

# DP AIRCRAFT I LIMITED

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CHANNEL ISLANDS

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18 June 2020

Dear Shareholder

## ANNUAL GENERAL MEETING

Please find enclosed a notice of Annual General Meeting ("**AGM**") of DP Aircraft I Limited (the "**Company**") to be held at East Wing, Trafalgar Court, Les Banques, St Peter Port, GY1 3PP on 10 July 2020 at 09.00am.

Shareholders will also find enclosed the Annual Report and Audited Consolidated Financial Statements of the Company for the year ended 31 December 2019 and a form of proxy for use in relation to the AGM which should be completed, signed and returned in accordance with the instructions therein.

### Important information on the format of the Annual General Meeting

Due to the ongoing situation caused by the COVID-19 outbreak, the directors of the Company ("**Directors**") have reluctantly decided that the AGM cannot follow the usual format. In accordance with social distancing measures and government restrictions on public gatherings, this year the AGM will be held with only the minimum number of shareholders present as required to form a quorum under the Company's Articles of Incorporation ("**Articles**") only to conduct the formal business of the meeting (facilitated by the Company). To ensure everyone's safety no other shareholders will be permitted entry to the AGM.

Shareholders are asked to participate in the AGM by appointing a proxy to vote on the resolutions set out in the notice of AGM as soon as possible. Shareholders are strongly encouraged to appoint the chair of the meeting as their proxy if they wish to participate in the AGM and ensure their votes on the resolutions are counted.

All resolutions for consideration at the AGM will be voted on a poll, rather than a show of hands, and all proxy votes cast will count towards the poll votes.

Despite the exceptional circumstances, shareholder engagement is important to the Company and shareholders are invited to participate in the AGM by submitting questions in advance. Any specific questions on the business of the AGM and on the resolutions can be submitted ahead of the AGM by email to the Company Secretary at DPA@aztecgroup.co.uk by 09.00am on 6 July 2020. A written Q&A will be posted on the Company's website as soon as practicable after the AGM addressing the questions received.

The Directors will continue to closely monitor the COVID-19 situation, as well as the latest government guidance, as to how it may affect arrangements for the AGM, which may have to change at short notice. If it becomes necessary to change the arrangements for the AGM, information will be found on the Company's website and via a regulatory announcement.

### Ordinary Business

The ordinary business proposed for the AGM comprises the consideration of and, if thought fit, the passing of ordinary resolutions to:

1. receive and adopt the Annual Report and Audited Consolidated Financial Statements of the Company ("**Annual Report**") for the year ended 31 December 2019 together with the Reports of the Directors and Auditors (resolution 1);
2. re-elect Jonathan Bridel as a Director of the Company (resolution 2; see section entitled "**Directors**" below);

3. elect Harald Brauns as a Director of the Company (resolution 3; see section entitled “**Directors**” below);
4. approve the appointment of KPMG Chartered Accountants as Auditors of the Company and to authorise the Board to set the remuneration of the auditors (resolution 4);
5. approve the Directors’ remuneration report as set out in the Annual Report (excluding the Directors’ Remuneration Policy), including the proposed annual remuneration of each Director, proposed to take effect from 1 April 2020, for routine business of the Company (resolution 5; see section entitled “**Directors’ Remuneration**” below);
6. approve the Directors’ Remuneration Policy for the year ending 31 December 2020 as set out on page 28 of the Annual Report (resolution 6); and
7. approve the dividend policy of the Company as set out on page 3 of the Annual Report (resolution 7).

### **Special Business**

The special business proposed for the AGM comprises the consideration and, if thought fit, the passing of ordinary resolutions that:

8. the Directors are authorised to allot and issue (or sell out of treasury) ordinary shares of no par value in the Company ("Ordinary Shares") up to an aggregate amount not exceeding 10 per cent. of the Ordinary Shares in issue immediately following the passing of this resolution at a price which is less than the net asset value per Ordinary Share as at the latest practicable date before the allotment of such Ordinary Shares. This authority shall expire on the date falling 15 months after the date of passing of this resolution or the conclusion of the next annual general meeting of the Company, whichever is earlier (save that the Company may at any time before such expiry, make an offer or agreement which might require Ordinary Shares to be allotted or issued after such expiry and the Directors may allot and issue Ordinary Shares after such expiry in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired) (resolution 8; see section entitled “**TAP Issue**” below); and
9. subject to the passing of Resolution 8 above and in addition to the authority granted thereby, the Directors are authorised to allot and issue (or sell out of treasury) up to a further 10 per cent. of the Ordinary Shares in issue immediately following the passing of this resolution at a price which is less than the net asset value per Ordinary Share as at the latest practicable date before the allotment of such Ordinary Shares. This authority shall expire on the date falling 15 months after the date of passing of this resolution or the conclusion of the next annual general meeting of the Company, whichever is earlier (save that the Company may at any time before such expiry, make an offer or agreement which might require Ordinary Shares to be allotted or issued after such expiry and the Directors may allot and issue Ordinary Shares after such expiry in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired) (resolution 9; see section entitled “**TAP Issue**” below).

### **Directors**

Under the Articles, one third of the Directors are required to retire by rotation each year and, in addition no Director may serve for more than three years without being re-elected by shareholders. Jonathan Bridel will retire by rotation this year and is standing for re-election. The Articles also provide that any Director appointed by the Board since the last AGM is required to retire and may then be considered for election assuming they wish to stand for election. Harald Brauns is standing for election at the forthcoming AGM. Biographical details for both Directors are contained in the Company’s Annual Report.

### **Directors’ Remuneration**

The Directors’ remuneration is set out in the Company’s Annual Report. It includes details regarding the current remuneration and proposed remuneration, effective from 1 April 2020, of the Directors, extracts of which are set out below.

The Directors receive an annual fee appropriate for their responsibilities and time commitment but no other incentive programmes or performance-related emoluments, this is reviewed annually. The remuneration was last subject to an independent consultant review in 2017.

The Directors have reviewed the current director fee levels (inclusive of all subsidiaries) and it was proposed that the Directors’ remuneration should be increased by the annual inflation amount of 3.2%, in line with the latest published independent fee survey and to take effect from 1 April 2020 as detailed below:

- Jon Bridel, Chairman, Chairman of the Board – from £64,000 to £66,000 per annum;
- Jeremy Thompson, Chairman of the Audit Committee, Nomination Committee and Senior Independent Director – from £52,000 to £53,700 per annum; and
- Harald Brauns, Director and Chairman of the Management Engagement Committee – from £57,000 to £58,800 per annum.

### **Tap Issue**

The Directors are seeking shareholder approval to issue (or sell out of treasury) up to 10 per cent of the ordinary shares in the Company ("**Ordinary Shares**") in issue at the time of passing the resolutions at a price which is less than the then prevailing net asset value per Ordinary Share and on a non-pre-emptive basis (Resolution 8). Conditional upon the passing of Resolution 8 and in addition to the authority granted pursuant to it, the Directors are seeking shareholder approval to issue up to a further 10 per cent of the Ordinary Shares in issue at the time of passing the resolutions (i.e. this is 10 per cent of the Ordinary Shares in issue at the time of the meeting and not 10 per cent of the Ordinary Shares in issue following the first 10 per cent share issue pursuant to Resolution 8) on the same terms as Resolution 8 (Resolution 9).

Whilst the Company does not require waiver of pre-emption rights under its articles, an undertaking was made in its IPO Prospectus to seek permission from shareholders for any issue of shares at a price below NAV per share. Unless a material unforeseen adverse event emerges or the current lenders are unable to continue to offer adequate support, the Company is expected to have sufficient liquidity to manage its affairs over the coming months. However, the Board wishes to keep all options open regarding ongoing liquidity management, and therefore as a matter of prudence it is seeking authority from shareholders to allow issuance at a price below NAV per share. It should be noted that, even if this authority is granted, the Board would still consult with major shareholders before putting forward any proposals for issuance on such a basis. A new NAV per share will be issued in September based upon the 30 June interim accounts.

### **Action to be taken by Shareholders**

As a result of the current situation caused by COVID-19, registered holders of Ordinary Shares are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon as soon as possible. Duly completed Forms of Proxy must be returned to the Company's Transfer Agent, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible but, in any event, so as to arrive no later than 09.00 am on 08 July 2020 for inclusion within the audited figures. Proxies received after this time and date will be accepted at the discretion of the Company. CREST members should use the CREST electronic appointment service and refer to Note 11 of the Notice of AGM in relation to the submission of a proxy appointment via CREST. Lodging a Form of Proxy will not preclude you from attending and voting in person at the meeting.

If you have any questions regarding these instructions, please do not hesitate to contact the Company Secretary on +44 (0) 1481 749 700. Please note that financial advice will not be given on this helpline.

### **Recommendation**

The Directors consider that the Resolutions to be put to the meeting are in the best interests of shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions.

The Company would like to thank shareholders for their understanding and co-operation during these challenging and extraordinary times.

Yours sincerely

Jon Bridel  
Chairman

