Directors retiring and standing for re-election and biographies for each Director standing for re-election are set out below.

Resolution 5: Steve Breach, Non-Executive Director

Key strengths

- Strong financial expertise
- Extensive experience in corporate finance

Career and experience

Steve is a member of the Institute of Chartered Accountants in England and Wales, having qualified with EY in 1993 where he focused on providing corporate finance advice to technology businesses in the UK and internationally. Steve has 16 years' experience as Chief Financial Officer of a number of businesses. Between 2010 and 2016, Steve was CFO of Tribal Group PLC, a leading international provider of student management software to the education market. Steve has subsequently pursued a portfolio career, acting as adviser to a number of privately owned companies.

Explanatory Notes to the Notice of Annual General Meeting continued

Resolution 6: Adrian Chamberlain, Non-Executive Director

Key strengths

- Extensive experience internationally in both the private and public sectors
- Exceptional experience in strategy formulation and execution

Career and experience

Adrian is a Non-Executive Director of Cambridge University Health Trust, one of the country's largest NHS Trusts, where he chairs the Performance Committee. He is also Executive Chairman of eConsult Ltd, a leading cloud based medical triage company.

He previously has held senior executive positions in a number of private and public hi tech and telecommunications companies including Chief Executive Officer of Messagelabs and Achilles Ltd, a member of the Board of Cable & Wireless and Bovis Lend Lease and a member of the Operations Board at Symantec. He holds an MA in History from Trinity College, Cambridge and an MBA from the London Business School.

Resolution 7: Charlotte de Metz, Non-Executive Director

Key strengths

- Wealth of experience in delivering innovative employee development, engagement, and retention practices
- Extensive experience in managing transformations in challenging, fast-paced environments

Career and experience

Before joining Synamedia in early 2019 as Chief People Officer, Charlotte served as Global Head of Human Resources and more recently as Executive Vice President at Finastra, a global fintech where she was responsible for Executive Talent, corporate social responsibility, culture and values, and diversity and inclusion. Prior to joining Finastra in 2012 as Global Head of Human Resources, Charlotte spent over 11 years at Ventyx, a global provider of software solutions for the energy, utility and other asset-intensive businesses. During her tenure at Ventyx she held various HR roles, latterly as Human Resource Manager for Rest of World

Resolution 8: Andrew Denton, Chief Executive Officer

Key strengths

- Considerable senior management experience
- Significant experience in the asset finance industry

Career and experience

Andrew joined Alfa in 1995 and became a member of the Board of Directors in 2003 as Sales and Marketing Director. He was made Chief Operating Officer in 2014 and became CEO in September 2016. Andrew is also Director and joint founder of the Leasing Foundation, an organisation that supports the leasing and asset finance industry through charitable activities, research and development.

Resolution 9: Duncan Magrath, Chief Financial Officer

Key strengths

- Extensive experience in senior financial positions both in the UK and internationally
- Deep understanding of investor relations and financial strategy

Career and experience

Duncan started his career at Price Waterhouse, and qualified as a Chartered Accountant in 1989. He joined Ocean Group in 1992, and spent 13 years in the UK and US in various finance roles as the group transformed into Exel Logistics. He joined Balfour Beatty, the infrastructure company, in 2006 and was Group CFO from 2008 to 2015. In 2016 he joined Rubix, an Industrial Parts Distributor, as Group CFO and was in that role through to 2019.

Resolution 10: Andrew Page, Executive Chairman

Key strengths

- Considerable senior management experience
- Fundamental understanding of the asset finance industry

Experience

Andrew is one of the founding Directors of Alfa. Andrew became the Chief Executive Officer in 2010 and the Executive Chairman in September 2016. Andrew provides commercial oversight and with the Board sets the strategic direction and goals of the Company.

Resolution 11: Chris Sullivan, Non-Executive Director

Key strengths

- Extensive experience of corporate, investment and retail banking and asset financing
- A wealth of general management and listed company experience

Career and experience

Chris was Chief Executive of the Corporate & Investment Bank at Santander UK, and prior to this held various CEO roles during a 40-year career at The Royal Bank of Scotland and NatWest. His 11 years on the Group Executive Committee included leading Corporate Banking, Retail Banking, Direct Line and Retail Direct and culminated in appointment to the post of Deputy Group Chief Executive in March 2014. A recipient of the Leasing Life European Lifetime Achievement Award, Chris brings expertise in the asset finance industry, having spent nearly 30 years with the Lombard Group in a number of directorate roles including as CEO.

Resolution 12: Matthew White, Chief Operating Officer

Key strengths

- Considerable management experience
- Extensive experience with software development and all aspects of systems implementation and delivery

Career and experience

Matthew joined Alfa as a graduate in 1999, starting in a software development role. In his 20-year career delivering software for the asset finance industry, Matthew has direct experience of everything involved in systems implementation, from configuration and testing support to project management for a number of UK and European projects. From 2010 to 2016, Matthew's role grew to include responsibility for most of the operations of the Company, before he led Alfa's IPO in 2017. As Chief Operating Officer, a role which he assumed in February 2019, Matthew is accountable for the international operations of the business, including Alfa's technology platform and project delivery.

Resolution 13: Appointment of Auditors

The auditors of a company must be appointed or re-appointed at each general meeting at which the accounts are laid. Resolution 13 proposes, on the recommendation of the Audit and Risk Committee, the appointment of RSM Audit UK LLP as the Company's auditors, until the conclusion of the next general meeting of the Company at which accounts are laid. More information about the decision to appoint RSM Audit UK LLP can be found in the Audit and Risk Committee report on page 86 and 87.

Resolution 14: Remuneration of Auditors

This Resolution seeks shareholder consent for the Audit and Risk Committee of the Company to set the remuneration of the Auditors.

Resolution 15: Political donations

Part 14 of the Companies Act 2006 requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations in the EU totalling more than £5,000 in any twelve month period, and for any political expenditure in the EU, subject to limited exceptions. The definition of donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. There are further restrictions on companies incurring political expenditure (as defined in the Companies Act 2006) without first obtaining shareholders' consent. The Company has not made any and does not envisage making any political donations; however, this resolution is proposed for approval as a precaution in order to avoid inadvertent breach of the legislation as a result of the wide meanings given to the terms "political donations" and "political expenditure". This resolution, if passed, will authorise the Directors until the AGM in 2022 to make donations and incur expenditure which might otherwise be caught by the terms of the Act, up to an aggregate amount of £50,000 for the Company and for subsidiary companies.

Resolution 16: Adoption of the Alfa Sharesave Plans

The Company seeks shareholder approval of the rules of the Alfa UK Sharesave Plan (the "UK Sharesave"). The proposed UK Sharesave is for the benefit of all qualifying employees, employed by the Company and certain of its subsidiaries, who are based in the UK. It is intended that the UK Sharesave will be operated as a tax-advantaged share scheme which should allow eligible employees to participate subject to certain tax reliefs. Under the UK Sharesave an eligible employee who enters into an approved savings contract for a period of three or five years will be granted an option to acquire ordinary shares in the Company at the end of the period to the extent of the proceeds of his or her savings contract. The exercise price of an option is fixed at the time it is granted and will not be less than 80 percent of the market value of an ordinary share at that time. The draft rules of the UK Sharesave will be available for inspection by request from the Company Secretary and subject to any Government public health restrictions at the registered office of the Company during usual business hours.

The Company is intending to adopt the International Sharesave Sub-Plan for employees who are employed and resident outside of the UK, based on the rules of the Sharesave Plan. A summary of the principal terms of the Sharesave Plan is set out below.

a. Operation

The operation of the UK Sharesave Plan will be overseen by the Company's Board of Directors (the "Board"), the Company's Remuneration Committee, or a duly authorised committee to which the Board delegates responsibility for overseeing the operation of the UK Sharesave. Decisions of the Board are final and binding in all respects.

b. Eligibility

Employees and full-time Directors of the Company and any designated participating subsidiary who are UK resident tax-payers are eligible to participate. The Committee may require employees to have completed a qualifying period of employment of up to five years before the grant of options. The Committee may also allow other employees who have not fulfilled any qualifying period to participate.

c. Grant of options

Options can only be granted to such eligible employees and full-time Directors who enter into certified savings contracts, under which monthly savings are normally made over a period of three or five years. Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of shares over which an option is granted will be such that the total option price payable for those Shares will correspond to the proceeds on maturity of the related savings contract.

An option may not be granted before shareholders approve the Sharesave Plan nor more than 10 years after Committee approval of the Sharesave Plan, that is 9 May 2031. Options are not transferable, except on death. Options, along with any other interest accrued on the savings under the savings contract, are not pensionable.

d. Individual participation

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave scheme may not exceed the statutory maximum (currently £500). The Committee may set a lower limit in relation to any particular grant.

e. Option price

The price per share payable upon the exercise of an option will not be less than the statutory maximum (currently 80 per cent of the average middle-market quotation of a share on the London Stock Exchange over the three days, or one day, preceding either the date of issue of invitations to participate in the Sharesave Plan or a date specified in an invitation (or such other day or days as may be agreed with HMRC)). If an option relates only to new issue shares, then the price per share payable on exercise must also not be less than the nominal value of a share. The option price will be determined by reference to dealing days which fall within six weeks of the announcement by the Company of its results for any period, the announcement or introduction of a new Sharesave savings prospectus or at any other time when the Committee considers there to be exceptional circumstances which justify offering options under the Sharesave Plan.

f. Exercise of options

Options will normally be exercisable for a six month period from the third or fifth anniversary of the commencement of the related savings contract. Earlier exercise is permitted, however, in the following circumstances:

- following cessation of employment by reason of death, injury, disability, redundancy, retirement, or the business or company that the employee works for ceasing to be part of the Company's group
- where employment ceases more than three years from grant for any reason other than dismissal for misconduct; and
- in the event of a takeover, amalgamation, reconstruction or winding-up of the Company, except in the case of an internal corporate re-organisation where the participants are offered the opportunity to exchange existing options for equivalent new options over shares in a new holding company.

Explanatory Notes to the Notice of Annual General Meeting continued

Except where stated above, options will lapse on cessation of employment or directorship with a participating company which shall include, unless the Committee determines otherwise, where the individual changes employer to another company within the Company's group that is outside of the UK. (This change is being made in response to the regulatory and payroll administrative complexities of jurisdictional transfers.)

Shares will be allotted or transferred to participants within 30 days of exercise unless the Company is prevented from issuing, transferring or procuring the transfer of shares to the participant by reason of any dealing restriction, but will do so within the period of 30 days after the relevant dealing restriction(s) have ceased to apply. Similarly, participants will be prevented from exercising their options where a dealing restriction is in place at the time of exercise and, instead, any attempt to exercise will be delayed until the dealing restriction ceases to apply. There is no discretion under the Sharesave Plan to settle the options in cash for UK participants.

g. Overall Sharesave Plan limits

The Sharesave Plan may operate over new issue shares, treasury shares or shares purchased in the market. In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent of the issued ordinary share capital of the Company under the Sharesave Plan and any other employee share plan adopted by the Company. Treasury shares will count as new issue shares for the purposes of these limits unless the institutional investors decide that they need not count.

h. Variation of capital

If there is a variation in the Company's share capital, then the Committee may, make such adjustment as it considers appropriate to the number of shares under option and the option price. Under the International Sharesave Sub-Plan the variation in the Company's share capital shall also include a demerger, special dividend or other similar event which affects the market price of shares to a material extent, an exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010 or any other corporate event which might affect the current or future value of any option.

i. Rights attaching to shares

Any shares allotted when an option is exercised under the Sharesave Plan will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

j. Alterations to the Sharesave Plan

The Committee may amend the provisions of the Sharesave Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Sharesave Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

k. Overseas Sharesave Plans

The shareholder resolution to approve the Sharesave Plan will allow the Committee, without further shareholder approval, to establish further plans for overseas territories. Such plans will be similar to the Sharesave Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Sharesave Plan. If the Sharesave Plan is approved by shareholders, the Committee proposes to adopt the International Sharesave Plan for employees outside of the UK (based on the rules of the Sharesave Plan, modified as set out above).

Resolution 17: Directors' authority to allot

Under the Companies Act 2006, the directors of a company may only allot new shares (or grant rights over shares) if authorised to do so by the shareholders in a general meeting. The authority in paragraph (a) of the resolution will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to approximately one third (33.3%) of the total issued ordinary share capital of the Company (exclusive of treasury shares) which as at 12 April 2021, being the latest practicable date prior to publication of this Notice, is equivalent to an aggregate nominal value of £100,000.

The authority in paragraph (b) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £100,000, which is equivalent to approximately one third (33.3%) of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 12 April 2021, being the latest practicable date prior to the publication of this Notice. The Company currently holds no shares in treasury.

In total, the resolution will allow the Directors to allot a maximum aggregate of two-thirds of the issued share capital of the Company and is considered routine by The Investment Association.

The Directors have no present intention to allot shares or grant rights to subscribe for or convert any security into shares pursuant to this authority. However, the Directors consider it desirable to have the flexibility to respond to market developments and to enable allotments to take place in appropriate circumstances.

If the Resolution is passed the authority will expire on the earlier of 6.00pm on 30 June 2022 or the end of the Annual General Meeting in 2022.

Resolutions 18 and 19: Disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings. There may be circumstances, however, when it is in the interests of the Company to be able to allot new equity securities for cash other than on a pre-emptive basis.

Resolution 18 deals with the authority of the directors to allot new shares or other equity securities pursuant to the authority given by Resolution 19, or sell treasury shares, for cash without the shares or other equity securities first being offered to shareholders in proportion to their existing holdings. Such authority shall only be used in connection with a pre-emptive offer, or otherwise, up to an aggregate nominal amount of £15,000, being approximately 5% of the total issued ordinary share capital of the Company as at 12 April 2021, being the latest practicable date prior to the publication of this Notice. As at 12 April 2021 the Company holds no treasury shares.

The Pre-emption Group Statement of Principles supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities (and sales of treasury shares for cash) representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-emption Group, Resolution 19 seeks to authorise the directors to allot new shares and other equity securities pursuant to the authority given by Resolution 17, or sell treasury shares, for cash up to a further nominal amount of £15,000, being approximately 5% of the total issued ordinary share capital of the Company as at 12 April 2021, being the latest practicable date prior to the publication of this Notice, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 19 is used, the Company will publish details of the placing in its next Annual Report.

If these resolutions are passed, the authorities will expire at the end of the next AGM or at 6.00pm on 30 June 2022, whichever is the earlier.

The Board considers the authorities in resolutions 18 and 19 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a rights issue or other pre-emptive offer without the need to comply with the strict requirements of the statutory pre-emption provisions.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the company within a rolling three-year period other than (i) after prior consultation with shareholders or (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Resolution 20: Purchase of own shares

This resolution, seeks to renew the existing authority granted to the Company to purchase its own ordinary shares, up to a maximum of 30,000,000 ordinary shares, until the Annual General Meeting in 2022 or 30 June 2022, whichever is the earlier. This represents 10% of the ordinary shares in issue (excluding shares held in treasury) as at 12 April 2021, being the latest practicable date prior to the publication of this Notice. The Company's exercise of this authority is subject to the stated upper and lower limits on the price payable, the upper limit being the price stipulated in Commission Delegated Regulation (EU) 2016/1052 as referred to in Article 5(6) of the EU Market Abuse Regulation, and the Listing Rules.

Pursuant to the Companies Act 2006, the Company can hold any shares which are repurchased as treasury shares and either re-sell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes. Holding the repurchased shares as treasury shares will give the Company the ability to re-sell or transfer them in the future and will provide the company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently re-sold or transferred out of treasury).

The Directors consider it desirable and in the Company's interests for shareholders to grant this authority.

The Company will not, save in accordance with a predetermined, irrevocable and non-discretionary programme, repurchase shares in the period immediately preceding the preliminary announcement of its annual or interim results as dictated by the Listing Rules or Market Abuse Regulation or, if shorter, between the end of the financial period concerned and the time of a relevant announcement or, except in accordance with the Listing Rules and the Market Abuse Regulation, at any other time when the directors would be prohibited from dealing in shares.

As at 12 April 2021, being the latest practicable date prior to publication of this Notice, there were no outstanding warrants or options to subscribe for ordinary shares in the Company and the Company did not hold any treasury shares.

Resolution 21: Notice of general meetings

Under the Companies Act 2006, as amended, the notice period required for all general meetings of the Company is 21 days, though shareholders can approve a shorter notice period for general meetings that are not annual general meetings, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the general meeting to be held, and is thought to be to the advantage of shareholders as a whole. Shareholder approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

Further information about the AGM

Attendance at the AGM

1. In line with current Government guidance and restrictions on public gatherings, physical attendance at the AGM is not permitted. Certain shareholders and Directors will attend the meeting in person in order to form the quorum, but any other member attempting to attend the AGM in person will be refused entry. Please refer to the information in the Chairman's letter for details of how to view a webcast of the meeting, submit questions and vote.
2. The Company will make arrangements such that the legal requirements to hold the meeting can be satisfied through the attendance of a minimum number of people and the format of the meeting will be purely functional.
3. As shareholders cannot attend the AGM in person, shareholders are strongly encouraged to submit a proxy vote in advance of the meeting. You can vote electronically at www.sharevote.co.uk using the relevant reference numbers printed on your Proxy Form. Alternatively, if you have already registered with our registrars' (Equiniti Limited) on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions. CREST members may use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the AGM as detailed in the Notes to the Notice of the AGM.
4. Details on how to submit your proxy vote by post, online or through CREST are set out below.
5. Given the current restrictions on attendance, shareholders are encouraged to appoint the chair of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting. The Board will endeavour, where appropriate, to answer such questions by publishing responses on <https://investors.alfasystems.com/eu/> as soon as practical after the AGM.

Entitlement to vote

1. Only those shareholders registered in the Company's register of members as at 6.30pm on Thursday 6 May 2021, or, if this meeting is adjourned, at 6.30pm on the day which is two business days' prior to the adjourned meeting, shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Website giving information regarding the meeting

2. 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 <https://investors.alfasystems.com>. Shareholders may not use any electronic address provided in either this Notice or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

Appointment of proxies

3. A shareholder is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at the AGM, subject to any restrictions the Company has in place in light of the Covid-19 pandemic. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
4. A Proxy Form is enclosed with this Notice. In the case of joint holders, any one holder may vote, the vote of the senior will be accepted, seniority being determined in the order in which the names appear on the register. A space has been included in the Proxy Form to allow members to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the Proxy Form duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrars:

Equiniti Limited
 FREEPOST RTHJ-CLLL-KBKU
 Aspect House Spencer Road Lancing
 West Sussex BN99 8LU
 UK: 0371 384 2030
 Outside the UK: +44 (0)121 415 2047

Lines open 8:30 a.m. to 5:30 p.m., Monday to Friday
 (excluding public holidays in England and Wales).

For additional Proxy Forms you may photocopy the Proxy Forms provided with this document indicating on each copy the name of the proxy you wish to appoint and the number of Ordinary Shares in the Company in respect of which the proxy is appointed. All Proxy Forms should be returned together in the same envelope.

5. To appoint a proxy: either

- (a) the Proxy Forms, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited with the Company's Registrars:

Equiniti Limited
FREEPOST RTHJ-CLLL-KBKU
Aspect House Spencer Road Lancing
West Sussex BN99 8LU; or

- (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with the CREST proxy instructions below; or
- (c) online proxies must be lodged in accordance with the CREST proxy instructions below in each case so as to be received no later than 48 hours (excluding non-working days) before the time of the holding of the AGM or any adjournment thereof.

Please note that all proxy forms and appointments, whether postal or electronic, must be received by Thursday, 3.00pm (UK time) on 6 May 2021.

Corporate representatives

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

Nominated persons

7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Online voting

8. The website address for online voting is www.sharevote.co.uk. Shareholders will need to enter the Voting ID, Task ID and Shareholder Reference Number as printed on the Proxy Form, and to agree to certain terms and conditions. Alternatively, if you have already registered with our registrar's (Equiniti Limited) on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions.

Total voting rights

9. Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. Each Ordinary Share confers one vote on a poll. The total number of issued Ordinary Shares in the Company on 12 April 2021, which is the latest practicable date before the publication of this document, is 300,000,000. Therefore, the total number of votes exercisable as at 12 April 2021 is 300,000,000.

As at 12 April 2021, there have been no further changes in the major shareholdings notified to the Company since 22 March 2021 (being the date on which the Directors' Report for the period ended 31 December 2020 was approved). Similarly, there have been no further changes in the interests of Directors in the Company's issued share capital since 22 March 2021.

CREST proxy instructions

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following 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) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's 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 an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in note 6 above. 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.
12. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider takes) 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.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Further information about the AGM continued

Automatic poll voting

14. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group and Paul Myners in 2004. Further, the Company considers that a poll is the only way that Shareholders (save for those in attendance at the AGM for the purposes of achieving quorum) will be able to have their vote counted in light of the current UK Government's mandatory social distancing measures in place due to the COVID-19 pandemic. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.

Publication of audit concerns

15. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- (a) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
- (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Questions

16. Any shareholder has the right to ask questions. We strongly encourage shareholders to submit any questions in advance of the meeting to CoSec@alfasystems.com. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or
- (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.

Guests will not be permitted to ask questions.

Documents on display

17. Copies of the Executive Directors' employment service contracts, and Letters of Appointment between the Company and its Non-Executive Directors are available by request from the Company Secretary and subject to any Government public health restrictions at the registered office of the Company during usual business hours.