

Nucleus Financial Group plc

(Incorporated and registered in England and Wales with number 05522098)

Notice of Annual General Meeting

To be held at 9am on 20 May 2020

Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the contents of this document and/ or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, if not, another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all your share in the capital of Nucleus Financial Group plc (the "Company") (or will have sold or transferred all of your shares prior to the Company's annual general meeting ("AGM") to be held at 9am on 20 May 2020 at Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH, please forward this document, together with the accompanying Proxy Form, as soon as possible 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. If you have sold or otherwise transferred only some of your shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.



Please complete and submit a Proxy Form either in hardcopy or by electronic means in accordance with the instructions printed on the Proxy Form as soon as possible and, in any event, so that it is received not later than 9am on 18 May 2020, being 48 hours before the time appointed for the holding of the AGM.

If you do not complete and return a valid Proxy Form or vote online at the time of the AGM, no-one else may vote on your behalf. CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment services may do so. For full details of the procedure for appointing a proxy, please see the explanatory notes to the Notice of AGM on page 7 of this document.



Covid-19 outbreak

In light of the latest advice from HM Government limiting group gatherings and travel and encouraging social distancing, all shareholders are kindly requested not to attend the 2020 AGM in person. All shareholders are encouraged to vote in advance of the AGM either online or by completing and submitting a Proxy Form. Where possible, shareholders are also requested to submit a Proxy Form electronically. Further details on how to complete and submit a Proxy Form can be found on pages 7 to 9 of this Notice of AGM.

NUCLEUS FINANCIAL GROUP PLC
(Incorporated and registered in England and Wales with number 05522098)

Registered office: Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge Surrey KT13 0TS

Wednesday 15 April

Dear shareholder

Annual General Meeting of Nucleus Financial Group plc

I am pleased to be writing to you with details of our second Company AGM to be held at Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH on 20 May 2020 at 9am. The formal notice of AGM is set out on pages 5 to 6 below.

The purpose of this letter is to provide you with details of and reasons for the resolutions to be proposed at the AGM and to explain why the directors believe that the passing of the proposed resolutions is in the best interests of the Company and its shareholders as a whole. As you will see from the formal notice of AGM set out below, there are a number of items of business to be considered at the meeting. We have set out below explanatory notes in relation to all of the proposed resolutions for your reference.

Covid-19 outbreak

The Company published a Covid-19 statement on 23 March 2020 noting that its highest priority is the health and wellbeing of its stakeholders. It is for this reason that the Company is advising all shareholders not to attend the AGM in person and to either vote online or to appoint a proxy. The Company is also asking that, wherever possible, shareholders return a Proxy Form electronically. The board is closely monitoring any developments relating to the recent Covid-19 outbreak including the advice of HM Government and considers the above requests and following measures in respect of the AGM appropriate:

We have created a dedicated section on the Company website to provide any updates on the AGM and a live link to the AGM on the date of the meeting. In addition, as we are asking shareholders not to attend the AGM in person, if you have a question that you would have raised at the meeting, then please send it by email to IR@nucleusfinancial.com in advance of the AGM. Answers to questions will be published on the Company website as soon as practicable.

The Company does not intend to carry out any presentations at the AGM but to keep the AGM as efficient as possible, dealing only with the business as presented in this Notice of Meeting.

No refreshments will be served.

Approval of the 2019 annual report and financial statements (Resolution 1: proposed as an ordinary resolution)

Resolution 1, if passed, will provide for the receipt and adoption of the Company's 2019 annual report and accounts.

Re-election of directors (Resolutions 2-9: proposed as ordinary resolutions)

Resolutions 2-9, if passed, will provide for the re-election of the Company's board of directors. In accordance with the Company's Articles of Association, all directors are retiring from office and offering themselves for re-election at the AGM. Further information on the workings of the Company's board to date and individual director profiles can be found within the Company's corporate governance statement on pages 38 to 67 of the Company's 2019 annual report and financial statements.

Re-appointment of external auditor (Resolution 10: proposed as an ordinary resolution)

Resolution 10, if passed, will permit the Company to continue its engagement with PricewaterhouseCoopers LLP for the provision of statutory audit services to the Company.

Approval of external audit fees (Resolution 11: proposed as an ordinary resolution)

Resolution 11, if passed, will permit the directors of the Company to approve the remuneration of the external auditor.

**General and additional authority to allot new shares
(Resolution 12: proposed as an ordinary resolution)**

Resolution 12, if passed, will permit the directors to allot new shares in the Company in line with guidance produced by the Investment Association ("IA"). The IA guidance recommends that as a general authority, that directors be given the power to allot up to one-third of a Company's existing share capital. This general allotment authority is detailed in sub-paragraph (a) of resolution 12.

Resolution 12, if passed, will also grant the directors additional allotment authority. IA guidance also recommends that directors be given the power for allotments up to two-thirds of a Company's existing share capital provided that: (a) the additional authority is only used for fully pre-emptive rights issues and, (b) both the general and additional authorities expire at the following Company AGM. This additional allotment authority is detailed in sub-paragraph (b) of resolution 12.

Whilst the directors have no intention to utilise this authority at the current time, the directors believe that it is advantageous for the Company to have this flexibility.

**General dis-application of shareholder pre-emption rights
(Resolution 13: proposed as a special resolution)**

Resolution 13, if passed, disapplies the statutory pre-emption provisions that allow shareholders a right of first refusal over any allotment of equity securities, or any sale of treasury shares, for cash by the Company (unless disapplied, such statutory pre-emption provisions would restrict the issue of new shares for cash to pre-emptive offers to shareholders in proportion to their existing shareholdings). The proposed resolution, if passed, would allow the directors to allot equity securities or sell treasury shares for cash as if such statutory pre-emption rights did not apply: (i) in connection with rights issues, open offers and other pre-emption offers pursuant to the authority granted by Resolution 12 and (ii) otherwise up to approximately 5% of the Company's existing share issued capital as at the date of this document. Resolution 13 is in line with the guidance produced by the Pre-Emption Group.

Whilst the directors have no intention to utilise this authority at the current time, the directors believe that it is advantageous for the Company to have this flexibility.

**Authority for the Company to purchase its own shares in the market
(Resolution 14: proposed as a special resolution (in accordance with IA guidance))**

Resolution 14, if passed, will permit the Company to purchase its own shares in the market up to a limit of 15% of the Company's existing share capital.

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).

Whilst the directors have no intention to utilise this authority at the current time, the directors believe that it is advantageous for the Company to have this flexibility. The directors confirm their intention to adopt the share capital management guidelines published by the IA that the Company would only look to undertake a share buyback if it were considered that the buyback would lead to an increase in the Company's earnings per share and was in the best interests of shareholders generally.

Recommendation

The Company board of directors considers that the each of the proposed resolutions to be put to the meeting is in the best interests of the Company and its shareholders as a whole and is likely to promote the success of the Company. Accordingly, the directors unanimously recommend that shareholders vote in favour of each proposed resolution, as the directors intend to do in respect of their own beneficial shareholdings in the Company.

Yours faithfully

Angus Samuels
Chairman

NUCLEUS FINANCIAL GROUP PLC (the "Company")
(Incorporated and registered in England and Wales with number 05522098)

Notice is hereby given that the AGM of the Company will be held at 9am on 20 May 2020 at Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh EH7 5JH to consider, and if thought fit, pass the following resolutions (resolutions 1 - 12 of which will be proposed as ordinary resolutions and resolutions 13 and 14 of which will be proposed as special resolutions).

Ordinary resolutions

Resolution to receive and adopt annual report and financial statements

1. To receive and adopt the Company's annual report and financial statements for the period ended 31 December 2019, together with the strategic report, the Directors' report and the Auditors' report.

Resolutions to re-elect directors

2. To re-elect David Ritchie Ferguson as a director of the Company.
3. To re-elect Stuart James Geard as a director of the Company.
4. To re-elect James Anthony Angus Samuels as a non-executive director of the Company.
5. To re-elect Tracy Dunley-Owen as a non-executive director of the Company.
6. To re-elect Margaret Grace Hassall as a non-executive director of the Company.
7. To re-elect John Anthony Levin as a non-executive director of the Company.
8. To re-elect Alfio Tagliabue as a non-executive director of the Company.
9. To re-elect Jonathan Charles Polin as a non-executive director of the Company.

Resolution to re-appoint statutory auditor

10. To re-appoint PricewaterhouseCoopers LLP as independent external auditors of the Company.

Resolution to authorise the audit committee to approve the remuneration of the Company's external auditor

11. To authorise the directors to determine the remuneration of the Company's external auditor.

Resolution to grant the directors authority to allot ordinary shares

12. That the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to allot shares in the Company, or to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to an aggregate nominal amount of £25,350 to such persons and at such times and on such terms as they think proper; and
 - (b) comprising equity securities (within the meaning of section 560(1) of the Act), up to a further aggregate nominal amount of £25,350 in connection with a Pre-Emptive Offer undertaken by means of a rights issue, and the authorities given by this resolution:
 - (1) shall be in substitution for all other authorities under section 551 of the Act; and
 - (2) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 June 2021, or, if earlier, at the end of the next annual general meeting of the Company to be held in 2021, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry, and
for the purpose of this resolution, "Pre-Emptive Offer" means an offer of equity securities to:
 - (i) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and

- (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

Special resolutions

Resolution to dis-apply statutory pre-emption rights

13. That the directors be given power pursuant to section 570 of the Companies Act 2006 ("the Act") to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to the authority conferred by resolution 13 set out in the notice of annual general meeting of the Company dated Wednesday 15 April ("the Allotment Authority"), and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities or the sale of treasury shares:

- (a) in the case of sub-paragraph (a) of the Allotment Authority:
 - (1) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
 - (2) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £3,800;
- (b) in the case of sub-paragraph (b) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue, and the power given in this resolution:
 - (1) shall be in substitution for all pre-existing powers under section 570 of the Act; and
 - (2) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry.

Resolution to grant the Company authority to make market purchases of its own shares

14. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company ("ordinary shares") on such terms and in such manner as the directors of the Company may decide provided that:

- (a) the maximum number of ordinary shares that may be purchased by the Company pursuant to this authority is 11,400,000;
- (b) the minimum price that may be paid for any such ordinary share shall be the nominal value of that share (exclusive of expenses payable by the Company in connection with the purchase);
- (c) the maximum price that may be paid for any ordinary share purchased pursuant to this authority is an amount equal to the higher of (a) 105% of the average of the middle market prices shown in the quotations for the ordinary shares in the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which that ordinary share is contracted to be purchased and (b) an amount equal to the higher of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from all London Stock Exchange trading systems (exclusive of expenses payable by the Company in connection with the purchase), and
- (d) this authority shall expire on 30 June 2021, or, if earlier, at the end of the next annual general meeting of the Company to be held in 2021, but the Company may make a contract to purchase ordinary shares under this authority before its expiry which will or may be completed wholly or partly after the expiry of this authority and may complete such a purchase as if this authority had not expired.

By order of the Board

Nicola Megaw, Company Secretary
Nucleus Financial Group plc

Wednesday 15 April

Registered office: Elder House, St Georges Business Park
207 Brooklands Road, Weybridge, Surrey KT13 0TS

Registered in England and Wales: 05522098

Explanatory notes to the notice of AGM

Entitlement to attend and vote

1. A member of the Company must be entered on the Register of Members at close of business on 18 May 2020 at 6.30pm (or the date which is 48 hours prior to any adjourned AGM) in order to be entitled to attend and vote at the AGM as a member in respect of those shares. 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.
2. Due to the Covid-19 crisis, the board is requesting that shareholders do not physically attend the AGM but vote online or appoint a proxy.

Right to appoint a proxy

A hardcopy Proxy Form is provided to each member and the explanatory notes to the Proxy Form detail how to vote or withhold your vote on each resolution.

3. A member entitled to attend and vote at the AGM may appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote on his or her behalf whether by show of hands or on a poll. It is requested that shareholders appoint the chair of the meeting as their proxy and not another individual as this individual will not be permitted to attend the AGM in person.
4. A member can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by the member. A member wishing to appoint multiple proxies should contact the helpline referred to below to obtain additional proxy forms. Alternatively, members can photocopy the enclosed Proxy Form. It will be necessary for the member to indicate on each separate proxy form the number of shares in relation to which each proxy is authorised to act. Please note that the Company is requesting that shareholders do not appoint multiple proxies for the 2020 AGM.
5. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
6. Completion of a proxy appointment will not preclude a shareholder from attending and voting in person at the AGM but please note that the Company reserves the right to prohibit entry to the AGM at this time.

Methods for appointment of proxy

7. A member may appoint a proxy by using the hardcopy Proxy Form provided. Hardcopy Proxy Forms and the powers of attorney or other authority, if any, under which they are signed need to be returned by post to the office of the Company registrar, Equiniti, at Aspect House, Spencer Road, Lancing, BN99 6DA not later than 9am (UK time) on 18 May 2020 (or, if the meeting is adjourned, the time that is 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). Alternatively:
 - a. Shareholders may appoint a proxy by going to www.sharevote.co.uk and following the instructions provided. You will need your Voting ID, Task ID and Shareholder Reference Number as shown on your Proxy Form;
 - b. Shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint a proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "view" on the "My Investments" page, click on the link to vote and follow the on-screen instructions; or
 - c. Shareholders who are a user of the CREST system may appoint a proxy electronically by completing a CREST proxy instruction (as described in notes 9-12 below).
8. Due to the Covid-19 crisis, it is requested that shareholders use either of the electronic methods to appoint a proxy as explained at 7a-c.

Appointment of proxies electronically through CREST

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (which can be accessed through www.euroclear.com). 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 assist in the appointment of a proxy or proxies via CREST.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("Euroclear") and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received

by the issuer's agent RA19 by no later than 9am (UK time) on 18 May 2020 (or, if the meeting is adjourned, the time that is 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application 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.

11. 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 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, 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 service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. 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.

Changing or revoking proxy instructions

13. If you have appointed a proxy using a hardcopy Proxy Form and would like to change your instructions using another hardcopy Proxy Form, please contact the Company registrar, Equiniti, on 0371 384 2030 (from overseas +44 (0) 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales). Please note that the deadline for receipt of proxy appointments also applies to amended instructions. Any amended proxy instruction received after the deadline will be disregarded.
14. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice, clearly stating your intention to revoke your proxy appointment to the Company registrar, Equiniti, at Aspect House, Spencer Road, Lancing, BN99 6DA. Any power of attorney or any other authority under which the notice of revocation is signed, must be included. Any notice of revocation received after the deadline will be disregarded.

15. Alternatively, please change or revoke a proxy instruction using the electronic methods set out above in explanatory notes 7a-c to the notice of AGM. Please note that the deadline for receipt of proxy instructions also applies to amended instructions.
16. Please note that if you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. Given the restrictions in place on public gatherings, please note that any shareholder who appoints another individual who is not the chair of the meeting or who appoints multiple proxies, will have their proxy form returned with the request that they complete and submit another proxy form appointing the chair of the meeting as their proxy. Shareholders also have the option of voting online if they do not wish to appoint a proxy.

Company share capital and total voting rights

18. As at Wednesday 15 April, which is the latest practicable date before publication of this notice, the Company's issued share capital consisted of 76,473,360 ordinary shares of 0.1p each. Each ordinary share carries the right to one vote at the AGM of the Company and, therefore, the total number of voting rights in the Company as at Wednesday 15 April is 76,473,360.

Electronic copy of notice

19. A copy of this notice can be found at www.nucleusfinancial.com/investors.

Communication with the Company

20. Except as provided above, shareholders who have general queries about the AGM should contact the Company registrar, Equiniti on 0371 384 2030 (from overseas +44 (0) 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales). No other means of communication will be accepted.
21. You may not use any electronic address provided either:
 - a. In this notice of AGM; or
 - b. Any related documents, including the Proxy Form, to communicate with the Company for any purposes other than those expressly stated.
22. Due to the Covid-19 outbreak, the Company has set up a dedicated area on its website for the submission of shareholder questions in relation to the AGM. Please use the following email address IR@nucleusfinancial.com

Joint shareholders

23. In the case of joint holders, 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).

Questions at the AGM

24. Any member attending the AGM has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the AGM unless:
- a. Answering the question would interfere unduly with the preparation for the AGM 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 AGM that the question be answered.
25. It is encouraged that shareholders ask any questions in advance of the AGM by submitting them to the following email address IR@nucleusfinancial.com.

