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SECURITY COVER

Proof no: 3

SQN Notice of AGM 2016

Date: 24/10/2016

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SECURITY COVER

Unit 11, Thames Gateway Park,
Chequers Lane,
Dagenham Dock, RM9 6FB

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If you have sold or otherwise transferred all of your shares in the capital of SQN Asset Finance Income Fund Limited (“**Shares**”) please send this document and the accompanying Annual Report, as soon as possible, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities laws of any such jurisdiction.

SQN Asset Finance Income Fund Limited

*(a company incorporated with limited liability under the laws of Guernsey
with registered number 58519)*

Notice of Annual General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Board of SQN Asset Finance Income Fund Limited in which the Directors recommend how you should vote in relation to each of the Resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting of SQN Asset Finance Income Fund Limited to be held at BNP Paribas House, St Julian’s Avenue, St Peter Port, Guernsey GY1 1WA on 24 November 2016 at 10.30 GMT is set out at the end of this document.

A Form of Proxy for use by all holders of Shares (each a “**Shareholder**”) at the Annual General Meeting is enclosed with this document. To be valid, the accompanying Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to Capita Asset Services, by hand (during normal business hours only) or by post, to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.30 GMT on 22 November 2016. If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company’s registrars, Capita Asset Services (under CREST participant ID RA10) so that it is received by no later than 10:30 GMT on 22 November 2016.

SQN Asset Finance Income Fund Limited

(a company incorporated with limited liability under the laws of Guernsey
with registered number 58519)

Directors:

Peter Niven (Non-executive Chairman)

John Falla (Non-executive Director)

Carol Goodwin (Non-executive Director)

Christopher Spencer (Non-executive Director)

Registered and Head Office

BNP Paribas House

St Julian's Avenue

St Peter Port

Guernsey GY1 1WA

27 October 2016

Dear Shareholder,

Notice of Annual General Meeting

1. Introduction

The purpose of this document is to provide you with details of the Resolutions to be proposed at the Annual General Meeting of the Company to be held on 24 November 2016 at 10:30 GMT and convened by the formal Notice of Annual General Meeting set out at the end of this document.

On 21 September 2016, the Company announced its final results for the period ended 30 June 2016 and a copy of the Annual Report for that period was sent to all shareholders on 20 October 2016.

2. Annual General Meeting – Resolutions

2.1 **Resolution 1 – Receipt of financial statements and reports**

The Directors are required to lay before the AGM the Company's most recent Annual Report and Financial Statements, including the respective reports of the Directors and the Company's auditors for the period ended 30 June 2016.

2.2 **Resolutions 2 to 5 – Re-appointment of Directors**

In accordance with the Articles of Incorporation and Principle 3 of the AIC Code of Corporate Governance ("AIC Code") all Directors should be subject to election by shareholders at the first Annual General Meeting after their appointment, and to re-election thereafter at intervals of no more than three years. The Board have taken into account current best practice and will each seek re-election on a yearly basis.

Resolution 2 is for the re-election of Mr John Falla, who was elected as a Director at the first annual general meeting of the Company.

Resolution 3 is for the re-election of Mrs Carol Goodwin, who was elected as a Director at the first annual general meeting of the Company.

Resolution 4 is for the re-election of Mr Peter Niven, who was elected as a Director at the first annual general meeting of the Company.

Resolution 5 is for the re-election of Mr Christopher Spencer, who was elected as a Director at the first annual general meeting of the Company.

Biographical details for each of the Directors are given in the Annual Report.

2.3 **Resolution 6 – Re-appointment of the Company's auditors**

The Company is required to appoint auditors in respect of each financial year of the Company. The appointed auditors are to hold office until the next such meeting. Following the recommendation of the Company's audit committee, the Directors propose that Baker Tilly CI Audit Limited be re-appointed as auditors of the Company and that the Directors be authorised to determine the remuneration of the auditors.

2.4 Resolution 7 – Share Purchase Authority

Resolution 7 seeks to renew the Company's authority to buy back its Ordinary Shares. The authority under this resolution is limited to the purchase of a maximum of 14.99% of the aggregate number of Ordinary Shares in issue immediately following the passing of this resolution.

This authority will expire upon the date of the next Annual General Meeting of the Company or, if earlier, on the expiry of 18 months from the passing of the resolution, unless previously renewed, varied or revoked by the Company in general meeting. As at the date of this Circular, the Directors have no present intention to exercise the authority to be granted pursuant to this resolution.

2.5 Resolution 8 – Disapply pre-emption rights

Resolution 8 seeks to allow the Directors to be able to issue up to 35,770,751 Ordinary Shares or, if less, 10% of the Ordinary Shares in issue (excluding treasury shares) as at 24 November 2016, on a non pre-emptive basis.

Unless authorised by Shareholders, no Ordinary Shares will be issued at a price less than the prevailing Net Asset Value per Share at the time of the issue unless they are offered pro rata to existing Shareholders.

The Board considers that this resolution is appropriate and customary for a closed-ended investment fund such as the Company, having regard to guidance from The Association of Investment Companies and the Statement of Principles published by the Pre-emption Group.

This authority will expire upon the date of the next Annual General Meeting of the Company or, if earlier, on the expiry of 18 months from the passing of the resolution, unless previously renewed, varied or revoked by the Company by special resolution.

2.6 Resolution 9 – Replacement of Article 28.1 of the Articles of Incorporation

The Articles of Incorporation state that the aggregate fee per annum for the Directors of the Company will not exceed £200,000. Although the aggregate fees do not reach the current aggregate fee limit, the Directors believe it would be prudent to increase the aggregate fees payable to £300,000 to accommodate the continued growth of the Company and any potential new Director appointments in the future.

A copy of the new Articles showing the full terms of the proposed amendments to the existing Articles will be produced to the AGM and will be available for inspection at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA.

2.7 Please note Resolutions 1 to 6 are Ordinary Resolutions, with Resolutions 7 to 9 being Special Resolutions.

3. Financial and additional information

Financial information on the Group for the period ended 30 June 2016 including financial and trading prospects, is set out in the Annual Report.

4. Annual General Meeting

You will find set out at the end of this document a notice convening the Annual General Meeting to be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA on 24 November 2016 at 10:30 GMT. Please also refer to the additional information set out in this document.

5. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon.

If you wish to appoint a proxy, you are requested to complete and return the Form of Proxy by hand (during normal business hours only) or by post, to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received not later than 48 hours (excluding any day which is not a working day) before the Annual General Meeting (that is, by 10:30 GMT on 22 November 2016) or any adjournment thereof. Unless the Form of Proxy is received by this date and time, it will be invalid.

If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (Crest Participant ID RA10) so that it is received no later than 48 hours (excluding any day which is not a working day) before the Annual General Meeting (that is, by 10:30 GMT on 22 November 2016). Unless the CREST Proxy Instruction is received by this date and time it will be invalid.

The return of the completed Form of Proxy or CREST Proxy Instruction will not affect your right as a Shareholder to attend the Annual General Meeting and vote in person if you wish to do so.

6. Recommendation

The Directors consider Resolutions 1 to 9 (inclusive) to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 to 9 to be proposed at the Annual General Meeting.

Yours faithfully
Peter Niven

NOTICE OF ANNUAL GENERAL MEETING
SQN Asset Finance Income Fund Limited
*(a company incorporated with limited liability under the laws of Guernsey
with registered number 58519)*

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SQN Asset Finance Income Fund Limited (the "Company") will be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA at 10:30 GMT on 24 November 2016 for the purpose of considering the following resolutions:

Ordinary business:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive and consider the Annual Report and Financial Statements, including the respective Directors' report and the Auditor's report, for the period ended 30 June 2016.
2. To re-elect Mr John Falla as a Director of the Company.
3. To re-elect Mrs Carol Goodwin as a Director of the Company.
4. To re-elect Mr Peter Niven as a Director of the Company.
5. To re-elect Mr Christopher Spencer as a Director of the Company.
6. To approve the re-appointment of Baker Tilly CI Audit Limited as auditors of the Company until the conclusion of the next general meeting of the Company at which accounts are laid before the members and to authorise the Directors to determine the remuneration of the auditors.

Special business:

To consider and, if thought fit, to pass the following resolutions as special resolutions:

Special Resolutions

7. **THAT** (subject to the Listing Rules and all other applicable legislation and regulations) the Company generally be and is hereby authorised for the purposes of section 315 of the Companies (Guernsey) Law, 2008 to make market acquisitions of its ordinary shares of no par value ("**Ordinary Shares**") for all and any purposes, provided that:
 - a. the maximum number of Ordinary Shares hereby authorised to be purchased shall be 14.99% of the aggregate number of Ordinary Shares in issue immediately following the passing of this resolution;
 - b. the minimum price (exclusive of expenses) which may be paid for the Ordinary Shares shall be 0.01 pence;
 - c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be not more than the higher of (i) five per cent. above the average of the middle market quotations for the relevant Ordinary Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days before the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest independent bid at the time of purchase for the relevant Ordinary Share;
 - d. the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed, varied or revoked prior to such time save that the Company may, prior to such expiry, enter into a contract to purchase any share in issue from time to time under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such shares pursuant to any such contract; and
 - e. any Ordinary Shares bought back by the Company may be held in treasury in accordance with the Law or be subsequently cancelled by the Company.

8. **THAT** in accordance with Article 7.7 of the Company's articles of incorporation (the "**Articles**") the Directors of the Company be and are hereby authorised to issue equity securities (within the meaning of the Articles) for cash pursuant to Article 6.1 as if Article 7.2 of the Articles did not apply to any such issue, provided that this power shall be limited to the issue of up to 35,770,751 Ordinary Shares or, if less, 10% of the Ordinary Shares in issue (excluding treasury shares) immediately following the passing of this resolution. This authority will expire upon the date of the next Annual General Meeting of the Company or, if earlier, on the expiry of 18 months from the passing of this resolution, unless previously renewed, varied or revoked by the Company by special resolution.
9. **THAT** Article 28.1 of the Articles of Incorporation be replaced with:
"The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provisions of these Articles) shall not exceed in aggregate £300,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Such remuneration shall be deemed to accrue from day to day".

By order of the Board

BNP Paribas Securities Services S.C.A., Guernsey Branch
Secretary

Registered Office:
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey GY1 1WA

Date: 27 October 2016

Notes:

1. Only those shareholders registered in the Company's register of members at 10:30 GMT on 22 November 2016 or, if the meeting is adjourned, at 10:30 GMT on the day two days prior to the adjourned meeting (the "**Voting Record Date**"), shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member entitled to attend and vote at the meeting is entitled to appoint another person (who need not be a member) as his proxy to exercise all or any of his rights to attend and speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares. A Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions.
3. To be valid the Form of Proxy (together with any power of attorney or other authority under which it is signed or a duly certified copy of such power) must be deposited, by hand or by post, at the offices of Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10:30 GMT on 22 November 2016. The Company will also accept Forms of Proxy deposited in accordance with the Articles of Incorporation.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by Capita Asset Services by no later than 10:30 GMT on 22 November 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your Form of Proxy must be received by the Company's registrars no later than 10.30 GMT on 22 November 2016.
5. Members who return the Form of Proxy or register the appointment of a proxy electronically will still be able to attend the Annual General Meeting and vote in person if they so wish.
6. If, within half an hour of the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned for seven days at the same time and place and no notice of adjournment need be given (or if that day is not a business day in the location of the meeting, to the next business day).
7. As at 17.00 GMT on 26 October 2016, the Company's issued share capital comprised 357,707,507 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 17.00 GMT on 26 October 2016 is 357,707,507.

If you do not wish to attend the meeting please complete and return the Form of Proxy as soon as possible.

