

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO RANGER DIRECT LENDING FUND PLC (THE "COMPANY") ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt as to the contents of this document or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate financial adviser authorised under the Financial Services and Markets Act 2000, or if you are in a territory outside of the United Kingdom, from an appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your registered holding of your ordinary shares in the Company (the "**Shares**") please send this document, together with the accompanying personalised form of proxy (the "**Form of Proxy**") at once to the purchaser or transferee of such Shares or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, subject to certain exceptions, such documents should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or South Africa or to U.S. persons.

This document is not an offer for securities, or the solicitation of an offer to acquire securities, in any jurisdiction nor does it constitute a prospectus or equivalent document. This document is provided solely for the information of the holders of Shares (the "**Shareholders**") in connection with the General Meeting and not for any other purpose.

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## **RANGER DIRECT LENDING FUND PLC**

*(incorporated and registered in England and Wales with registered number 09510201 and registered as an investment company under Section 833 of the Companies Act 2006)*

### **Notice of General Meeting**

#### **Recommended Proposals for a Managed Wind-Down of the Company Through Amendments to the Investment Policy and Investment Objective**

#### **Proposed Amendment to the Company's Remuneration Policy**

#### **Proposed Amendment to the Articles of Association**

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Notice of a General Meeting of Ranger Direct Lending plc to be held at 10 Snow Hill London EC1A 2AL at 2:00 p.m. on 16<sup>th</sup> November 2018 is set out at the end of this document. Shareholders are requested to complete and return their Form(s) of Proxy.

The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed, signed and returned, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof, in accordance with the instructions printed on it to Link Asset Services, PXS 1, The Registry 34 Beckenham Road,

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Beckenham, Kent, BR3 4ZF, as soon as possible and, in any event, so as to arrive by no later than 2:00 p.m. on 14 November 2018. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

**This document should be read as a whole. Nevertheless, your attention is drawn to the letter from your Chairman of the Company set out in Part I of this document which contains a recommendation from the Board of the Company that you vote IN FAVOUR OF the Resolutions to be proposed at the General Meeting. Your attention is also drawn to the section entitled "Action to be taken by Shareholders" on page 13 of this document. Shareholders should make their own investigations in relation to the Proposals, including the merits and risks involved. Nothing in this document constitutes legal, tax, financial or other advice, and if they are in any doubt about the contents of this document, Shareholders should consult their own professional advisers.**

Defined terms used in this document have the meanings given to them in the section headed "Definitions" on page 28.

**29 October 2018**

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## EXPECTED GENERAL MEETING TIMETABLE

Date of this Circular	29 October 2018
Latest time and date for receipt of Forms of Proxy	14 November 2018 at 2:00 p.m.
General Meeting	16 November 2018 at 2:00 p.m.

*References to times in this document are to London times unless otherwise stated. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.*

## PART I – LETTER FROM THE CHAIRMAN

### RANGER DIRECT LENDING FUND PLC

*(incorporated and registered in England and Wales with registered number 09510201 and registered as an investment company under Section 833 of the Companies Act 2006)*

#### Directors:

Dominik Dolenc\*\*\*

Brendan Hawthorne\*

Brett Miller\*\*\*

Greg Share \*\*

Jonathan Schneider\*

#### Registered Office:

6<sup>th</sup> Floor  
65, Gresham Street  
London  
EC2V 7NQ

\* Independent Non-executive

\*\* Non-Executive

\*\*\* Executive

29 October 2018

Dear Shareholder,

**General Meeting and Recommended Proposals for (i) a Managed Wind-Down of the Company Through Amendments to the Investment Policy and Investment Objective, (ii) Proposed Amendment to the Company's Remuneration Policy and (iii) Proposed Amendment to the Articles of Association**

#### 1. INTRODUCTION

I am writing to provide you with details of the General Meeting which will be held at 10 Snow Hill London EC1A 2AL at 2:00 p.m. on 16 November 2018.

This document sets out details of, and seeks your approval of the proposals relating to:

- 1.1 the managed wind-down of the Company and associated amendments to the Company's Investment Policy and Investment Objective;
- 1.2 the amendment of the Company's Remuneration Policy; and
- 1.3 the amendment of the Company's Articles to remove the continuation vote and cap on directors fees as a consequence of the items referred to above,  
  
(together, the "**Proposals**").

Further details of the Proposals and the relevant Resolutions which will be put to Shareholders at the General Meeting, are set out below. Notice of the General Meeting is set out at the end of this document and a Form of Proxy is enclosed with this document.

## **2. BACKGROUND TO AND REASONS FOR THE PROPOSALS**

On 11 June 2018, the Company announced that it would move to realise its assets and proceed with a managed wind-down process in order to best serve the interests of the Company's Shareholders. The Company's current Investment Management Agreement was also terminated with effect from 1 May 2019 following the service of a termination notice on 1 May this year.

Over the course of June and July 2018 each of Dominik Dolenec, Brett Miller, Brendan Hawthorne and Greg Share were appointed to the Board, joining Jonathan Schneider who continues to serve on the board as an independent director. Shortly after its appointment, the new Board appointed Dominik Dolenec and Brett Miller as executive members of the Board and formed two new working committees to provide the necessary oversight of the Company's Investments and its investment manager, Ranger. The first committee has been tasked with engaging with Ranger concerning the wind-down and realisation of the Company's existing portfolio (excluding Princeton) with the specific aim of maximising returns for Shareholders. This committee has also conducted an in-depth review of the Company's service providers and their contractual agreements as well as other corporate matters. The second committee has been tasked with liaising with Ranger in respect of the Princeton Proceedings and the strategic decisions associated with those proceedings. In addition, in September 2018, a third committee was formed to consider proposals relating to retiring the ZDP Shares issued by the Company's subsidiary, ZDPco. Brendan Hawthorne and Jonathan Schneider as directors of ZDPco are not members of that committee. Any final decisions regarding the approach to the investment portfolio and any other proposals to be put to Shareholders are decided by the Board as a whole.

Since taking office, the Board has worked hard to engage with Shareholders and to closely liaise with Ranger to fully understand the Company's Investments. Accordingly, the Company is now formally proposing that the affairs of the Company be wound down with a view to returning capital to Shareholders in an orderly manner as soon as practicable and having regard to cost efficiency, the rights of ZDP Shareholders and working capital requirements of the Company.

The Board considers that transparency, accountability and stakeholder engagement are paramount, as the Company continues to implement the Managed Wind-Down strategy. This document is therefore seeking Shareholder approval to amend to the Company's Investment Policy in order to formally adopt a suitable realisation strategy and to document the Managed Wind-Down process which commenced when the new Board was appointed and the committees were established.

## **3. OVERVIEW ON THE REALISATION STRATEGY AND CHANGE TO THE INVESTMENT POLICY**

### **3.1 Mechanics for returning cash to shareholders**

The Board has carefully considered the potential mechanics for returning cash to Shareholders and the Company's ability to do so.

The Board believes it is in the best interests of Shareholders as a whole to make distributions to Shareholders without a significant delay following realisations of a material part of the portfolio (whether in a single transaction or through multiple, smaller transactions concluded on similar timing). In the Board's view, making distributions by way of a declaration of dividends has the

benefit of being faster, providing a more regular return (as opposed to simply waiting to return all available amounts on a liquidation) and being more cost effective to administer than other mechanisms, such as a tender offer or B share scheme. In this regard, the Board notes that although returning investment principal by way of a declaration of dividends may not be the most tax efficient method of returning monies to investors, who are UK tax resident individuals, the Company has insufficient capital reserves to carry out a B share scheme in respect of a material part of the Company's total net asset value. The Board may however, consider making tender offers for Shares in the future although Shareholders should have no expectations that this will be the case.

The Board does not intend to continue making quarterly dividend payments and will instead make payments by way of ad-hoc special dividends, when appropriate, during the course of the Managed Wind-Down process so that the Company is able to return available cash to Shareholders as soon as reasonably practicable after cash becomes available in the portfolio. The Company will also look to structure its dividend payments to maintain investment trust status for so long as it remains listed. The Board, will of course, at all times have regard to the obligations owed by the Company to its creditors when approving such returns, including for instance, maintaining reserves sufficient to meet the Company's obligations arising in connection with the Princeton Proceedings and its obligations in respect of the ZDP Shares.

### **3.2 Amendments to the Investment Objective and Investment Policy**

The Proposals involve modifying the Company's Investment Objective and Investment Policy to reflect a realisation strategy and to cease making any further new Investments. Whilst realisation of investments is permitted by the existing Investment Policy, the Board is of the view that it is important to reflect the approach now being taken by the Company in respect of the Managed Wind-Down. As such, the proposed modification to the Company's Investment Policy is being proposed to Shareholders for their ratification.

As previously announced, Ranger has informed the Board that it expects to be able to implement the realisation of the Company's existing Investments on an efficient basis in a manner that will not have a negative impact on returns that would otherwise be received and that it is committed to working with the Board in order to ensure that the transition of the Portfolio is successful.

Accordingly, the Directors expect to be able to continue to execute the Managed Wind-Down of the Company in a prudent manner and adopt a formal realisation strategy in accordance with the New Investment Policy. Shareholders should expect that, as the Managed Wind-Down progresses, the Board and (until 1 May 2019) Ranger will be committed to distributing as much of the available cash as soon as reasonably practicable having regard to cost efficiency and working capital requirements. Accordingly, in order to minimise the administrative burden, Shareholders are advised that future returns of cash by way of income distributions may not necessarily be made as soon as cash becomes available but when it is deemed most efficient to do so. Shareholders should also note that, due to the illiquid nature of certain of the Investments, there can be no certainty of the length of time it may take to complete the Managed Wind-Down. The remaining Investments may have the opportunity for value creation and the Board are actively trying to optimise realisations over time as opposed to during a fixed time frame.

Being prescriptive on the timeframe for realising the Company's Investments could prove detrimental to the value achieved on realisation. Therefore, the strategy for the realisation of the Company's Investments will need to be flexible and may need to be altered to reflect changes in the circumstances of a particular investment or in the prevailing market conditions. In seeking to realise the Company's Investments in an orderly manner, the Directors will aim to achieve a balance between maximising their value and progressively returning cash to Shareholders. The Company's listing and the capacity to trade in its Shares will be maintained for as long as the Directors believe it to be practicable and cost-effective during the wind-down period, subject to being able to meet the requirements of the Listing Rules. Accordingly, once a significant proportion of the Company's assets have been realised and distributed to Shareholders, the Board will then consider, in the light of the then prevailing market conditions and Shareholders' views, proposing a resolution for delisting the Company, which will require additional Shareholder approval at that time. The Board currently envisages that, if the Managed Wind-Down progresses as they currently expect, that a delisting of the Company's Shares could be proposed in early 2019.

Once all, or substantially all, of the Company's Investments have been realised, the Company will seek Shareholders' approval for it to be placed into members' voluntary liquidation.

Part II of this document sets out the New Investment Objective and New Investment Policy in full.

#### **4. DIRECTORS REMUNERATION POLICY**

##### **4.1 Existing Remuneration Policy**

###### **4.1.1 Non-executive fees**

Currently, all matters relating to the Directors' remuneration have been decided in accordance with the Remuneration Policy approved by the Company in general meeting on 24 May 2016. The remuneration received by the Board was last published in the Annual Report for year ending 31 December 2017 in the section entitled "*Statement of implementation of Remuneration Policy in respect of the financial year ended 31 December 2017 and financial year ending 31 December 2018*". The current Board is entitled to the following fees in respect of their duties as non-executive Directors':

<b>Director</b>	<b>Annual Fee (GBP)</b>
Dominik Dolenc	£30,000
Jonathan Schneider	£27,250
Brett Miller	£25,000
Brendan Hawthorne	£25,000
Greg Share	£25,000

#### **4.1.2 Executive fees**

With effect from 26 July 2018 (and subject only to the current cap for all Directors fees in aggregate being no higher than £250,000 in the Articles), Dominik Dolenc receives a monthly fee of £15,000 for his Executive Chairman duties and Brett Miller receives a monthly fee of £15,000 for his Executive Director duties. These executive fees are for an initial period of six months, following which payment of the executive fees will be subject to review by the Board, which may resolve to continue to pay the current amounts or to increase, decrease or reduce these executive fees to zero having regard to Directors' expected ongoing time commitment.

#### **4.2 Other amounts to which the Directors are entitled**

Dominik Dolenc is also party to an advisory agreement (through Emona Capital LLP for which he is Managing Partner and Founder) with Oaktree pursuant to which he is entitled to receive a fixed retainer fee and a performance fee, which is directly linked to the internal rate of return on Oaktree's investment in the Company. With Mr. Dolenc abstaining, on 5 July 2018 the Board resolved that Mr. Dolenc's interest in the agreement between Emona Capital LLP and Oaktree be authorised for the purposes of section 175 of the Act and Article 170 of the Articles and therefore, the Board does not see a conflict of interest given Oaktree's alignment with other Shareholders to pursue a wind-down strategy.

#### **4.3 New Remuneration Policy**

As set out in Part III, it is proposed that the New Remuneration Policy be adopted in which fees payable to each Director in respect of their non-executive duties are increased and a bonus scheme is introduced as summarised below.

##### **Proposed Increase in Directors Fees**

Subject to the approval by Shareholders of the New Remuneration Policy, the Board approved an increase in the annual fees payable to each Director in respect of their non-executive duties to £50,000 per annum each on 26 July 2018 (no additional amounts are proposed to be paid to the chairman or the chairman of the audit committee). The Board considers that the increased annual fees are appropriate having regard the extent of the Board's engagement in the operation of the Company in implementing the Managed Wind-Down. If the amendment of the Remuneration Policy is approved by Shareholders, this increased annual fee will be effective from the date of its approval by the Board.

The Board may resolve to increase some or all of these fees in the future in the event that the Company becomes a small, internally managed investment trust for the purposes of the AIFM Directive following the end of Ranger's notice period as investment manager of the Company provided that such fees (including any fees payable to any employees recruited by the Company in such circumstances) would be less than the fees that would have been payable had the existing

Investment Management Agreement not been terminated. Any fees paid to any employees recruited in such circumstances would also be consistent with market rates for similar investment management activities.

### **Proposed Introduction of bonus scheme**

In addition to the increased annual fees described above, it is proposed that a new incentive bonus scheme will be introduced for the Company's Board, for which they will become eligible based on the returns received by the Company on its Investments. The Board considers that a scheme which is based on the actual returns delivered to Shareholders by the Company will incentivise the Board and substantially align the interests of the Directors with those of the Company and its Shareholders.

The base bonus pool for the Board will be £250,000 and the pool available will be calculated based on the returns achieved by the Company using the Microsoft Excel XIRR function. Accordingly, if the XIRR is:

- 4.3.1** less than 5 percent. no bonus will be payable;
- 4.3.2** greater than or equal to 5 per cent. but less than 10 per cent., the base bonus pool of £250,000 will be payable to the Directors;
- 4.3.3** greater than or equal to 10 per cent. but less than 15 per cent., two times the base bonus pool (that is £500,000) will be payable to the Directors; and
- 4.3.4** greater than or equal to 15 percent., three times the base bonus pool (that is, £750,000) will be payable to the Directors.

It is intended that the incentive bonus pool will be divided equally between the Directors, subject to the discretion of the Board.

The XIRR for this purpose will be calculated with reference to a share price of 800p (being the Company's Share price as of the date of the Annual General Meeting held on the 19 June 2018) and converted into USD using an exchange rate of 1.3178 (being the exchange rate quoted by Intercontinental Exchange on that date). All distributions and cash flows to Shareholders will be exchanged into USD at corresponding historic exchange rates published by Intercontinental Exchange.

Once 80 per cent. of the Company's Gross Assets (as per the June 2018 monthly NAV report) have been realised or written off, the Directors will calculate the projected XIRR likely to be achieved once all of the assets have been realised or written off. Based on that forecasted XIRR, the Board will be entitled to be paid half of the bonus pool applicable at that forecasted XIRR.

Immediately prior to the dissolution of the Company, or when substantially all of the assets of the Company have otherwise been returned to Shareholders, the Directors will be entitled to receive the second half of the bonus pool. At the time of the second bonus payment, if the actual realised XIRR is in excess of the XIRR band in respect of which the original bonus payment was made, the Directors will be entitled to receive a catch-up payment. If however, the actual XIRR is less than the

XIRR band in respect of which the original bonus payment was made, the Company will be entitled to claw back any excess payment which was received by the Board.

## 5. RELATED PARTY TRANSACTION

Given the proposed increase in Director fees (including pursuant to the proposed bonus scheme) which may become payable to the Directors under the New Remuneration Policy, the implementation of the New Remuneration Policy will be a smaller related party transaction for the purposes of Listing Rule 11.1.10. Full details of the related party transaction are set out in Part IV of this document.

## 6. AMENDMENT TO ARTICLES OF ASSOCIATION

### 6.1 Continuation vote

The Articles contain provisions which require the Board to put a continuation vote to the Company at regular intervals. These provisions are set out in full below.

#### **"Article 258**

*At the annual general meeting to be held in 2020, the Directors shall propose an ordinary resolution to the Shareholders that the Company continues in existence as an investment trust. If the resolution is passed at such annual general meeting then the Directors shall propose the same resolution at every fifth annual general meeting thereafter.*

#### **Article 259**

*If a resolution proposed in accordance with Article 258 is not passed, then the Directors shall, within 3 months after the date of the resolution, put forward proposals to Shareholders to the effect that the Company be wound up, liquidated, reorganised or unitised."*

If the New Articles are adopted, Articles 258 and 259 will be removed in their entirety. The Board believes that removing these provisions will help ensure that the Company is able to implement the Managed Wind-Down without a specified time limit being imposed (and in any event, the Board currently expects the Managed Wind-Down to be substantially completed significantly prior to the date on which a continuation vote would currently be required).

### 6.2 Directors' cap on remuneration

The Articles also contain a cap on the annual remuneration payable to the Directors (by way of fee) of £250,000 per annum. It is proposed that this cap be removed to allow for the implementation of the New Remuneration Policy by amending Article 145 as follows:

#### **"Article 145**

*The Directors (other than alternate Directors) shall be paid such remuneration (by way of fee or otherwise) for their services as may be determined by the Board in accordance with the Company's remuneration policy ~~save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate of the remuneration (by way of fee) of all the Directors shall not~~*

~~exceed £250,000 per annum~~. Such remuneration shall be deemed to accrue from day to day, shall be divided between the Directors as they shall agree or, failing agreement, equally and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of attending Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company."

## **7. BENEFITS OF THE PROPOSALS**

The Directors believe that, following the results of the Company's Annual General Meeting on 19 June 2018 and subsequent consultation with Shareholders, the Proposals are in the best interest of the Company's Shareholders as a whole and should yield the following principal benefits:

- implementing a managed and orderly disposal of Investments (without the constraints of a formal continuation vote) will maximise the value to be realised on the sale of the Company's assets and, therefore, returns to Shareholders;
- the Proposals will allow cash to be returned to Shareholders in a cost-effective and time efficient manner through dividend payments (or other such mechanisms which the Directors consider, in their discretion, are in the best interests of Shareholders);

Accordingly, the Directors are recommending that Shareholders vote in favour of the Proposals.

## **8. RESOLUTIONS**

The Proposals are subject to the approval of Shareholders, and the Notice of the General Meeting at which Resolutions to approve the Proposals will be considered is set out at the end of this document. The Proposals, if approved, will result in Shareholders having their shareholdings in the Company realised in an orderly manner, which is expected to be principally by way of income distributions made to Shareholders following dividend declarations by the Company in accordance with the New Investment Policy (or by way of other such mechanisms which the Directors consider, in their discretion, are in the best interests of Shareholders from time to time).

**8.1** Resolution 1 is to adopt the New Investment Objective and Investment Policy;

**8.2** Resolution 2 is to adopt the New Remuneration Policy; and

**8.3** Resolution 3 is to adopt the New Articles.

## **9. ACTIONS TO BE TAKEN BY SHAREHOLDERS**

The General Meeting will be held at 10 Snow Hill London EC1A 2AL at 2:00 p.m. on 16<sup>th</sup> November 2018 to approve the Resolutions described in paragraph 8 above.

Resolutions 1 and 2 will be proposed as ordinary resolutions; this means that more than half of the votes cast must be in favour for the resolution to be passed. Resolution 3 will be proposed as a special resolution; this means that more than 75 per cent. of the votes cast must be in favour for the resolution to be passed.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Articles, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each share held. To ensure that a quorum is present at the General Meeting, two Shareholders entitled to vote must be present, whether in person or by proxy (or, if a corporation, by a representative).

The Notice of the General Meeting is set out at the end of this document and a Form of Proxy is enclosed with this document. The Company is relying on its existing authority to convene the General Meeting on 14 clear days' notice to hold the General Meeting on 16<sup>th</sup> November 2018.

Shareholders are asked to complete and return the Form of Proxy enclosed with this document, together with any power of attorney or other authority under which they are signed or a notarially certified or office copy thereof, in accordance with the instructions printed thereon to Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF so as to be received as soon as possible and in any event by no later than 2:00 p.m. on 14 November 2018. Alternatively Shareholders may submit their proxy vote electronically via the Registrar's website by visiting [www.signalshares.com](http://www.signalshares.com). For an electronic proxy to be valid, the appointment must be received by the Registrar by no later than 2:00 p.m. on 14 November 2018. Shareholders who hold their shares electronically may submit their votes through CREST. Shareholders are requested to complete and return a Form of Proxy, vote electronically or submit their votes through CREST, whether or not they wish to attend the General Meeting.

Completion of the Form of Proxy or appointment of a proxy through CREST does not prevent a member from attending and voting in person.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from 29 October 2018 until the time of the General Meeting and may also be inspected at the General Meeting venue at 10 Snow Hill London EC1A 2AL from 2:00 p.m. on the day of the meeting until the conclusion of the General Meeting:

- 10.1** this document;
- 10.2** a copy of the New Remuneration Policy;
- 10.3** a copy of the current Articles;
- 10.4** a copy of the New Articles; and
- 10.5** the written consent referred to in paragraph 5 of Part IV of this document.

## **11. RECOMMENDATION**

The Board considers that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote **IN FAVOUR**

**OF** the Resolutions to be proposed at the General Meeting and which are set out in the Form of Proxy.

Yours faithfully

**Dominik Dolenec**

**Executive Chairman**

**Ranger Direct Lending Fund plc**

**29 October 2018**

## **PART II – THE COMPANY'S PROPOSED NEW INVESTMENT OBJECTIVE AND PROPOSED NEW INVESTMENT POLICY**

### **1. PROPOSED CHANGES TO THE INVESTMENT POLICY OF THE COMPANY**

It is proposed that, if the Proposals are approved, the existing Investment Objective and Investment Policy will each be deleted in their entirety and replaced with the New Investment Objective and New Investment Policy set out below:

#### **1.1 New Investment Objective**

The Company will be managed, either by a third party non-EEA investment manager or internally, by the Company's board of directors with the intention of realising all remaining assets in the Portfolio, in a prudent manner consistent with the principles of good investment management with a view to returning cash to its Shareholders in an orderly manner and meeting the obligations of the Company to ZDPco in respect of the ZDP Shares or purchasing ZDP Shares to reduce those obligations in advance of the final date for payments on the ZDP Shares.

#### **1.2 New Investment Policy**

The Company will pursue its New Investment Objective by effecting a Managed Wind-Down with a view to realising all of the Investments in a manner that achieves a balance between maximising the value received from Investments and making timely returns to Shareholders. The Company may sell its Investments either to co-investors in the relevant Investment or to third parties, but in all cases with the objective of achieving the best available price in a reasonable time scale.

As part of the realisation process, the Company may also exchange existing Debt Instruments issued by any Direct Lending Platform for equity securities in such Direct Lending Platform where, in the reasonable opinion of the Board, the Company is unlikely to be able to otherwise realise such Debt Instruments or will only be able to realise them at a material discount to the outstanding principle balance of that Debt Instrument.

The following investment restrictions will apply to the Company:

The Company will cease to make any new investments or to undertake capital expenditure except, with the prior written consent of the Board and where:

1.2.1 the Investment is a follow-on Investment made in connection with an existing Investment made in order to comply with the Company's pre-existing obligations; or

1.2.2 failure to make the follow-on Investment may result in a breach of contract or applicable law or regulation by the Company; or

1.2.3 the Investment is considered necessary by the Board to protect or enhance the value of any existing Investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or as cash equivalents.

The Company will not undertake new borrowing other than for short-term working capital purposes. ZDPco, the Company's subsidiary, has ZDP Shares in issue which are repayable on 31 July 2021. In order to facilitate the Company's realisation strategy the Company will be permitted to purchase ZDP Shares at the discretion of the Board.

Any material change to the New Investment Policy would require Shareholder approval in accordance with the Listing Rules.

## PART III – THE COMPANY'S PROPOSED NEW REMUNERATION POLICY

### 1. EXISTING DIRECTORS FEES

Currently, all matters relating to the Directors' remuneration have been decided in accordance with Remuneration Policy approved by the Company in general meeting on 24 May 2016. The Director's remuneration was last published in the Annual Report for year ended 31 December 2017 in the section entitled "*Statement of implementation of Remuneration Policy in respect of the financial year ended 31 December 2017 and financial year ending 31 December 2018*".

It is proposed the Company's Remuneration Policy be deleted in its entirety and replaced with the following New Remuneration Policy.

### 2. NEW REMUNERATION POLICY

In setting the Company's New Remuneration Policy, the Remuneration and Nomination Committee has sought (having regard to the recent changes in the Company's circumstances) to align the interests of the Board with those of the Company and its Shareholders and to incentivise the Directors to help the Company to achieve its New Investment Objective.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, such remuneration must at all times be in accordance with this New Remuneration Policy.

#### 2.1 Annual fees

Under the terms of their appointments as Directors of the Company, the Directors are entitled to the following annual fees. In addition, any Director fulfilling an executive function will be entitled to receive an additional monthly fee of £15,000 to reflect the additional commitment and contribution required of a Director performing an executive role.

Executive fees will, in each case, be agreed for an initial period of six months, but may be subject to review by the Board at any time, which may resolve to continue to pay the current amounts or to increase (subject to a monthly cap of £22,500), decrease or reduce these executive fees to zero having regard to Directors' expected ongoing time commitment.

Position	Annual Fee Level	Purpose	Operation	Opportunity	Recovery of sums/withholding of payments
Chairman	£50,000	To reflect competitive market rates for each role, and the commitment and contribution expected from each Director.	The Chairman and other non-executive Directors receive a basic fee for their respective roles, which is increased for any additional services required of them (e.g. performing an executive role). All fees are	Basic annual fees may be reviewed annually, provided at all times the total fees payable to Directors are paid in accordance with this New Remuneration Policy. Executive fees are fixed at	As described in the Directors bonus scheme.
Chairman of the Audit Committee	£50,000				
Non-Executive Director	£50,000				
Executive Director	Variable				

Position	Annual Fee Level	Purpose	Operation	Opportunity	Recovery of sums/withholding of payments
			payable in cash, but Directors may elect to apply the cash amount of their fee to subscribe for or purchase Ordinary Shares.	£15,000 per month until 26 January 2019. Thereafter, the Board may increase (subject to a monthly cap of £22,500), decrease or reduce these executive fees to zero having regard to Directors' expected ongoing time commitment.	

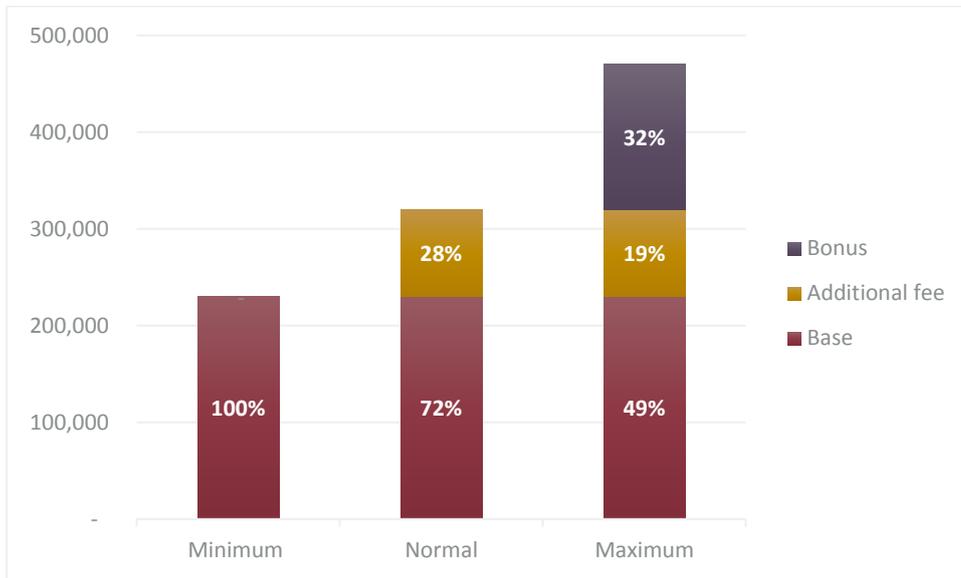
In all cases, the Board may resolve to increase the level of fees payable to Directors in the event that the Company becomes a small, internally managed investment trust for the purposes of the AIFM Directive, provided that such fees (including any fees payable to any employees recruited by the Company in such circumstances) would be less than the fees that would have been payable had the existing Investment Management Agreement not been terminated. Any fees paid to any employees recruited in such circumstances would also be consistent with market rates for similar investment management activities.

#### ***Executive Director maximum pay chart***

The following chart illustrates the application of the remuneration components under the new policy reflecting the maximum possible remuneration based on performance outcomes:

This is based on the following assumptions:

- the maximum shows the total remuneration receivable for maximum performance under the bonus incentive scheme
- the below threshold is based on fixed pay only which includes salary (there are no pension allowances or taxable benefits)
- the performance measures relate to a one year period

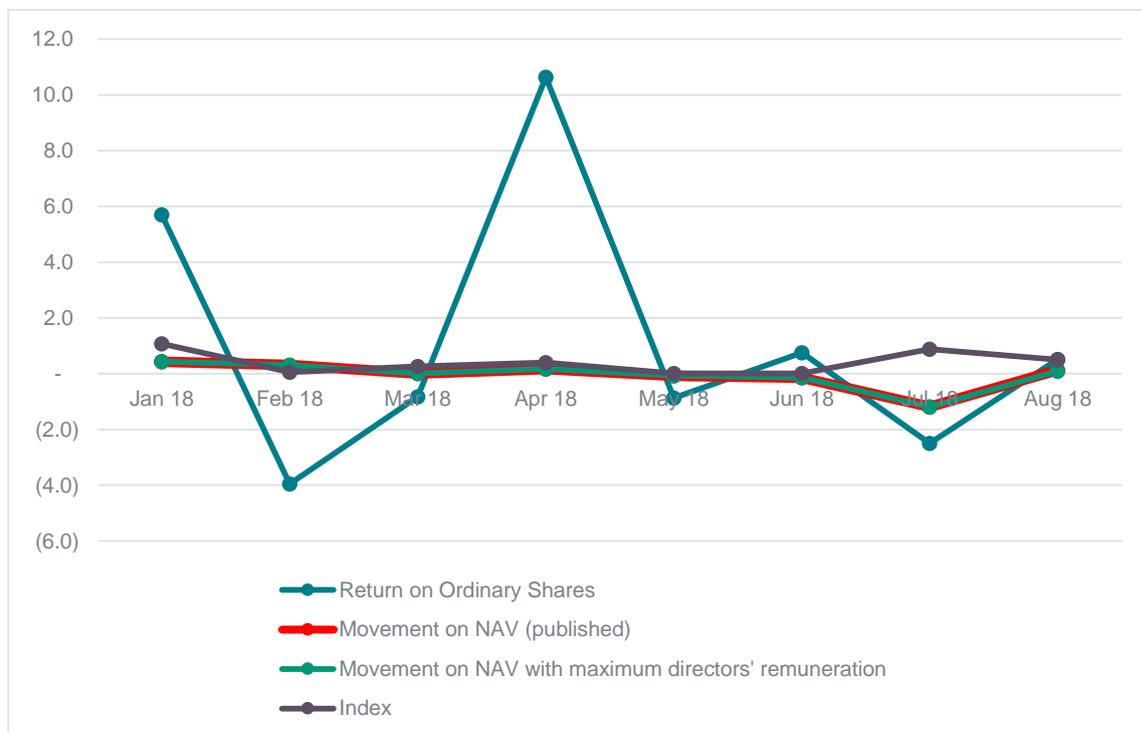


**Notes to the table:**

- It is intended that the incentive bonus pool will be divided equally between the Directors, subject to the discretion of the Board.

**Performance**

The following graph compares the returns from the Company's Ordinary Shares with the S&P/LSTA U.S. Leveraged Loan 100 Index ("Index") on a total return basis in US Dollar. The Index was selected for comparison purposes as it is the Company's benchmark used for investment performance monitoring.



## **2.2 Directors' bonus scheme**

In addition to the annual fees described above, the Directors are entitled to receive a bonus based on the returns received by the Company on its Investments which will be subject to review by the Board if the circumstances of the Company change. The Board considers that a scheme which is based on the actual returns achieved by the Company will incentivise the Board and substantially align the interests of the Directors with those of the Company and its Shareholders.

The base bonus pool for Directors is £250,000 and the pool available will be calculated based on the returns achieved by the Company using the Microsoft Excel XIRR function. Accordingly, if the XIRR is:

- 2.2.1** less than 5 per cent. no bonus will be payable;
- 2.2.2** greater than or equal to 5 per cent. but less than 10 per cent., the base bonus pool of £250,000 will be payable to the Directors;
- 2.2.3** greater than or equal to 10 per cent. but less than 15 per cent., two times the base bonus pool (that is £500,000) will be payable to the Directors; and
- 2.2.4** greater than or equal to 15 per cent., three times the base bonus pool (that is, £750,000) will be payable to the Directors.

It is intended that the incentive bonus pool will be divided equally between the Directors, subject to the discretion of the Board.

The XIRR will be calculated using with reference to a share price of 800p (being the Company's share price as of the date of the Annual General Meeting held on the 19 June 2018) and converted into USD using an exchange rate of 1.3178 (being the exchange rate quoted by Intercontinental Exchange on that date). All distributions and cash flows to Shareholders will be exchanged into USD at corresponding historic exchange rates published by Intercontinental Exchange.

Once 80 per cent. of the Company's Gross Assets (as per the June 2018 monthly NAV report) have been realised or written off, the Directors will calculate the projected XIRR likely to be achieved once all of the Investments have been realised or written off. Based on that forecasted XIRR, the Board will be entitled to be paid half of the bonus pool applicable at that forecasted XIRR.

Immediately prior to the dissolution of the Company, or when substantially all of the Investments of the Company have otherwise been returned to Shareholders, the Directors will be entitled to receive the second half of the bonus pool. At the time of the second bonus payment, if the actual realised XIRR is in excess of the XIRR band in respect of which the original bonus payment was made, the Directors will be entitled to receive a catch-up payment. If however, the actual XIRR is less than the XIRR band in respect of which the original bonus payment was made, the Company will be entitled to claw back any excess payment which was received by the Board.

The Directors shall not be entitled to any other fixed or variable remuneration (save as set out above). The Directors may elect to apply the cash amount equal to their annual fee to subscribe for

or purchase Ordinary Shares. The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed. The retirement, disqualification and removal provisions relating to the Directors (in their capacity as Directors) are summarised in paragraph 3(m) of Part VII of the Company's prospectus dated 14 April 2015 issued in connection with the IPO.

### **2.3 Reimbursement of costs and expenses**

The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from Board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company (including any business class airfares for transatlantic travel). Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine. The Company shall consider whether it would be reasonable to pay Directors any additional fees or bonuses as a result of Directors undertaking additional work outside the ordinary scope of their duties (such as work required due to any material corporate action or fund raising).

### **2.4 Determination of the Remuneration Policy**

In setting the level of each Director's fees, the Company has had regard to:

- 2.4.1** the time commitments expected;
- 2.4.2** the level of skill and experience of each Director;
- 2.4.3** the current market levels for companies of similar size and complexity.

On termination of the appointment, Directors shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

If the Board considers it appropriate to appoint a new director(s), the new director(s) remuneration will comply with the above Remuneration Policy.

There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements except as described in this policy.

No remuneration has been received by any Director in a form other than cash. Furthermore, no payments were made for loss of office, and no other benefits or other compensation for extra services to any Director or former Director of the Company have been made. Other than payments for notice periods, the service agreements contain no entitlements to termination payments. There are no malus or clawback provisions in respect of base salary, pension contributions or benefits. The Directors' appointments may be terminated by giving no less than 3 months' notice and will be terminated by the Company if the director is not re-elected by shareholders or if the appointment is otherwise terminated in accordance with the Company's articles of association.

As at 16 November 2018, the Company has no employees other than its Directors who are non-executives and executives. When considering the level of fees, the Remuneration and Nomination Committee evaluated the contribution and responsibilities of each Director and the time spent on the Company's affairs. Following this evaluation, the Committee determined that the fees as set out in this Remuneration Policy are appropriate. The Company has reviewed the remuneration of Directors of other investment companies of similar size.

### **Consideration of Shareholder views**

The Company has previously consulted Shareholders on Remuneration matters when an advisory resolution to approve the previous Directors' Remuneration Report together with a binding resolution to approve the existing Director's Remuneration Policy was approved by Shareholders at a General meeting of the Company held on 24 May 2016. The Company welcomes any views the Shareholders may have on its proposed new Remuneration Policy.

This Remuneration Policy will be subject to a binding Shareholder vote at the General Meeting and will take immediate effect following that General Meeting. This Policy will remain in force until the Company is dissolved, or in the event the Company has not been dissolved by the time of the annual general meeting due to be held in June 2021, until June 2021, at which time a further policy will be proposed.

### **Approach to recruitment remuneration**

The Remuneration and Nomination Committee would have regard to the following principles when agreeing the components of a remuneration package upon the recruitment of a new director:

- in order to facilitate the future success of the company it is important that we are able to recruit directors of the calibre required to deliver our strategic priorities. Although the company operates in a highly competitive market for executive talent, the committee remains conscious of the need to avoid paying more than is necessary on recruitment;
- the committee will, so far as practical, seek to align the remuneration package for any incoming executive with the remuneration policy table set out above;
- on recruitment salaries will be set to take into account role and responsibilities. For interim positions a cash supplement may be paid rather than salary (for example a non-executive director taking on an executive function on a short term basis); and
- the maximum level of variable remuneration which may be granted is in line with the aggregate maximums set out in the policy table.

### **Board Diversity**

From July 2018, the Company had 5 male directors. The Remuneration and Nomination Committee considers the current structure, size and composition required of the Board taking into account the challenges and opportunities facing the Company. In considering future candidates (to the extent applicable), appointments are made with regard to a number of different criteria, including diversity

of gender, background and personal attributes, alongside the appropriate skills, experience and expertise. The Committee and the Board are committed to diversity at Board level and are supportive of increased gender diversity but recognises that it may not always be in the best interest of Shareholders to prioritise this above other factors. Following this evaluation, the Committee determined that the fees as set out in the Remuneration Policy were appropriate. The Remuneration and Nomination Committee will consider gender diversity, along with all other relevant factors, when making future recommendations (to the extent applicable).

## PART IV – ADDITIONAL INFORMATION

### 1. THE COMPANY

The Company was incorporated and registered in England and Wales on 25 March 2015 with registered number 9510201 as a public company limited by shares with the name Ranger Direct Lending Fund plc. The principal legislation under which the Company operates is the Act.

The registered office of the Company is at 6<sup>th</sup> Floor, 65 Gresham Street, London EC2V 7NQ and the telephone number of the Company is +44 (0) 1392 477 500.

### 2. RELATED PARTY TRANSACTIONS

#### 2.1 Related Party Transaction with the Board

As noted in Part I of this document, changes to the fees payable by a closed-ended investment fund to the Directors of the Company are classifiable as a related party transaction for the purposes of Listing Rule 11. A transaction is considered to be a related party transaction for the purposes of Listing Rule 11 if the transaction exceeds the class tests. It has been determined that, in accordance with Listing Rule 11.1.10, the increase in the Directors' fees, when coupled with the potential bonus payments which may become due, under the New Remuneration Policy amount to a smaller related party transaction.

As such, for the purposes of Listing Rule 11.1.10, Liberum Capital Limited, in its capacity as sponsor to the Company, has provided written confirmation that the terms of the New Remuneration Policy are fair and reasonable so far as the Shareholders of the Company are concerned.

#### 2.2 Other related party transactions

Save as set out in this document, the Company has not entered into any related party transactions.

### 3. RISKS ASSOCIATED WITH THE PROPOSALS

In considering your decision in relation to the Proposals, you are referred to the risks set out below.

**Shareholders should read this document carefully and in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the UK Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.**

**3.1** Only those risks which are material and currently known to the Company have been disclosed. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

**3.2** In a Managed Wind-Down, the value of the Portfolio will be reduced and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.

- 3.3** The Company might experience increased volatility in its Net Asset Value and/or its Share price as a result of possible changes to the Portfolio structure following the approval of the Proposals.
- 3.4** The Company's assets may not be realised at their fair market value, and it is possible that the Company may not be able to realise some assets at any value.
- 3.5** Sales commissions, liquidations cost, taxes and other costs associated with the realisation of the Company's assets will reduce the cash available for distribution to Shareholders.
- 3.6** Due to the time it would typically take to repatriate the proceeds from the sale of assets to the United Kingdom, it is expected that there could be potentially significant time lags between sales made by the Company and any subsequent returns of capital to Shareholders. Further, the timing and ultimate amount of any returns will be impacted by the tax regimes of the countries in which the Company invests.
- 3.7** The liquidity profile of the Portfolio is such that Shareholders may have to wait a considerable period of time before receiving all of their distributions pursuant to the Managed Wind-Down. During that time, the concentration of the value of the Portfolio in fewer holdings will reduce diversification and the spread of risk. This may adversely affect the Portfolio's performance.
- 3.8** The maintenance of the Company as an ongoing listed vehicle will entail administrative, legal and listing costs, which will decrease the amount ultimately distributed to Shareholders. Although the Board intends to maintain the Company's listing for as long as the Directors believe it to be practicable during the Managed Wind-Down period, the Directors shall immediately notify the FCA and may seek suspension of the listing of the Shares pursuant to the requirements of the Listing Rules (which may include Shareholder approval prior to any suspension or de-listing) if the Company can no longer satisfy the continuing obligations for listing set out therein including, but not limited to, the requirements in respect of Shares held in "public hands" (as such phrase is defined in the Listing Rules) and in relation to spreading investment risk, and consequently the listing of the Shares may be suspended and/or cancelled. Once suspended and/or cancelled, the Shares would no longer be capable of being traded on the London Stock Exchange, which would materially reduce market liquidity in the Shares. The Company would also lose its "investment trust" tax status in the UK as a result of such suspension or cancellation which may impact on the returns to investors.
- 3.9** It should also be noted that there may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's investments. In particular, ongoing redemptions will decrease the size of the Company's assets, thereby increasing the impact of fixed costs incurred by the Company on the remaining assets. In determining the size of any distributions, the Directors will take into account the Company's ongoing running costs, however, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future distributions.

**3.10** Declarations of dividends will be made at the Directors' sole discretion, as and when they deem that the Company has sufficient distributions reserves available to make a distribution. Shareholders therefore, have little certainty as to whether or not the Company will make a declaration of dividend.

#### **4. DIRECTORS' INTERESTS IN SHARES**

As at 25 October 2018, being the last practicable date prior to the publication of this document, no Directors held any Shares in the capital of the Company.

*25 October 2018*

<i>Director</i>	<i>Nature of Interest</i>	<i>Number of Ordinary Shares of GBP 0.01</i>
Dominik Dolenc	-	-
Jonathan Schneider	-	-
Brett Miller	-	-
Brendan Hawthorne	-	-
Greg Share	-	-

#### **4.1 Existing Service contracts**

Under the terms of their appointments as Directors of the Company, the Directors are entitled to the following annual fees, subject to the approval of the New Remuneration Policy:

<i>Position</i>	<i>Annual Fee (GBP)</i>
Chairman	£50,000
Chairman of the Audit Committee	£50,000
Other Non-Executive Directors	£50,000

In addition, those Directors fulfilling an executive role are entitled to receive an additional amount of £15,000 per month, as more fully described in paragraph 4.2 of Part I of this document.

The Directors may elect to apply the cash amount equal to their annual fee to subscribe for or purchase Shares. The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed.

#### **5. SPONSOR CONSENT**

Liberum Capital Limited has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

## **6. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for inspection at the Company's registered office at 6<sup>th</sup> Floor, 65 Gresham Street, London EC2V 7NQ during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document up to and including the time and date of the General Meeting:

- 6.1** this document;
- 6.2** a copy of the New Remuneration Policy;
- 6.3** a copy of the current Articles;
- 6.4** a copy of the New Articles; and
- 6.5** the written consent referred to in paragraph 8 of Part IV of this document.

Copies will also be available at the place of the General Meeting from at least 15 minutes prior to and until the conclusion of the General Meeting.

## DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy, unless the context requires otherwise:

<b>"Act"</b>	the Companies Act 2006
<b>"AIFM Directive"</b>	the EU Directive on Alternative Investment Fund Managers
<b>"AIFM"</b>	an Alternative Investment Fund Manager, as defined in the AIFM Directive
<b>"Articles"</b>	the articles of association of the Company as amended from time to time
<b>"Board"</b>	the board of Directors
<b>"Business Day"</b>	means any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
<b>"Company"</b>	Ranger Direct Lending Fund plc
<b>"CREST"</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>"Debt Instruments"</b>	means a debt obligation which will include (without limitation) a loan, invoice receivables and asset financing arrangements
<b>"Direct Lending Platform"</b>	means listed or unlisted securities issued by a Direct Lending Platform, a Direct Lending Platform's controlling entity or other organisations serving the direct lending industry, which relate to the equity value or revenue of that entity and is not, for the avoidance of doubt, a security issued for the purpose of providing an exposure to Debt Instruments
<b>"Directors"</b>	the directors of the Company or any duly constituted committee of the Board
<b>"FCA"</b>	Financial Conduct Authority of the United Kingdom
<b>"Form of Proxy"</b>	the form of proxy provided with this document for use by Shareholders in connection with the General Meeting
<b>"General Meeting"</b>	the general meeting of the Company to consider the Resolutions, convened for 16 <sup>th</sup> November 2018 at 2:00 p.m. or any adjournment thereof, Notice of which is set out on pages 301 to 34 of this document
<b>"Gross Assets"</b>	the aggregate value of the total assets of the Company;

<b>"Investment Management Agreement"</b>	the investment management agreement dated 10 April 2015 and made between the Company and Ranger Alternative Management II, LP
<b>"Investment Objective"</b>	the existing investment objective of the Company, as set out in the prospectus published by the Company on 14 April 2015
<b>"Investment Policy"</b>	the existing investment policy of the Company, as set out in the prospectus published by the Company on 14 April 2015
<b>"Investments"</b>	means all Debt Instruments and all other securities, currencies, shares, equity, futures, options, warrants, forward contracts, contracts for differences, derivatives, convertible or exchangeable debt, bonds, notes, cash, interests in businesses, joint ventures, syndicated investments, consortiums, partnerships or limited partnerships or the like, and any other property whatsoever (quoted or traded on an investment exchange or not), including income derived therefrom, procured by the Manager for the Company in accordance with the Investment Policy, from time to time;
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Managed Wind-Down"</b>	the proposed wind-down of the Portfolio to effect the disposal of the Company's Investments, as described in this document
<b>"Net Asset Value" or "NAV"</b>	the net asset value of the Company calculated in accordance with the Company's stated accounting policy from time to time
<b>"New Articles"</b>	the proposed new articles of association of the Company as set out in Part I of this document and to be adopted by special resolution as set out in the Notice of General Meeting
<b>"New Investment Objective"</b>	the proposed new investment objective of the Company as set out in Part II of this document
<b>"New Investment Policy"</b>	the proposed new investment policy of the Company as set out in Part II of this document
<b>"New Remuneration Policy"</b>	the proposed new remuneration policy of the Company as set out in Part III of this document
<b>"Notice of General Meeting"</b>	the notice of the General Meeting as set out on pages 31 to 34 of this document
<b>"Oaktree"</b>	Oaktree Capital Management LP (in its capacity as investment manager of Oaktree Value Equity Holdings LP)

<b>"Portfolio"</b>	the Company's portfolio of Investments from time to time
<b>"Princeton"</b>	Princeton Alternative Income, LP and its general partner, Princeton Alternative Income LLC
<b>"Princeton Proceedings"</b>	the arbitration proceedings pursued by the Company against Princeton and the bankruptcy proceedings launched by Princeton in which the Company is actively participating
<b>"Proposals"</b>	the proposals set out in paragraph 1 of Part I of this document, in respect of which the Resolutions will be proposed at the General Meeting
<b>"Ranger"</b>	the Company's investment manager, Ranger Alternative Management II, LP, the Company's investment manager
<b>"Registrar"</b>	Link Asset Services
<b>"Remuneration Policy"</b>	The Company's current remuneration policy, as approved by the Company in general meeting on 24 May 2016
<b>"Resolutions"</b>	the resolutions as set out in the Notice of General Meeting
<b>"Shareholder"</b>	a holder of Shares
<b>"Shares"</b>	ordinary shares of £0.01 each in the capital of the Company
<b>"US Person"</b>	A "US Person" as defined in Regulation S of the US Securities Act of 1993 as amended
<b>"US" or "United States"</b>	the United States of America (including the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
<b>"XIRR"</b>	the Microsoft excel XIRR function which calculates the internal rate of return for a supplied series of period cash flows
<b>"ZDPco"</b>	Ranger Direct Lending ZDP plc
<b>"ZDP Shareholder"</b>	a holder of ZDP Shares in the Company's subsidiary, ZDPco
<b>"ZDP Shares"</b>	Zero dividend preference shares of £0.01 each in the capital of ZDPco and having the rights and being subject to the restrictions set out in the articles of association of ZDPco

# RANGER DIRECT LENDING FUND PLC

*(incorporated and registered in England and Wales with registered number 09510201 and registered as an investment company under Section 833 of the Companies Act 2006)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Ranger Direct Lending plc (the "**Company**") will be held at 10 Snow Hill London EC1A 2AL on 16<sup>th</sup> November 2018 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as an ordinary resolution and Resolution 3 will be proposed as a special resolution.

### ORDINARY RESOLUTIONS

- 1. THAT** the Company adopt the New Investment Objective and New Investment Policy, as set out at Part II of the circular to shareholders of the Company dated 29 October 2018 which contains this Notice of General Meeting (the "**Circular**") in each case in substitution for the existing Investment Objective and Investment Policy of the Company.
- 2. THAT** the Company adopt the New Remuneration Policy as set out at Part III of the Circular in substitution for the Company's existing Remuneration Policy.

### SPECIAL RESOLUTIONS

- 3. THAT,** the New Articles, be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing Articles in the form presented to the meeting and initialled by the Chairman for the purpose of identification.

Save where the context requires otherwise, the definitions contained in the Circular shall have the same meanings where used in these Resolutions.

### By order of the Board

Link Company Matters Limited,  
Company Secretary  
29 October 2018  
6<sup>th</sup> Floor, 65 Gresham Street, London, EC2V 7NQ

## IMPORTANT NOTES TO THE NOTICE OF MEETING

The following notes explain your general rights as a Shareholder and your right to attend and vote at this General Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of business on 14 November 2018 (or, in the event of any adjournment, 48 hours before the time fixed for the adjourned 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. There are no other procedures or requirements for entitled Shareholders to comply with in order to attend and vote at the General Meeting.
2. Members are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A blue form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a blue form of proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Link Asset Services, by phone: UK: 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge). From overseas, call +44 371 664 0300 (calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9.00am - 5.30pm, Monday to Friday excluding public holidays in England and Wales. You can also contact our Registrar by email: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or by post at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
5. The statement of the rights of Shareholders in relation to the appointment of proxies in notes 3, 4 and 8 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
6. 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 General Meeting.
7. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the form of proxy or in the case of shares held through CREST, via the CREST system, (see note 11 below). Shareholders wishing to appoint a proxy online should visit [www.signalshares.com](http://www.signalshares.com) and follow the instructions. If you have not registered for The Share Portal service already, you will need your Investor Code detailed on this personalised proxy starting IVC. In each case, for proxy appointments to be valid, they must be received by no later than 2:00 p.m. on 14 November 2018. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 11 below) will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/en.html>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. 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 UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuers' agent (ID: RA10) by 2:00 p.m. on 14 November 2018. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuers 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.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 25 October 2018 (being the last practicable business day prior to the publication of this Notice), the Company's total number of voting rights amounted to 16,122,931, comprising 16,122,931 ordinary shares carrying one vote each. No shares are held in treasury.
14. Under Section 527 of the Act, Shareholders 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: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the General Meeting; or (ii) any circumstances 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 Act. 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 Act. Where the Company is required to place a statement on a website under Section 527 of the Act, 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 General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
15. Members representing 5 per cent. or more of the total voting rights of all the members or at least 100 persons (being either members who have a right to vote at the Annual General Meeting and hold shares on which there has been paid up an average sum, per member, of £100, or persons satisfying the requirements set out in s.153(2) of the Companies Act 2006 (the "Act") may:

- (a) require the Company, under s.338 of the Act, to give notice of a resolution which may properly be moved at the Meeting. Any such request, which must comply with s.338(4) of the Act, must be received by the Company no later than 6 weeks before the date fixed for the Annual General Meeting; and
  - (b) require the Company, under s.338A of the Act to include a matter (other than a proposed resolution) in the business to be dealt with at the Meeting. Any such request, which must comply with s.338A(3) of the Act, must be received by the Company no later than 6 weeks before the date fixed for the Meeting.
16. Any Shareholder attending the meeting has the right to ask questions. The Company must cause to be answered 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, (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.
17. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from 29 October 2018 until the time of the General Meeting until the conclusion of the General Meeting:
  - this document;
  - a copy of the New Remuneration Policy;
  - a copy of the current Articles;
  - a copy of the New Articles; and
  - the written consent referred to in paragraph 5 of Part IV of this document.
18. You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
19. A copy of this Notice, and other information required by Section 311A of the Act, can be found on the Company's website at <http://www.rangerdirectlending.uk/>.