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This document comprises a prospectus relating to SQN Asset Finance Income Fund Limited, prepared in accordance with the Prospectus Rules, has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The distribution of this document into a jurisdiction other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdictions. In particular, subject to certain exceptions, this document should not be distributed, forwarded to or transmitted in or into any Restricted Jurisdiction.

Application will be made to the U.K. Listing Authority and the London Stock Exchange for all of the Ordinary Shares now being offered to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on a number of dates during the period from 14 July 2014 to 15 June 2015.

SQN Asset Finance Income Fund Limited

*(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended,
with registered number 58519 and registered as a Registered Closed-ended Collective Investment
Scheme with the Guernsey Financial Services Commission)*

**Placing and Offer for Subscription of up to
150 million Ordinary Shares at 100 pence per Ordinary Share
and**

Placing Programme of Ordinary Shares

Winterflood Securities Limited

Sole Sponsor and Bookrunner

The Directors, whose names appear on page 32 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

You should read the whole of this document. In particular, your attention is drawn to the “Risk Factors” section of this document for a description of certain important factors, risks and uncertainties that may affect the Company’s business and the Ordinary Shares and which should be taken into account when considering whether to invest in Ordinary Shares.

The Ordinary Shares are only suitable for investors who understand, or who have been advised of, the potential risk of capital loss from an investment in the Ordinary Shares and the limited liquidity both in the Ordinary Shares and in the underlying investments of the Company, and for whom an investment in the Ordinary Shares is part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved with such an investment.

Winterflood, which is authorised and regulated in the U.K. by the FCA, is acting through its division, Winterflood Investment Trusts, exclusively for the Company and for no-one else in connection with the Initial Placing and Offer and the Placing Programme and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Initial Placing and Offer or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the Initial Placing and Offer or Placing Programme or any other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood by the FSMA or the regulatory regime established thereunder, Winterflood does not accept any responsibility whatsoever or make any representation or warranty, express or implied, in respect of the contents of this document, including its accuracy, completeness or verification, in respect of any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, the Initial Placing and Offer and/or the Placing Programme, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future.

Winterflood accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

In considering whether to apply for Ordinary Shares, you should rely only on information contained in this document. Recipients of this document acknowledge that: (i) they have not relied on the Company or Winterflood or any person affiliated with either of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied only on the information contained in this document and that no person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or Winterflood. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this document nor any subscription of Ordinary Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained in this document is correct at any time subsequent to, the date of this document. No statement in this document is intended as a profit forecast.

Capitalised terms have the meanings ascribed to them in Part 13 (*Definitions*) of this document.

The Ordinary Shares have not been approved or disapproved by the SEC, any U.S. state securities commission or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Ordinary Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. There will be no public offer in the United States or any other Restricted Jurisdiction.

The Ordinary Shares are being offered and sold either (i) outside the United States in offshore transactions within the meaning of and in accordance with the safe harbour from the registration requirements in Regulation S under the Securities Act or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom.

The Company is a registered closed-ended collective investment scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

This document has not been reviewed by the Guernsey Financial Services Commission and, in granting registration, the Guernsey Financial Services Commission has relied upon specific warranties provided by the Administrator. A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

It should be remembered that the price of securities and the income from them can go down as well as up.

Without limitation, neither the contents of the Company's websites (or any other website) nor the content of any website accessible from hyperlinks on any of the Company's websites (or any other website) is incorporated into, or forms part of this document.

This prospectus is dated 16 June 2014.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. The Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of these types of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	Introduction	This summary should be read as an introduction to this prospectus only. Any decision to invest in the Ordinary Shares should be based on consideration of the prospectus as a whole. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.
A.2	Consent for intermediaries	Not applicable; the Company has not given consent to the use of this prospectus for subsequent resale or final placement of the Ordinary Shares by financial intermediaries.
Section B – Issuer and any guarantor		
B.1	Legal and commercial name	SQN Asset Finance Income Fund Limited (the “ Company ”).
B.2	Domicile and legal form, applicable legislation and country of incorporation	The Company was incorporated and registered in Guernsey on 28 May 2014 with registered number 58519. The principal legislation under which the Company operates, and under which its securities have been created (and under which the Ordinary Shares will be created), is the Companies Law.
B.3	Description of, and key factors relating to, current operations and principal activities	Not applicable. The Company has not yet commenced operations.
B.4a	Description of most significant recent trends affecting the Company and the industries in which it operates	<p>Global leasing volumes in 2012 reached \$868 billion (£546 billion), which reflects growth of 11 per cent. between 2007 and 2012. Approximately 75 per cent. of global leasing volume in 2012 was in North America and Europe with the U.K. market achieving volumes of \$61.7 billion (£38.5 billion). In the U.K. in 2012, approximately 24 per cent. of all plant and equipment sales were leased.</p> <p>Over the last few years, the market has, in the Investment Managers’ experience, seen a decreasing level of competition with European banks, such as KBC Bank and ING Leasing exiting the market, largely as a</p>

		result of capital constraints and regulatory pressures. Similarly, national and regional banks in the United States are being driven out by the FDIC and changes in banking regulations. Whilst the Investment Managers have seen the number of traditional participants diminishing, economic growth is picking up in both the U.K. and the U.S. with particular strength in asset-intensive sectors such as manufacturing which rely heavily on lease financing.
B.5	Description of the group and the Company's position therein	The Company has one wholly-owned subsidiary, SQN Asset Finance (Guernsey) Limited, a limited liability company incorporated in Guernsey on 5 June 2014 with registered number 58559.
B.6	Notifiable interests in the Ordinary Shares	As at the date of this prospectus, insofar as is known to the Company, there are no parties known to have a notifiable interest in the Company's capital or voting rights. All Shareholders have the same voting rights in respect of the share capital of the Company.
B.7	Selected historical key financial information and significant change to the Company's financial condition and operating results	Not applicable. The Company is newly incorporated and has no historical financial information.
B.8	Key <i>pro forma</i> financial information	Not applicable. No pro-forma financial information is included in this prospectus.
B.9	Profit forecast	Not applicable. The Company has not published any profit forecasts or estimates. No profit forecast or estimate is included in this prospectus.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company is newly incorporated and has no historical financial information.
B.11	Explanation in respect of insufficient working capital	Not applicable. The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document.
B.34	Investment policy and investment restrictions	<p><i>Investment objective</i></p> <p>The Company's investment objective is to provide its Shareholders with regular, sustainable dividends and to generate capital appreciation through investment, directly or indirectly, in business-essential, revenue-producing (or cost-saving) equipment and other physical assets.</p> <p><i>Investment policy</i></p> <p>The Company will seek to invest in business-essential, revenue-producing (or cost-saving) equipment and other assets with high in-place value and long economic life relative to the investment term.</p> <p>The Company expects the majority of investments, over time, to be in the specialist segment of the leasing market where, typically, assets provide cashflow during the base term of the leases as well as offering the</p>

		<p>potential for additional proceeds through lease extensions or sales at the end of the lease. The Company generally does not intend to invest in the large single asset segment of the leasing market, such as aircraft leasing, which is heavily reliant on residual value to meet its return targets, or the high volume, low margin segment of the leasing market, such as photocopier and automobile leasing, although it may do so, from time to time, if appropriate opportunities are identified in these segments.</p> <p>The Company may invest in assets in any industry. However, the Company generally expects to be invested in such industries where the Investment Managers see the potential to make the most attractive risk-adjusted returns which currently include, but are not limited to, Agriculture, Energy, Environmental, Manufacturing, Material Handling, Medical, Modular Accommodation, Technology and Transportation.</p> <p>The Investment Managers will target transaction sizes below £20 million but, generally, the average transaction size is expected to be £3 million to £6 million, although it may fluctuate based on the market opportunities and portfolio composition that the Investment Managers believe will best achieve the Company's investment objectives. Whilst there is no minimum lease term, it is typical for the initial lease term to be 3 to 10 years depending on the asset. However, where appropriate, the term of the lease may vary significantly from this range reflecting the opportunities available and the needs of the lessee.</p> <p>It is intended that the Company and/or its subsidiaries will primarily acquire assets directly and function as the lessor under equipment lease contracts. In such situations, the Company will own all rights, title, and interest in and to the assets and will lease them to the end-user. In other situations, the Company may own assets and enter into hire-purchase agreements where the Company will own the assets until all payments are made under the agreement and a pre-agreed nominal purchase price is paid to the Company.</p> <p>The assets held by the Company will generally be leased to a third party and will be subject to either a direct finance (cashflow) lease or an operating lease. The Company intends to balance the portfolio between direct finance leases, to provide regular cashflow, and operating leases, to provide capital appreciation opportunities. Many, but not all, investments will be structured to provide return of capital and interest during the lease term with an opportunity for additional realisation from the residual value after the initial lease term.</p> <p>The Investment Managers will generally seek to acquire investments and/or enter into lease arrangements that require the lessee or other counterparty to bear all tax, maintenance, insurance, and other costs related to the lease or the operation of the underlying asset(s). Generally, as a result, the Company will not be required to undertake maintenance on assets but reserves the right to do so on an exceptional basis.</p> <p>Whilst the Company and/or its subsidiaries will typically seek direct ownership of the assets under lease, the Company may also obtain exposure to such investments through holding securities that have exposure to an underlying asset or assets that meet the Company's investment criteria where it is more advantageous for the Company to do so or a direct investment is not possible. This includes, but is not limited to, holding or entering into debt securities, loan agreements, equity securities, participation agreements, hybrid instruments, or other securities, whilst maintaining the desired economic exposure and level of security.</p> <p>The Company may invest in residual interests in assets or equipment. When the Company invests in residual interests, it or its subsidiaries will acquire the rights and/or title to equipment, assets, income or proceeds</p>
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		<p>in respect of the period after the end of the initial lease term or other underlying contract term. Cashflow from the residual interests generally will not commence until all of the obligations under the initial term are satisfied. Once those obligations are satisfied, rights and/or title to the underlying equipment, assets, income or proceeds will be transferred to the Company or its subsidiaries. Furthermore, the Company may elect to sell all or part of the lease receivables to a third party investor or bank and retain its exposure to the asset by retaining ownership of the residual value (in addition to any proportion of the lease receivables retained). Therefore, in relation to certain investments, the Company may be reliant on the residual value to obtain its return on that investment. It is not expected that residual interests would represent more than 35 per cent. of the portfolio at the time of investment.</p> <p>Investments will primarily be made in the United Kingdom, the United States and Europe which is expected to represent at least 75 per cent. of the portfolio. The Company may also invest in assets and equipment located or subject to law in Canada and Australia and other countries, regions, or jurisdictions where the Investment Managers believe they can adequately secure the Company's interest in assets and equipment whilst achieving an appropriate risk-adjusted return consistent with the rest of the portfolio.</p> <p><i>Diversification</i></p> <p>The Company's portfolio will be subject to diversification policies limiting the maximum amount of capital that can be invested in a single asset, in a single asset class, in assets held by a corporation or group or held by companies in a specific industry, as a percentage of NAV of the portfolio, measured at the time of investment:</p> <table data-bbox="571 1055 1430 1182"> <tr> <td>Maximum by asset:</td> <td>15 per cent.</td> </tr> <tr> <td>Maximum by asset class:</td> <td>30 per cent.</td> </tr> <tr> <td>Maximum by corporation or group:</td> <td>15 per cent.</td> </tr> <tr> <td>Maximum by industry:</td> <td>30 per cent.</td> </tr> </table> <p><i>Borrowings</i></p> <p>The Company does not intend to utilise borrowings on a portfolio basis for investment purposes. However, the Company may, from time to time, utilise borrowings for share buybacks and short term liquidity purposes, but such borrowings will not, in any event, exceed 15 per cent. of the Company's Net Asset Value at the time of investment. This does not prevent the Company from purchasing the equity or subordinated participation in a special purpose entity set up to own an asset or a pool of assets or equipment, which itself may be geared.</p>	Maximum by asset:	15 per cent.	Maximum by asset class:	30 per cent.	Maximum by corporation or group:	15 per cent.	Maximum by industry:	30 per cent.
Maximum by asset:	15 per cent.									
Maximum by asset class:	30 per cent.									
Maximum by corporation or group:	15 per cent.									
Maximum by industry:	30 per cent.									
B.35	Borrowing limits	<p>The Company does not intend to utilise borrowings on a portfolio basis for investment purposes. However, the Company may, from time to time, utilise borrowings for share buybacks and short term liquidity purposes, but such borrowings will not, in any event, exceed 15 per cent. of the Company's Net Asset Value at the time of investment. This does not prevent the Company from purchasing the equity or subordinated participation in a special purpose entity set up to own an asset or a pool of assets or equipment, which itself may be geared.</p>								
B.36	Regulatory status	<p>The Company is regulated in Guernsey by the Commission as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law and is required to comply with the RCIS Rules issued by the Commission.</p>								

B.37	Typical Investor	<p>The Initial Placing and Offer and the Placing Programme are designed to be suitable for institutional and other sophisticated or professional investors seeking exposure to investments in alternative investments mainly in equipment leases and who are capable themselves of evaluating the merits and risks of the investment and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.</p> <p>Such investors may wish to consult an independent financial adviser prior to investing in Ordinary Shares.</p>
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	<p>Not applicable; the Company is not permitted to invest more than 15 per cent. of its assets in a single underlying asset or issuer.</p>
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	<p>Not applicable; the Company is not permitted to invest more than 15 per cent. of its assets in a single underlying asset or issuer.</p>
B.40	Service providers	<p><i>The Investment Managers</i></p> <p>The Company has appointed SQN Capital Management, LLC (the “Investment Manager”) to manage the Company’s portfolio. For its services, the Investment Manager will be entitled to a management fee at a rate equivalent to the following schedule (expressed as a percentage of NAV per annum):</p> <ul style="list-style-type: none"> ● 1.0 per cent. for assets lower than or equal to £300,000,000; ● 0.9 per cent. for assets greater than £300,000,000 and lower than or equal to £500,000,000; and ● 0.8 per cent. for assets greater than £500,000,000. <p>The management fee is payable monthly in arrears on the last calendar day of each month.</p> <p>No performance fee is payable by the Company to the Investment Manager.</p> <p>Pursuant to an agreement originally dated 28 June 2011 and amended and restated on 16 June 2014 between the Investment Manager and Summit Asset Management Limited (the “Sub-Investment Manager”), the Investment Manager has delegated the performance of certain of its management functions to the Sub-Investment Manager. The fees of the Sub-Investment Manager are payable by the Investment Manager and not by the Company although the Company may, in certain circumstances, pay the Sub-Investment Manager’s properly incurred expenses for activities undertaken on behalf of the Company.</p> <p>The Investment Manager has indicated that it intends to acquire the operations of the Sub-Investment Manager after First Admission through its wholly-owned subsidiary, SQN Capital Management (UK) Limited (the “U.K. Investment Manager”). Once that transfer has completed to the satisfaction of the Board, SQN Capital Management (UK) Limited shall become the U.K. Investment Manager to the Company pursuant to the terms of the Investment Management Agreement, to which the U.K. Investment Manager is already a party. At such point, the fees payable to the Investment Manager shall be paid jointly to the Investment Manager and the U.K. Investment Manager (to be apportioned between them on an arm’s length basis) and the Company will not incur any additional fees to those referred to above as a result of the U.K. Manager’s appointment.</p>

		<p>The Company may also incur transaction costs for the purposes of structuring investments for the Company. These costs form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Managers when pricing a transaction. When structuring services are provided by the Investment Managers or an affiliate of them, they shall be entitled to charge an additional fee equal to up to one per cent. of the costs to the Company (ignoring gearing and transaction expenses) of acquiring each investment. This cost will not be charged in respect of assets acquired from the Investment Managers, the funds they manage or where they or their affiliates do not provide such structuring advice.</p> <p>The Investment Managers have agreed to bear all the broken and abortive transaction costs and expenses incurred on behalf of the Company. Accordingly, the Company has agreed that the Investment Managers may retain any commitment commissions charged in respect of acquiring assets on behalf of the Company save that if such commission on any transaction was to exceed one per cent. of the transaction value, the excess would be paid to the Company.</p> <p>Administrator and Custodian</p> <p>The Company has appointed BNP Paribas Securities Services S.C.A., Guernsey Branch (the “Administrator”) to provide custody, administrative and secretarial services. The Administrator is entitled to receive an administration and custody fee of approximately £190,000 per annum.</p> <p>Registrar</p> <p>The Company has appointed Capita Asset Services (the “Registrar”) to provide share registration services. The Registrar shall be entitled to receive an annual maintenance fee from the Company of £1.60 per shareholder account, subject to an annual minimum charge of £5,500.</p> <p>Receiving Agent</p> <p>The Company has appointed Capita Asset Services (the “Receiving Agent”) to provide receiving agent services. The fees payable are based on the number of applications received and are subject to a minimum fee. The agreement contains a standard indemnity from the Company to the Receiving Agent.</p>
<p>B.41</p>	<p>Regulatory status of any investment manager</p>	<p>The Investment Manager is a Delaware limited liability company formed on 3 December 2007 with registered number 4466472. The Investment Manager is a Registered Investment Advisor with the United States Securities and Exchange Commission (CRD # 158704) and the parent company of SQN Securities, LLC, an SEC and FINRA registered broker/dealer (CRD # 153322).</p> <p>The U.K. Investment Manager is a newly incorporated limited liability company incorporated in England and Wales on 12 May 2014 with registered number 9033846. The U.K. Investment Manager is not regulated in the United Kingdom.</p>
<p>B.42</p>	<p>Calculation and publication of Net Asset Value</p>	<p>The Administrator, in conjunction with the Investment Managers, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each month (the first such calculation being as at 31 July 2014) and report such calculation to the Board.</p> <p>The Board will approve each Net Asset Value calculation. These calculations will be reported monthly to Shareholders and reconciled in the Company’s annual report. The Net Asset Value will also be</p>

		announced as soon as possible on a Regulatory Information Service, by publication on the Company's website, www.sqnassetfinance.com, and on www.londonstockexchange.com.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.
B.44	No financial statements have been made up	As at the date of this prospectus, the Company has not commenced operations and no financial statements have been made up.
B.45	Portfolio	<p>The Company intends to invest at least 75 per cent. of the Net Issue Proceeds in an initial portfolio up to a maximum of £82.5 million (the "Initial Portfolio"). The Investment Managers have identified a portfolio of assets with an estimated transaction value of £82.5 million¹ (the "Asset Pool") from which the Investment Managers intend to identify the Initial Portfolio for acquisition by the Company shortly following First Admission. The Asset Pool is comprised of (i) assets held or intended to be held in existing funds managed by the Investment Manager and assets owned by the Investment Managers (the "SQN Portfolio"); (ii) seasoned portfolios of mature assets over which the Investment Managers have agreed indicative terms or which are held by existing funds managed by the Investment Manager (the "Seasoned Portfolio"); and (iii) investment opportunities over which the Investment Managers have agreed or proposed terms and, subject to agreement and documentation, the Investment Managers have indicated they will make available for acquisition by the Company (the "Optional Portfolio").</p> <p>Following First Admission, the Company intends to invest at least 75 per cent. of the Net Issue Proceeds in the Initial Portfolio which, as set out above, the Investment Managers expect to identify from the Asset Pool. It is therefore capped at £82.5 million, being the estimated total value of the Asset Pool, based on the valuation of the SQN Portfolio prepared by the Valuer, the estimated total value of the Seasoned Portfolio based on discounted estimated future cashflows and residual values and the estimated total value of the Optional Portfolio prepared by the Investment Managers based on the indicative terms. The Company will retain at least 10 per cent. of the Net Issue Proceeds for pipeline investments.</p> <p>The assets to be included in the Initial Portfolio from the SQN Portfolio, the Seasoned Portfolio and the Optional Portfolio will be proposed by the Investment Managers shortly following First Admission, taking into account the Net Issue Proceeds, the overall portfolio mix and having regard to the interests of the Company. Any such proposal will be subject to the approval of the Board.</p> <p>The Investment Managers have the right to propose that, prior to the Company acquiring the assets that form the Initial Portfolio, assets in the Asset Pool be substituted for assets of comparable quality in the Company's pipeline of investments that, as at the date of this document, were not sufficiently advanced to be considered part of the Optional Portfolio. The Board may accept such substitutions if it is in the best interests of Shareholders as a whole, but has no obligation to do so.</p>

¹ Based on the valuation of the SQN Portfolio prepared by the Valuer set out in Part 5 of this document, the estimated total value of the Seasoned Portfolio based on discounted estimated future cashflows and residual values and the estimated total value of the Optional Portfolio prepared by the Investment Managers based on indicative terms as discussed further below.

B.46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this prospectus.
Section C – Securities		
C.1	Type and class of the securities being offered and admitted to trading, including the security identification number	<p>The Company is proposing to offer up to 150 million Ordinary Shares at 100 pence each in the capital of the Company pursuant to the Initial Placing and Offer.</p> <p>The Company is also proposing to issue up to 100 million Ordinary Shares under the Placing Programme.</p> <p>The ISIN of the Ordinary Shares is GG00BN56JF17. The SEDOL of the Ordinary Shares is BN56JF1. The ticker of the Ordinary Shares is SQN.</p>
C.2	Currency of the securities issue	The Ordinary Shares will be denominated in Sterling.
C.3	Details of Ordinary Share capital	<p>Set out below are details of the share capital of the Company (i) as at the date of this prospectus and (ii) as it will be immediately following the Initial Placing and Offer and First Admission (assuming a full take-up under the Initial Placing and Offer) and (iii) as it will be immediately after the Placing Programme has been completed (assuming a full take up under the Initial Placing and Offer and also under the Placing Programme):</p> <p>(i) 1 ordinary share of no par value;</p> <p>(ii) 150 million ordinary shares of no par value; and</p> <p>(iii) 250 million ordinary shares of no par value.</p>
C.4	Rights attached to the securities and procedure for the exercise of those rights	<p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets on a return of capital or winding-up.</p> <p>The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.</p> <p>The Company has no fixed life but, pursuant to the Articles, one or more ordinary resolutions for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2017 and, if passed, every three years thereafter. Upon any such resolution not being passed, proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.</p>
C.5	Restrictions on free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares, subject to applicable securities laws.
C.6	Admission/Regulated markets where the securities are traded	<p><i>The Initial Placing and Offer:</i></p> <p>Application will be made to the U.K. Listing Authority and the London Stock Exchange for all of the Ordinary Shares now being offered to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that First Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 14 July 2014.</p>

		<p>The Placing Programme:</p> <p>Application will be made to the U.K. Listing Authority and the London Stock Exchange for all of the Ordinary Shares to be offered pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares issued pursuant to the Placing Programme will commence on a number of dates during the period from 15 July 2014 to 15 June 2015.</p>
C.7	Dividend policy	<p>The Company is targeting an initial dividend in respect of the first financial year ending on 30 June 2015 of 7.25 pence per Ordinary Share, which is expected to grow over time. Dividends will initially be declared and paid quarterly with the first dividend expected to be declared for the period to 30 September 2014, and will then be paid monthly from January 2015. The initial dividend target is a target only and there can be no guarantee that this will be achieved or that any dividends will be paid.</p> <p>Dividend payments to Shareholders will be subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.</p>
Section D – Risk Factors		
D.1	Key information on the key risks specific to the Company	<p>The key risk factors relating to the Company are as follows:</p> <ul style="list-style-type: none"> ● The Company has no operating history and prospective investors therefore have no meaningful financial data on which to base an evaluation of the Company's likely performance. ● The Company's target yield is based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies and the actual yield may be lower than the target yield. There is no guarantee that the target yields described within this document (or any yield) will be achieved. ● The Company's success will be subject to risks inherent in the equipment leasing and finance business, in particular, the quality of the assets it acquires and the risk of default by the Company's lessees or other counterparties, which may affect the Company's ability to operate profitably. ● Any decline in the residual value of the Company's underlying assets at the end of a lease term, which will depend on factors outside the Company's control, may erode the ability of the Company to make a profit on those investments. ● The Company's performance is dependent on services provided by the Investment Managers. The departure of a key employee from the Investment Managers may adversely affect the returns available to the Company. ● Changes in law or regulation may adversely affect the Company's ability to carry on its business or may increase the Company's Ongoing Charges. ● Changes in tax legislation could result in adverse changes in the tax position of the Company or the imposition of additional and possibly material tax liabilities on Shareholders.
D.3	Key information on the key risks specific to the Ordinary Shares	<p>Risks in respect of the Ordinary Shares issued pursuant to the Initial Placing and Offer and the Placing Programme:</p>

		<ul style="list-style-type: none"> ● Extreme foreign currency fluctuations, in particular the Sterling/US Dollar rate, may result in losses if the positions are insufficiently hedged. ● There may be volatility in the price of the Ordinary Shares and the market price of the Ordinary Shares may rise or fall rapidly. To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term. ● The price of the Ordinary Shares may decline below their respective issue price and Shareholders may not be able to sell their Ordinary Shares at a price equal to or greater than their issue price. ● Shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment. The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share.
Section E – Offer		
E.1	Total net proceeds and estimate of total expenses of the Initial Placing and Offer and Placing Programme, including estimated expenses charged to investors	<p>The total costs and expenses of, or incidental to, the Initial Placing and Offer, have been capped at 2.0 per cent. of the Gross Issue Proceeds. Assuming the Initial Placing and Offer is subscribed as to 150 million Ordinary Shares, the costs and expenses will be capped at £3,000,000. Any costs and expenses in excess of 2.0 per cent. of the Gross Issue Proceeds will be borne by the Investment Managers. The Net Issue Proceeds are dependent on subscriptions received but, assuming the Initial Placing and Offer is fully subscribed, the Net Issue Proceeds are expected to be at least £147,000,000. In the unlikely event that First Admission does not occur, the costs of the aborted proposals shall be borne by the Investment Managers.</p> <p>The costs and expenses of the Placing Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share.</p>
E.2a	Reasons for the offer, use of proceeds and estimated net amount of proceeds	<p>Shortly after First Admission, the Company will acquire the Initial Portfolio and seek to invest the balance of the Net Issue Proceeds of the Initial Placing and Offer in accordance with the Company's investment policy within three to six months of First Admission. The Company will retain at least 10 per cent. of the Net Issue Proceeds for pipeline investments.</p> <p>It is expected that the costs and expenses of the Placing Programme, including listing fees and placing commissions, will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share. The Company will invest the net proceeds of the Placing Programme in accordance with the Company's investment policy.</p>
E.3	Terms and conditions of the Initial Placing and Offer and the Placing Programme	<p>The Initial Placing and Offer is conditional, <i>inter alia</i>, upon the following:</p> <ul style="list-style-type: none"> (i) First Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 14 July 2014 (or such later time and/or date, not being later than 8.00 a.m. on 31 August 2014, as the Company and Winterflood may agree); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on 31 August 2014; and (iii) the Minimum Net Proceeds being raised.

		<p>Each allotment and issue of Ordinary Shares pursuant to the Placing Programme is conditional, <i>inter alia</i>, on:</p> <p>(i) the Company having a placing agreement or equivalent arrangement in place at the time of such issue; and</p> <p>(ii) the Admission of those Ordinary Shares.</p>
E.4	Material interests	<p>Certain of the assets in the Initial Portfolio to be purchased by the Company on First Admission will be purchased from other funds managed by the Investment Manager and from the Investment Managers. Such assets will be proposed by the Investment Managers, subject to the approval of the Board and will be purchased on arm's length terms.</p> <p>Save as set out above, there are no interests that are material to the Initial Placing and Offer or the Placing Programme and no conflicting interests.</p>
E.5	Name of the offeror/ lock-up agreements	Not applicable. No person/entity is offering to sell Ordinary Shares as part of the Initial Placing and Offer or the Placing Programme.
E.6	Dilution	If 100 million Ordinary Shares are issued pursuant to the Placing Programme, assuming the Initial Placing and Offer has been subscribed as to 150 million Ordinary Shares, there would be a dilution of approximately 40 per cent. in Shareholders' voting control of the Company immediately after the Initial Placing and Offer.
E.7	Estimated expenses charged to investors by the Company	<p>The total costs and expenses of, or incidental to, the Initial Placing and Offer, have been capped at 2.0 per cent. of the Gross Issue Proceeds. Any costs and expenses in excess of 2.0 per cent. of the Gross Issue Proceeds will be borne by the Investment Managers. The Net Issue Proceeds are dependent on subscriptions received but, assuming the Initial Placing and Offer is fully subscribed, the Net Issue Proceeds are expected to be at least £147,000,000. In the unlikely event that First Admission does not occur, the costs of the aborted proposals shall be borne by the Investment Managers.</p> <p>The costs and expenses of the Placing Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Ordinary Shares at a premium to the prevailing cumulative Net Asset Value per Ordinary Share.</p>

RISK FACTORS

The business of the Company, any investment in the Ordinary Shares, the Initial Placing and Offer and the Placing Programme are all subject to risks and uncertainties. Certain of these may prevent the Company from increasing its Net Asset Value and/or may cause the value of the Ordinary Shares to decline significantly. Investors could lose all of their investment in the Company.

Consequently, prospective investors contemplating an investment in the Ordinary Shares should recognise that the market value of the Ordinary Shares can fluctuate and may not reflect the underlying Net Asset Value. No express or implied guarantee is given that investors will receive back any of the original investment, or that the Ordinary Shares will not trade at a discount to the Net Asset Value. The Ordinary Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in both the Ordinary Shares and the underlying investments of the Company; and (ii) who fully understand and are willing to assume the risks involved in such an investment.

An investment in the Ordinary Shares involves a considerable degree of risk. Prospective investors should carefully consider all the information contained in this document, in particular, the risks described below. The Directors believe that the risks described below are the material risks relating to the Ordinary Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors or that the Directors deem to be immaterial at the date of this document, may also have an adverse effect on the Company's business or the market value of the Ordinary Shares. Prospective investors should review this document carefully and in its entirety and consult with their authorised professional advisers before deciding whether to invest in the Ordinary Shares.

1 Risks relating to the Company

The Company has no operating history

The Company is newly incorporated, has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

The Company's target yield is based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual yield may be materially lower than the target yield

The Company's target yield set out in this prospectus is a target only and is based on estimates and assumptions about a variety of factors including, without limitation, asset mix, value, volatility, lease term, investment liquidity, asset user default, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation and which may adversely affect the Company's ability to achieve its target yield. The target yield is also based on the assumption that the Company will be able to implement its investment policy and strategy in a manner that generates yields in line with the targets. Furthermore, the target yield is based on the market conditions and the economic environment at the time of assessing the target yield, and is therefore subject to change. There is no guarantee that actual (or any) yields can be achieved at or near the levels set out in this prospectus. Accordingly, the actual yield achieved may be materially lower than the target yield, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

Poor economic conditions may adversely affect the Company's ability to build its portfolio

A prolonged economic slowdown in the U.K., U.S., in other regions where the Company may invest or globally could adversely affect the Company's ability to invest the proceeds of the Initial Placing and Offer and/or the Placing Programme as quickly as it would like to if such conditions result in businesses reducing their demand for capital assets and equipment in the short term. If this happens, the Company's distributions to Shareholders during the initial period of the Company's operations may be less than if the Net Issue Proceeds were invested in accordance with the Company's expected timetable. It also could result in reduced interest rates, which could

reduce the returns the Company can obtain on its investments and, as a consequence, may impact the distributions it can make to Shareholders. Depending primarily on the severity and duration of any economic slowdown, the creditworthiness of the Company's end-users may become impaired which could cause an increased risk of default on their obligations to the Company and cause the Company to incur a loss.

Failure by service providers to the Company to perform their obligations could materially disrupt or damage the business of the Company with adverse effects on their respective business or performance

The Company does not have any employees and, therefore, relies upon the performance of third-party service providers to perform its executive functions. In particular, the performance of the Company is reliant on the Investment Managers. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment without exercising due care and skill, or to perform its obligations to the Company at all as a result of insolvency or other causes could have a material adverse effect on the performance of the Company and returns to the Company. The termination of the Company's relationship with any third-party service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the performance of the Company and returns to the Company.

2 Risks relating to the Ordinary Shares

Movements in foreign currency rates may result in losses

The Company will enter into purchase and sale and lease-back contracts for assets where the payments to be made or received are not in Sterling. The Investment Managers intend to hedge the expected income on the Company's portfolio and anticipate that they may hedge the principal amount against foreign currency fluctuation risks. However, there can be no assurance that the hedges put in place will be cost-effective or will provide adequate protection in all circumstances. If the Company is due to receive payments from a client or purchaser in a currency other than Sterling and that transaction is not fully hedged, a strengthening of Sterling against that currency will mean the Company receives less, as expressed in Sterling, than initially anticipated, which would have a negative impact on the Company's returns. In situations where the investments of the Company are hedged, there will be a cost associated with such hedge which will marginally diminish the return on investment while intending to provide protection against adverse currency movements.

There may be volatility in the price of the Ordinary Shares

The price of the Ordinary Shares may decline below the Initial Placing and Offer Price (or Placing Programme Price) and Shareholders may not be able to sell their Ordinary Shares at a price equal to or greater than the Initial Placing and Offer Price (or Placing Programme Price). To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term and the Ordinary Shares may not be suitable for short term investment.

The price of Ordinary Shares will fluctuate and may not always reflect the underlying asset value or the prospects of the Company. The price of Ordinary Shares may fall in response to market appraisal of the Company's current strategy or if the Company's results and/or prospects from time to time are below the prior expectations of market analysts and investors. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities for reasons unrelated to their operating performance and prospects. A number of factors outside the control of the Company may have an impact on its performance and the price of the Ordinary Shares, which may rise or fall rapidly. The factors which may affect the share price include (but are not limited to): (i) the Company's expected and actual performance; (ii) speculation about the Company's business, about mergers or acquisitions involving the Company and/or major divestments by the Company in the press, media or investment community; (iii) speculation regarding the intentions of the Company's major Shareholders or significant sales of Ordinary Shares by such Shareholders; (iv) other secondary issues in the market; and (v) general economic and market conditions.

Shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment

Notwithstanding the admission of the Ordinary Shares to trading on the London Stock Exchange, the Ordinary Shares may have limited liquidity. The market price of the Ordinary Shares may be volatile and may not reflect the underlying value of the net assets of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

The Company is a Registered Closed-ended Collective Investment Scheme. Accordingly, Shareholders will not be entitled to have their Ordinary Shares redeemed by the Company. While the Directors retain the right to effect repurchases of the Ordinary Shares in the manner described in this document with a view to reducing any discount to Net Asset Value per Ordinary Share, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so.

Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Ordinary Shares through trades on the London Stock Exchange or negotiate transactions with potential purchasers. Accordingly, Shareholders' ability to realise their investment is, in part, dependent on the existence of a liquid market in the Ordinary Shares and on the extent of its liquidity. Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Ordinary Shares, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share for a variety of reasons, including market and liquidity concerns, the actual or expected performance of the Company, and concerns that regulatory and legislative attitudes to such funds may alter in such a way as to adversely affect the Company. There can be no guarantee that any measures put in place by the Company to mitigate any such discount will be successful or that the use of discount control mechanisms will be possible or advisable.

3 Risks relating to the Company's strategy

The Company's success will be subject to risks inherent in the equipment leasing and finance business, any of which may affect the Company's ability to operate profitably

A number of factors may affect the Company's ability to operate profitably including: (i) changes in economic conditions, including fluctuations in demand for assets, interest rates and inflation rates; (ii) the quality of the assets it acquires and leases or finances; (iii) the continuing strength of equipment manufacturers; (iv) the timing of the Company's investments and the Company's ability to forecast technological advances; (v) technological and economic obsolescence of the assets it acquires; (vi) defaults by the Company's lessees or other counterparties; and (vii) increases in the Company's Ongoing Charges.

Fluctuations in demand for equipment may affect the ability of the Company to invest its capital in a timely manner. Equipment lessors have experienced a more difficult market in which to make suitable investments during historical periods of reduced growth and recession in the U.K. and U.S. economy as a result of the softening demand for capital equipment during these periods. Economic recession resulting in lower levels of capital expenditure by businesses may result in more used equipment becoming available on the market and downward pressure on prices and lease rates due to excess inventory. Periods of low interest rates exert downward pressure on lease rates and may result in less demand for lease financing as outright purchase becomes less expensive. There can be no assurance as to what future developments may occur in the economy in general or in the demand for equipment and lease financing in particular.

Higher than expected equipment lease or other investment defaults may result in losses

Higher than expected equipment lease or other investment defaults may result in a loss of anticipated revenues. These losses may adversely affect the Company's ability to pay dividends to Shareholders and, if the level of defaults is sufficiently large, may result in the Company's inability to fully recover its investment.

While the Company will seek to repossess and re-lease or sell any asset that is subject to a defaulted lease, it may not be able to do so on terms that are favourable to it. In some cases, the cost of repossessing the equipment, or other asset, subject to a defaulted lease, or other

investment, may make trying to recover the asset impractical. Also, if a lessee or borrower under a defaulted lease or other investment files for protection under bankruptcy or administration laws, then the Company may experience difficulties and delays in recovering the asset from the defaulting party and, in addition, it may be unable to enforce important contract provisions against the insolvent party, including the contract provisions that require the asset to be returned in good condition.

The Company may suffer a loss due to, or the Company's ability to make distributions may be adversely affected by, the high costs of: (i) enforcing a lessee's or borrower's contract obligations; (ii) recovering the asset from the defaulting party; (iii) transporting, storing, and repairing the asset; and (iv) finding a new lessee or purchaser for the asset.

In the event of a default, certain assets and equipment that the Company may invest in will have a higher value if they remain in place and continue to operate. For this reason, when appropriate, the Investment Managers will structure investments to include step-in agreements, share pledges, and the assignment of various contracts in order to allow the Company to continue to control and extract maximum value from the assets or equipment. In some cases, the cost of step-in or the cost of selling the Company's rights may make trying to do this impractical or it may be difficult to enforce the security or the step-in rights against an insolvent party.

The equipment leasing industry is highly competitive, which may hinder the Company's ability to source appropriate or attractive investments

Certain segments of the equipment leasing and asset finance industry are highly competitive. In particular, it is often relatively easy for well-capitalised new entrants to enter the equipment leasing industry as lessors or by providing asset financing. New entrants can act irrationally or unprofitably to gain market share, potentially driving down rates and reducing the availability of attractive transactions to other participants in the market. Further, lease and asset finance transactions are not always written in a manner which provides the lessor with an appropriate rate of return for the risk being assumed.

The equipment leasing and finance business is highly fragmented. The Company will compete with a large number of national, regional and local banks, savings banks, leasing companies and other financial institutions, captive finance and leasing companies affiliated with major equipment manufacturers, and other sources of equipment lease financing, including other publicly-traded entities. Some of the Company's competitors are substantially larger and have considerably greater financial, technical and marketing resources than either it, the Investment Managers and/or their affiliates will have.

If the Company is unable to realise the residual value of its assets under its operating leases and other investments, it may incur losses

When the Company enters into a lease, it will not know what the residual value of the asset lease will be when the lease ends (on expiry, in the case of an operating lease, or prematurely in the case of a cashflow lease). Where the Company enters into operating leases, the present value of minimum rental payments during the initial lease term is structured to result in the Company's recovery of an amount less than or equal to substantially all of the fair value or purchase price of the asset. Therefore, the Company's ability to recover the full purchase price of the asset and the Company's expected return in connection with an operating lease depends on the potential value of the asset once the primary lease term expires. This is the "residual value". Similarly, in circumstances where a lease ends prematurely, the Company may be reliant on the residual value in order to achieve the desired returns. The residual value will depend on numerous factors beyond the Company's control, including, whether the original lessee wants to keep the asset, the cost of a comparable new asset, whether the leased asset is obsolete or in poor condition, whether there is a secondary market for the type of used asset and, if so, the market value of such asset.

In certain circumstances, the Company may be reliant entirely on the residual value of some of its investments to recover and/or make a profit on those investments.

The Company provides no assurance that its assumptions will be accurate or that the assets will not lose value more rapidly than it anticipated.

The Company's inability to obtain insurance for certain types of losses means it must bear the cost of any losses from the non-insurable risks

While the Company's leases will generally require lessees to have comprehensive insurance on the assets under lease (and other financing arrangements) and to assume the risk of loss, some losses may be either uninsurable or not economically feasible to insure, such as losses from war, earthquakes or terrorist acts. Furthermore, it can neither anticipate nor obtain insurance against all possible contingencies that may affect the assets. If an event occurs for which the Company has no insurance, it could lose some or all of its investment in the affected asset. Furthermore, lessees and other counterparties who are obliged to insure equipment or any asset may nevertheless fail to do so in breach of their contracts.

In leasing some types of assets the Company may be exposed to environmental tort liability and other strict liability claims

In owning and/or leasing some types of assets, such as transportation assets designed to carry hazardous materials, the Company may be exposed to environmental tort and/or statutory liability. Although it may attempt to obtain insurance to minimise the Company's exposure to environmental tort and/or statutory liability, it gives no assurance that it or the Company's assets will be protected against environmental tort and/or statutory claims.

Interest rate changes may reduce the value of the Company's portfolio and the Company's returns

Changes in interest rates will affect the market value of the Company's portfolio. In general, the market value of an equipment lease will change in inverse relation to an interest rate change when the lease has a fixed rate of return. The same is true for fixed rate asset finance contracts and notes. Thus, in a period of rising interest rates, the market value of the Company's equipment leases and other fixed rate contracts will decrease. A decrease in the market value of the Company's portfolio will adversely affect the Company's ability to liquidate it without suffering losses. In times of interest rate rises, protection to real returns will be conditional on future leases being written at higher rates.

Realisations from investments in residual interests may be subject to the satisfaction of obligations to a third party and failure of such could affect the Company's ability to recover the Company's investment or realise a return on that investment

Investments in residual interests are generally subject to the satisfaction of obligations to a third party under an initial lease term or other contract such as a receivable sale. Failure of the obligor to satisfy those obligations, which includes making payments, could affect the Company's ability to recover the Company's investment or realise a return on that investment if the third party, in the event of a default, forecloses on the underlying asset or equipment.

Due diligence processes which may be undertaken may not reveal all material facts or circumstances

When making an assessment regarding an investment, the Investment Managers will rely on the resources available to them. Time and information constraints in investment opportunities may limit the ability of the Investment Managers to conduct detailed due diligence. Accordingly, there can be no assurance that any research and information gathering exercise carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful to the Investment Managers in evaluating such investment opportunity. This could lead to failure to identify issues on an investment which could have a significant adverse effect on the performance of the Company and returns received by the Company.

Certain portions of the Asset Pool have been originated by third-party lessors and are subject to representations, warranties, remarketing support, and buy-back guarantees that are dependent on the continued viability of the original lessor

Certain portions of the Asset Pool were originated by independent third-party lessors who have entered into purchase and sale agreements that contain on-going representations and warranties and provide for remarketing support and buy-back guarantees. Whilst there are no specific exposures for which the Company currently has cause for concern, any adverse change in the

financial condition or market position of these third-party lessors could affect their ability to meet the obligations under the purchase and sales agreements that the Company is relying on to achieve its projected returns on the investments subject to those purchase and sale agreements.

The Company may be required to meet end-users' obligations in events of default

The Company may invest in assets in jurisdictions that impose use and other taxes which are required to be paid by the end-user. Failure by the end-user to file and/or pay these taxes may result in the Company having to file and/or pay these taxes, in the event of default, in order to recover the assets or to satisfy a claim.

Misrepresentation by counterparties can result in losses in the event of a default

In the normal course of business, the Company will require counterparties to make certain representations and warranties about their operations and the assets. If there is an event of default and the Company needs to rely on certain of these representations and warranties as a matter of security or recourse and these representations are deemed to be inaccurate or the warranties unenforceable, the Company may experience losses.

4 Risks relating to the Investment Managers

The performance of the Company may be adversely affected should one or more key individuals cease to provide their services to the Company

The success of the Company depends on the diligence, skill and business contacts of the individuals within the Investment Managers, principally Neil Roberts and Jeremiah Silkowski. The departure of either of these individuals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the performance of the Company and returns to the Company.

The Investment Managers and/or companies with which they are associated may from time to time act as manager or investment advisor in relation to, or be otherwise involved with, other investment funds or accounts ("Other Accounts")

The Company will not have an interest in these Other Accounts. Conflicts of interest among the Company and these Other Accounts may exist, which include, but are not limited to, those described herein. In particular, it is expected that a substantial proportion of the Initial Portfolio will be purchased from these Other Accounts.

In addition, these Other Accounts may have investment objectives that are similar to, or overlap to a greater or lesser extent, with those of the Company as well as investment guidelines that differ from those applicable to the Company's investments. The Investment Managers may determine that an investment opportunity in the Company is appropriate for an Other Account but not for the Company or that the allocation to the Company should be of a different proportion than that of an Other Account.

It is the policy of the Investment Managers to allocate investment opportunities fairly and equitably among the Company and Other Accounts in accordance with established allocation procedures and protocol, where applicable, to the extent possible over a period of time. The Investment Managers will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Managers may purchase, sell or exchange for one or more Other Accounts if the Investment Managers believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

The Investment Managers and their officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Investment Managers and their affiliates are generally not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities may be viewed as creating a conflict of interest in that the time and effort of the Investment Managers and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Investment Managers and their affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Investment Managers are actively engaged in transactions in the same securities, currencies and instruments in which the assets of the Company may be invested. Subject to applicable law, the Investment Managers' affiliates may purchase or sell securities of, or otherwise invest in or finance, issuers in which the Company has an interest. The Investment Managers' affiliates also may manage or advise other accounts or investment funds that have investment objectives similar or dissimilar to those of the Company and which engage in transactions in the same type of securities, currencies and instruments as the Company. Trading activities of the Investment Managers' affiliates are carried out without reference to positions held directly or indirectly by the Company and may have an effect on the value of the positions so held or may result in the Investment Managers' affiliates having an interest adverse to that of the Company. The Investment Managers' affiliates are not under any obligation to share any investment opportunity, idea or strategy or other relevant information about an investment with the Company or a portfolio manager and/or may not be able to share such information with the Investment Managers because of informational walls, confidentiality obligations or other disclosure constraints. As a result, the Investment Managers' affiliates may compete with the Company for appropriate investment opportunities.

5 Risks relating to tax and regulation

Changes in law or regulation may adversely affect the Company's ability to carry on its business

The Company is incorporated under the laws of Guernsey. Accordingly, the rights of Shareholders are governed by the Companies Law and by the Company's Memorandum and Articles, which may differ from the typical rights of shareholders in the U.K. and other jurisdictions.

The Company and the Investment Managers are each subject to laws and regulations of national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed Registered Closed-ended Collective Investment Schemes which are domiciled in Guernsey. These include compliance with any decision of the Commission and with applicable U.K. legal requirements. Changes in law or regulations, or a failure to comply with any such laws or regulations, may adversely affect the performance of the Ordinary Shares and returns to Shareholders.

Possible changes in the tax position of the Company

The structure by which the Company holds its investments is based on the Directors' understanding of the current tax law and the practice of the tax authorities of Guernsey (where the Company is incorporated), the U.K. and the U.S. Such law (including applicable rates of taxation) or tax authority practice is subject to change, possibly with retrospective effect. Any change in the Company's tax position or status or in tax legislation, or in the interpretation of tax legislation by tax authorities or courts, or tax rates could adversely affect the value of investments held by the Company or affect the Company's ability to implement and realise its investment policy. Any such change could adversely affect the net amount of any distributions payable to Shareholders or the tax treatment of distributions received by Shareholders. Furthermore, the Company may incur costs in taking steps to mitigate this effect. As a result, any such change may have a material adverse effect on the Company's performance, financial condition or prospects.

Were the Company deemed tax resident in a jurisdiction outside Guernsey additional tax costs and reduced returns would result

The affairs of the Company have been and will be conducted so that the central management and control of the Company is exercised in Guernsey (and not the U.K.) and, consequently, so that the Company is not U.K. tax resident. However, it cannot be guaranteed that HMRC will not seek to contest the position. The composition of the Board, the manner in which the Board conducts its business and the location(s) in which the Board, and the Company, if other than through the Board, makes decisions will be important in determining and maintaining the non-U.K. tax residence of the Company. Although the Company is incorporated and administered in Guernsey and a majority of its directors are resident outside the U.K., and is controlled by its Board solely through its Board meetings, continued attention must be paid to ensure that major decisions by the Company are not made in the U.K., to avoid the risk that the Company may lose its non-U.K. tax residence status.

Were the Company considered U.K. tax resident this would result in the Company paying more U.K. tax than is anticipated, which would negatively affect its financial and operating results and accordingly could reduce returns (including distributions or dividends) payable to Shareholders.

Even where a company is not U.K. tax resident, it will potentially be subject to U.K. corporation tax if it is carrying on a trade in the U.K. through a permanent establishment in the U.K. or, in certain circumstances, to U.K. income tax if it is carrying on a trade wholly or partly in the U.K. (whether or not through a permanent establishment). It is intended that the Company's operations will be conducted such that it is not subject to U.K. corporation or income tax in this way. However, it cannot be guaranteed that HMRC will not seek to contest the position and, if a challenge by HMRC on these grounds were successful, this may result in the Company paying significantly more U.K. tax than is anticipated, which would negatively affect its financial results and returns to Shareholders. Similarly, were the Company to be treated as tax resident in or as having a permanent establishment or other taxable presence in any other jurisdiction (outside Guernsey) in which it operates, this could result in the Company paying more tax than is expected and could negatively affect its financial results and returns to Shareholders.

Changes in, or in the interpretation of, tax legislation could result in the imposition of additional and possibly material tax liabilities on Shareholders

Any change in tax legislation, or in the interpretation of tax legislation by tax authorities or courts, or tax rates could adversely affect the after-tax returns to Shareholders from their investment in the Company, possibly with retrospective effect. A general summary of the tax position of Shareholders who are resident, and in the case of individuals, domiciled in the U.K. for tax purposes is set out in Part 10. This summary does not constitute tax advice.

The Directors do not consider the Company to be an offshore fund for the purposes of the U.K.'s offshore funds regime. If the Company were to be treated as an offshore fund, U.K. resident holders of Ordinary Shares may be taxed on the gains realised on the disposal of their Ordinary Shares as income (resulting in the payment of income tax or corporation tax on income) rather than as a capital gain (resulting in the payment of capital gains tax or corporation tax on chargeable gains). This may, depending on their circumstances, have a material adverse impact on the after-tax returns received by Shareholders.

FATCA

FATCA generally imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends ("**Withholdable Payments**"). As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service ("**IRS**"). The 30 per cent. withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

Generally, the new rules will subject all Withholdable Payments received by the Company to 30 per cent. withholding tax (including the share that can be allocated to non-U.S. persons) unless compliance with the new rules by the Company is pursuant to an intergovernmental agreement between the jurisdiction in which the Company is based and the U.S. (an "**IGA**") or (as is currently contemplated) the Company enters into an agreement (an "**FFI Agreement**") with the IRS to provide information, representations and waivers of non-U.S. law as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect U.S. accountholders.

In the event that the Company did not comply with the relevant provisions of the IGA between the U.S. and Guernsey and the related legislation, payments received by the Company may be subject to the 30 per cent. withholding tax which would have a material adverse effect on the returns to all Shareholders.

Changes in law or regulations may adversely affect the ability of the Company to carry on its businesses, its performance and returns to Shareholders

The regulatory environment for funds that are similar to the Company and for portfolio businesses and for the managers of similar funds is changing, most notably as a result of the Alternative Investment Fund Managers Directive (the "**AIFMD**"), which came into force on 21 July 2011 and which, from 22 July 2013, subject to a transitional period in certain EEA Member States, requires

certain fund managers (“AIFMs”) of alternative investment funds, being almost all types of investment fund other than those regulated by the UCITS Directive, to comply with the new operational and structural requirements set out in the AIFMD. Currently, the Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is required to comply with certain licensing and on-going notification requirements that are applicable to a Guernsey Registered Closed-ended Collective Investment Scheme, including laws and regulations supervised by the Commission. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Any change in the laws and regulations affecting the Company or any change in the regulations affecting similar funds or fund managers generally, or any failure by the Company to comply with such laws or regulations, may have a material adverse effect on the Company’s ability to achieve its investment objective, which in turn could have a material adverse effect on the Company’s performance and returns to Shareholders.

The Company is categorised as a non-E.U. AIF and has appointed the Investment Manager, a non-E.U. AIFM (as defined in the AIFMD), as its AIFM for the purposes of the AIFMD. Neither the Company nor the Investment Manager will be required to seek authorisation under the AIFMD. However, following national transposition of the AIFMD in a given EEA Member State, the marketing of shares in AIFs (as defined in the AIFMD) that are established outside the E.U. (such as the Company) to investors in that EEA Member State may be prohibited entirely or may, as a minimum, be prohibited unless certain conditions are met. In the U.K., this includes the obligation of the AIFM to notify the FCA that it is the person responsible for complying with the implementing provisions relating to the marketing of the relevant company’s shares and that the AIFM will comply with the relevant requirements of the AIFMD. The Investment Manager made such notification (the “**Article 42 Form**”) on 9 June 2014 and is therefore permitted to market the Company’s shares under AIFMD. The FCA may suspend, or revoke, an AIFM’s entitlement to market the AIF if it appears to the FCA that, amongst other things, one or more conditions confirmed in the Article 42 Form as being met is no longer satisfied.

If the Investment Manager ceases to act or becomes unable to act as the Company’s AIFM, then the Company must appoint another suitably authorised person (in or outside the United Kingdom) as its AIFM (an “**external AIFM**”) or the Company must be its own AIFM. In order for the Company to be its own AIFM it may be required to be authorised in the United Kingdom to act as an AIFM. The Company is not currently authorised to act as an AIFM and does not intend to apply for such authorisation to the extent that it is not required to do so. In the event that, and for so long as, the Company does not have an external AIFM and is not permitted to act as an AIFM in the United Kingdom then the Company may not be able to operate or, as a minimum, the ability of the Company to operate will be adversely affected to a significant extent.

Local laws or regulations may mean that the status of the Company and the Ordinary Shares are uncertain or subject to change, which could adversely affect investors’ ability to hold the Ordinary Shares

For regulatory, tax and other purposes, the Company and the Ordinary Shares may be treated differently in different jurisdictions. Furthermore, in certain jurisdictions, the status of the Company and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Ordinary Shares may impact on the ability of investors to hold the Ordinary Shares or the consequences of so doing.

Financial advisers may be prohibited from promoting the Ordinary Shares to retail investors in the event that the Company is unable to rely on any of the exemptions relating to the promotion of non-mainstream pooled investments

On 1 January 2014 the Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the “**NMPI Regulations**”) came into force in the U.K. The NMPI Regulations extend the application of the U.K. regime restricting the promotion of unregulated collective investment schemes to other “non-mainstream pooled investments” (“**NMPIs**”). As a result of the NMPI Regulations, FCA-authorised independent financial advisers and other financial advisers will be restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors. Although previous consultations on the subject by the FCA had suggested the Company and entities like it would be excluded from the scope of the NMPI Regulations (and thereby be capable of promotion to all retail investors), the final NMPI

Regulations and the Company's analysis of general published guidance from the FCA means that in order for the Company to be outside of the scope of the NMPI Regulations, the Company will need to rely on the exemption available to non-U.K. resident companies that are equivalent to investment trusts. This exemption provides that a non-U.K. resident company that would qualify for approval by HMRC as an investment trust were it resident and listed in the U.K. will be excluded from the scope of the NMPI Regulations. The principal relevant requirements to qualify as an investment trust are that: (i) the Company's business must consist of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds; (ii) the ordinary shares must be admitted to trading on a regulated market; (iii) the Company must not be a close company (as defined in Chapter 2 of Part 10 of the Corporation Tax Act 2010); and (iv) the Company must not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income.

The Company intends to conduct its affairs in such a manner that it should, in principle, be eligible to qualify for approval by HMRC as an investment trust if it was resident in the U.K. As such, for such time as the Company satisfies the conditions to qualify as an investment trust, the Company is and will continue to be outside of the scope of the NMPI Regulations. If the Company is unable to meet those conditions in the future for any reason, consideration would be given to applying to the FCA for a waiver of the application of the NMPI Regulations in respect of the Ordinary Shares.

If the Company was not able to satisfy the non-U.K. investment trust exemption from the NMPI Regulations and the FCA did not otherwise grant a waiver, the ability of the Company to raise further capital from retail investors could be affected. In this regard, it should be noted that, whilst the publication and distribution of a prospectus (including this Prospectus) is exempt from the NMPI Regulations, other communications by "approved persons" could be restricted (subject to any exemptions or waivers).

IMPORTANT INFORMATION

General

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

This document contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believes", "targets", "expects", "aims", "anticipates", "projects", "would", "could", "envisages", "estimates", "intends", "may", "plans", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, those described in the Risk Factors set out on pages 15 to 24 of this document. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such entity and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above.

Each forward-looking statement speaks only as at the date of this document. Except as required by law, regulatory requirement, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

The information contained within this document will be updated as required by the Prospectus Rules. You are advised to read this document and, in particular, the Summary, the Risk Factors, Part 1, Part 2 and Part 4 of this document for a further discussion of the factors that could affect the Company's future performance and the industries and markets in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

Distribution of this document

General

This document does not constitute, and may not be used for the purposes of, an offer to sell or issue or the solicitation of an offer to buy or subscribe for any Ordinary Shares to or from any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this document and the offer and sale of Ordinary Shares may be restricted by law and regulation. No action has been taken or will be taken by the Company or Winterflood that would permit a public offering of the Ordinary Shares, or possession or distribution of this document, in any jurisdiction where action for that purpose is required. Accordingly, persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Prospective investors must inform themselves as to:

- (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and

- (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares.

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for information only and nothing in this document is intended to endorse or recommend a particular course of action. Prospective investors must rely upon their own professional advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales and in Guernsey, and are subject to change.

Notice to investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**relevant member state**”) (except for the U.K.), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “**relevant implementation date**”) no Ordinary Shares have been offered or will be offered pursuant to the Initial Placing and Offer or the Placing Programme to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in the relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state all in accordance with the Prospectus Directive, except that (subject to compliance with all relevant local laws and regulation) with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are “qualified investors” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the relevant member state has implemented the relevant provision of Directive 2003/71/EC), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) and subject to obtaining the prior consent of Winterflood for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of any Ordinary Shares shall result in a requirement for the publication by the Company or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression “an offer of any Ordinary Shares to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Initial Placing and Offer and/or the Placing Programme and any Ordinary Shares to be offered so as to enable an investor to decide to acquire any Ordinary Shares as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Initial Placing and Offer and/or the Placing Programme have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company and Winterflood has been obtained to each such proposed offer or resale.

Certain non-United Kingdom recipients

This document is not for distribution into the United States or any Restricted Jurisdiction. The Initial Placing and Offer and the Placing Programme of the Ordinary Shares has not been, and will not be, registered under the applicable securities laws of the United States or any Restricted Jurisdiction, and, subject to certain exceptions, the Ordinary Shares may not be offered or sold directly or indirectly within the United States or any Restricted Jurisdiction or to, or for the account or benefit of, any persons within the United States or any Restricted Jurisdiction.

No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.

No document in relation to the Initial Placing and Offer or the Placing Programme of the Ordinary Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission.

No registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Initial Placing and Offer or the Placing Programme of the Ordinary Shares.

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS. THE SHARES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS THE OFFER AND SALE OF THE SHARES HAS BEEN REGISTERED UNDER THE SECURITIES ACT AND THE COMPANY IS REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “U.S. INVESTMENT COMPANY ACT”) OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT ARE AVAILABLE.

The Ordinary Shares have not been approved or disapproved by the SEC, any U.S. state securities commission or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares are subject to restrictions on transferability and resale within the United States and may not be transferred or resold in the United States except pursuant to a valid exemption from the registration requirements of the Securities Act, the U.S. Investment Company Act and state securities laws.

Subject to certain exceptions, this document does not constitute, or will not constitute, or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for Ordinary Shares to any Shareholder with a registered address in, or who is resident or located in, the United States and, if received, is for information purposes only.

Subject to certain exceptions, Ordinary Shares are being offered and sold only outside the United States in reliance on Regulation S.

Unless otherwise agreed with the Company, any person applying for Ordinary Shares under the Initial Placing and Offer and/or the Placing Programme will be deemed to have declared, warranted and agreed, by accepting delivery of this document if and when received or delivery of Ordinary Shares: that (i) he or she is not within the United States; (ii) he or she is not in any other Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer to acquire Ordinary Shares; (iii) he or she is not acquiring any Ordinary Shares for the account of any person who is located in the United States, unless (a) the instruction to purchase was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that, in the case of each of (A) and (B), is acquiring Ordinary Shares in an “offshore transaction” within the meaning of Regulation S; and (iv) is not acquiring Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Ordinary Shares into the United States or any other Restricted Jurisdiction.

The Company’s Articles contain provisions designed to restrict the holding of Ordinary Shares by persons, including U.S. persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal implication. Ordinary Shares held by ERISA Plan Investors are subject to provisions requiring a compulsory transfer as set out in the Articles.

FATCA

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION

WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL SHARES BY THE COMPANY; AND (C) A PROSPECTIVE INVESTOR IN SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISER.

U.S. source payments to the Company may be subject to withholding as a result of the Foreign Account Tax Compliance Act (“**FATCA**”) provisions of the US Hiring Incentives to Restore Employment Act. In addition, if the Company enters into a FATCA Agreement then in certain instances the Company may be required to withhold on distributions it makes to Shareholders. FATCA is a new U.S. law aimed at foreign financial institutions (“**FFIs**”) and other financial intermediaries to prevent tax evasion by U.S. citizens and residents through use of offshore accounts. For the purposes of the FATCA rules and regulations, the Company expects that it will be treated as a FFI.

FATCA generally imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends (“**Withholdable Payments**”). As a general matter, the new rules are designed to require U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service (“**IRS**”). The 30 per cent. withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

Generally, the new rules will subject all Withholdable Payments received by the Company to 30 per cent. withholding tax (including the share that can be allocated to non-U.S. persons) unless compliance with the new rules by the Company is pursuant to an intergovernmental agreement between the jurisdiction in which the Company is based and the U.S. (as to which see references to the US-Guernsey Intergovernmental Agreement signed on 13 December 2013 and referred to below) or (as is currently contemplated) the Company enters into an agreement (an “**FFI Agreement**”) with the IRS to provide information, representations and waivers of non-U.S. law as may be required to comply with the provisions of the new rules, including information regarding its direct and indirect U.S. accountholders.

U.S.-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the U.S. (“**U.S.-Guernsey IGA**”) regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or being entities that are controlled by one or more, residents or citizens of the U.S. The U.S.-Guernsey IGA will be implemented through Guernsey’s domestic legislation, in accordance with regulations and guidance yet to be published in finalised form. Accordingly, the full impact of the U.S.-Guernsey IGA on the Company and the Company’s reporting responsibilities pursuant to the U.S.-Guernsey IGA as implemented in Guernsey is currently uncertain.

U.K.-Guernsey Intergovernmental Agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the U.K. (“**U.K.-Guernsey IGA**”) under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or being entities that are controlled by one or more, residents of the U.K. The U.K.-Guernsey IGA will be implemented through Guernsey’s domestic legislation, in accordance with regulations and guidance yet to be published in finalised form. Accordingly, the full impact of the U.K.-Guernsey IGA on the Company and the Company’s reporting responsibilities pursuant to the U.K.-Guernsey IGA as implemented in Guernsey is currently uncertain.

Request for Information

The Company reserves the right to request from any investor or potential investor such information as the Company deems necessary to comply with FATCA, any FFI Agreement from time to time in force, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the U.S.-Guernsey IGA and the U.K.-Guernsey IGA.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, INTERESTS IN THE COMPANY AND THE HOLDERS THEREOF IS UNCERTAIN AT THIS TIME. EACH POTENTIAL INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN

A MORE DETAILED EXPLANATION OF FATCA AND HOW THIS U.S. LEGISLATION MIGHT AFFECT EACH POTENTIAL INVESTOR IN ITS PARTICULAR CIRCUMSTANCES.

Registration of the Company in Guernsey

The Company is a Registered Closed ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Commission. The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided BNP Paribas Securities Services S.C.A., Guernsey Branch, the Company's designated manager.

A Registered Closed-ended Collective Investment Scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the POI Law.

The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999

The Administrator has certain responsibilities under The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as varied and supplemented from time to time, to verify the identity of investors. Failure to provide the necessary documentation may result in applications being rejected or in delays in the dispatch of documents and the Initial Placing and Offer and Placing Programme of Ordinary Shares.

The Data Protection (Bailiwick of Guernsey) Law, 2001

Pursuant to The Data Protection (Bailiwick of Guernsey) Law, 2001, as amended, (the "DP Law") the Company and/or its Registrar and/or the Administrator may hold personal data (as defined in the DP Law) relating to past and present Shareholders. Such personal data held is used by the Registrar and/or the Administrator to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other moneys to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Ordinary Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used. The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, the Republic of South Africa, Switzerland and the United States of America. By becoming registered as a holder of Ordinary Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Administrator of any personal data relating to them in the manner described above.

EXPECTED TIMETABLE

Publication of this prospectus	16 June 2014
Latest time and date for applications under the Offer for Subscription	1.00 p.m. on 7 July 2014
Latest time and date for commitments under the Initial Placing	1.00 p.m. on 8 July 2014
Publication of results of the Initial Placing and Offer	9 July 2014
Admission of and dealings in Ordinary Shares	8.00 a.m. on 14 July 2014
CREST accounts credited in respect of the Ordinary Shares	14 July 2014
Ordinary Share certificates dispatched in respect of the Ordinary Shares	Week commencing 21 July 2014
Placing Programme opens	15 July 2014
Publication of Placing Programme Price in respect of each issue pursuant to the Placing Programme	as soon as practicable following the closing of each issue pursuant to the Placing Programme
Admission and crediting of CREST accounts in respect of each issue pursuant to the Placing Programme	as soon as practicable following the allotment of Ordinary Shares pursuant to the Placing Programme
Ordinary Share certificates in respect of Ordinary Shares issued pursuant to the Placing Programme	approximately one week following the Admission of any Ordinary Shares issued pursuant to the Placing Programme
Placing Programme closes and last date for Ordinary Shares to be admitted pursuant to the Placing Programme	15 June 2015*

* or such earlier date on which the authority to issue Ordinary Shares pursuant to the Placing Programme is fully utilised.

Notes:

1. The times and date(s) set out in the above timetable and mentioned in this document are subject to change by the Company (with the agreement of Winterflood), in which event details of the new times and date(s) will be notified to the London Stock Exchange and, where appropriate, to Shareholders.
2. References to times in this document are to London times unless otherwise stated.

INITIAL PLACING AND OFFER STATISTICS

Issue Price per Ordinary Share	100 pence
Total number of Ordinary Shares to be issued pursuant to the Initial Placing and Offer	up to 150 million Ordinary Shares
Ordinary Share Capital immediately following completion of the Initial Placing and Offer (assuming full take up under the Initial Placing and Offer)	150 million Ordinary Shares
Gross proceeds of the Initial Placing and Offer (approximately) (assuming full take up under the Initial Placing and Offer)	£150,000,000
Net proceeds of the Initial Placing and Offer (approximately) (assuming full take up under the Initial Placing and Offer and based on the estimated expenses of the Initial Placing and Offer set out in paragraph 13 of Part 9 of this document)	£147,000,000
Estimated Net Asset Value per Ordinary Share (unaudited) following the Initial Placing and Offer	98 pence

PLACING PROGRAMME STATISTICS

Maximum size of the Placing Programme	100 million Ordinary Shares
Placing Programme Price	Not less than the Net Asset Value (cum-income) per Ordinary Share at the time of issue

DEALING CODES

ISIN	GG00BN56JF17
SEDOL	BN56JF1
Ticker	SQN

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Peter Niven (<i>Chairman</i>) John Falla Carol Goodwin Christopher Spencer
Registered Office and Business Address	BNP Paribas House St. Julian's Avenue St. Peter Port Guernsey GY1 1WA
Website	www.sqnassetfinance.com
Administrator, Company Secretary and Custodian	BNP Paribas Securities Services S.C.A., Guernsey Branch BNP Paribas House St. Julian's Avenue St. Peter Port Guernsey GY1 1WA
Investment Manager	SQN Capital Management, LLC 110 William Street, 26th Floor New York New York 10038 United States
Sponsor, Financial Adviser and Placing Agent	Winterflood Securities Limited The Atrium Building Cannon Bridge House 25 Dowgate Hill London EC4R 2GA United Kingdom
Auditors	Baker Tilly CI Audit Limited PO Box 344, Mont Crevelt House Bulwer Avenue St Sampsons Guernsey GY2 4LH
Reporting Accountants	Baker Tilly Corporate Finance LLP 25 Farringdon Street London EC4A 4AB United Kingdom
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Principal Bankers	BNP Paribas Securities Services S.C.A., Guernsey Branch BNP Paribas House St. Julian's Avenue St. Peter Port Guernsey GY1 1WA
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

Legal Advisers to the Company	Stephenson Harwood LLP
<i>As to English law</i>	1 Finsbury Circus London EC2M 7SH United Kingdom
<i>As to Guernsey law</i>	Mourant Ozannes PO Box 186 1 Le Marchant Street St Peter Port Guernsey GY1 4HP
Legal Advisers to Winterflood	Wragge Lawrence Graham LLP 4 More London Riverside London SE1 2AU United Kingdom

PART 1

INFORMATION ON THE COMPANY

1 Introduction

The Company was incorporated on 28 May 2014 in Guernsey. It is registered with the Commission as a registered closed-ended collective investment scheme. The registered office of the Company is BNP Paribas House, St. Julian's Avenue, St. Peter Port, Guernsey GY1 1WA.

The Company is seeking to raise Gross Issue Proceeds of up to £150 million by way of the Initial Placing and Offer which comprises an offer by the Company of up to 150 million Ordinary Shares at the Initial Placing and Offer Price, being 100 pence per Ordinary Share.

2 Investment highlights

Market opportunity – the global leasing market of \$868 billion² in 2012 continues to grow into the global economic recovery with particular strength in the U.K. with nearly 24 per cent.³ of all capital equipment acquisitions financed through equipment leases. At the same time, traditional participants in the market have retreated from the historically under-served segment between large ticket asset finance and high volume/low margin equipment leasing in which the Company will focus.

Highly cash generative – the nature of lease and asset financing provides regular, predictable, non-correlated cashflows, which provides income for dividends, and principal payments for reinvestment to compound returns.

Initial Portfolio – the Company has access to an Initial Portfolio of seasoned and income-producing assets with a value expected to be equal to at least 75 per cent. of the Net Issue Proceeds, subject to a maximum size of £82.5 million. This materially increases the speed of cash deployment, such that the Investment Managers expect the Net Issue Proceeds to be substantially invested within three to six months of First Admission.

Asset security – the Company's portfolio will generally benefit from either direct ownership or security over the underlying assets.

Attractive target returns – the Company is targeting an initial dividend of 7.25 pence per annum which is expected to grow over time and a total net return to investors of 8 to 10 per cent. per annum.

Monthly income – the Company expects to pay monthly dividends from January 2015 following two initial quarterly dividends.

Highly experienced management team – the team responsible for the management of the Company has over 50 years of combined experience in asset finance and equipment lease investment and has been working together for over 15 years.

3 The Company's investment objective, investment policy and investment restrictions

3.1 Investment objective

The Company's investment objective is to provide its Shareholders with regular, sustainable dividends and to generate capital appreciation through investment, directly or indirectly, in business-essential, revenue-producing (or cost-saving) equipment and other physical assets.

3.2 Investment policy

The Company will seek to invest in business-essential, revenue-producing (or cost-saving) equipment and other assets with high in-place value and long economic life relative to the investment term.

The Company expects the majority of investments, over time, to be in the specialist segment of the leasing market where, typically, assets provide cashflow during the base term of the leases as well as offering the potential for additional proceeds through lease extensions or sales at the end of the lease. The Company generally does not intend to invest in the large single asset segment of the leasing market, such as aircraft leasing, which is heavily reliant

2 Source: 2014 White Clarke Global Leasing Report

3 Source: 2014 White Clarke Global Leasing Report

on residual value to meet its return targets, or the high volume, low margin segment of the leasing market, such as photocopier and automobile leasing, although it may do so, from time to time, if appropriate opportunities are identified in these segments.

The Company may invest in assets in any industry. However, the Company generally expects to be invested in such industries where the Investment Managers see the potential to make the most attractive risk-adjusted returns which currently include, but are not limited to, Agriculture, Energy, Environmental, Manufacturing, Material Handling, Medical, Modular Accommodation, Technology and Transportation.

The Investment Managers will target transaction sizes below £20 million but, generally, the average transaction size is expected to be £3 million to £6 million, although it may fluctuate based on the market opportunities and portfolio composition that the Investment Managers believe will best achieve the Company's investment objectives. Whilst there is no minimum lease term, it is typical for the initial lease term to be 3 to 10 years depending on the asset. However, where appropriate, the term of the lease may vary significantly from this range reflecting the opportunities available and the needs of the lessee.

It is intended that the Company and/or its subsidiaries will primarily acquire assets directly and function as the lessor under equipment lease contracts. In such situations, the Company will own all rights, title, and interest in and to the assets and will lease them to the end-user. In other situations, the Company may own assets and enter into hire-purchase agreements where the Company will own the assets until all payments are made under the agreement and a pre-agreed nominal purchase price is paid to the Company.

The assets held by the Company will generally be leased to a third party and will be subject to either a direct finance (cashflow) lease or an operating lease. The Company intends to balance the portfolio between direct finance leases, to provide regular cashflow, and operating leases, to provide capital appreciation opportunities. Many, but not all, investments will be structured to provide return of capital and interest during the lease term with an opportunity for additional realisation from the residual value after the initial lease term.

The Investment Managers will generally seek to acquire investments and/or enter into lease arrangements that require the lessee or other counterparty to bear all tax, maintenance, insurance, and other costs related to the lease or the operation of the underlying asset(s). Generally, as a result, the Company will not be required to undertake maintenance on assets but reserves the right to do so on an exceptional basis.

Whilst the Company and/or its subsidiaries will typically seek direct ownership of the assets under lease, the Company may also obtain exposure to such investments through holding securities that have exposure to an underlying asset or assets that meet the Company's investment criteria where it is more advantageous for the Company to do so or a direct investment is not possible. This includes, but is not limited to, holding or entering into debt securities, loan agreements, equity securities, participation agreements, hybrid instruments, or other securities, whilst maintaining the desired economic exposure and level of security.

The Company may invest in residual interests in assets or equipment. When the Company invests in residual interests, it or its subsidiaries will acquire the rights and/or title to equipment, assets, income or proceeds in respect of the period after the end of the initial lease term or other underlying contract term. Cashflow from the residual interests generally will not commence until all of the obligations under the initial term are satisfied. Once those obligations are satisfied, rights and/or title to the underlying equipment, assets, income or proceeds will be transferred to the Company or its subsidiaries. Furthermore, the Company may elect to sell all or part of the lease receivables to a third party investor or bank and retain its exposure to the asset by retaining ownership of the residual value (in addition to any proportion of the lease receivables retained). Therefore, in relation to certain investments, the Company may be reliant on the residual value to obtain its return on that investment. It is not expected that residual interests would represent more than 35 per cent. of the portfolio at the time of investment.

Investments will primarily be made in the United Kingdom, the United States and Europe which is expected to represent at least 75 per cent. of the portfolio. The Company may also invest in assets and equipment located or subject to law in Canada and Australia and other

countries, regions, or jurisdictions where the Investment Managers believe they can adequately secure the Company's interest in assets and equipment whilst achieving an appropriate risk-adjusted return consistent with the rest of the portfolio.

Diversification

The Company's portfolio will be subject to diversification policies limiting the maximum amount of capital that can be invested in a single asset, in a single asset class, in assets held by a corporation or group or held by companies in a specific industry, as a percentage of NAV of the portfolio, measured at the time of investment:

Maximum by asset:	15 per cent.
Maximum by asset class:	30 per cent.
Maximum by corporation or group:	15 per cent.
Maximum by industry:	30 per cent.

Borrowings

The Company does not intend to utilise borrowings on a portfolio basis for investment purposes. However, the Company may, from time to time, utilise borrowings for share buybacks and short term liquidity purposes, but such borrowings will not, in any event, exceed 15 per cent. of the Company's Net Asset Value at the time of investment. This does not prevent the Company from purchasing the equity or subordinated participation in a special purpose entity set up to own an asset or a pool of assets or equipment, which itself may be geared.

3.3 Breach of investment restrictions

If the Directors become aware of any breach by the Investment Managers of the investment restrictions applicable to the Company under the terms of the Investment Management Agreement which the Directors consider to be material then Shareholders will be informed through the London Stock Exchange (via a Regulatory Information Service).

3.4 Cash management

The Company's principal use of cash (including the Net Issue Proceeds) will be to make investments in accordance with the Company's investment policy, as well as paying initial expenses related to the Initial Placing and Offer, ongoing operational expenses and payment of dividends to Shareholders.

While the Investment Managers intend to substantially invest the Net Issue Proceeds within three to six months of First Admission, the Company may from time to time have surplus cash, including immediately after First Admission. It is expected that any surplus cash will be temporarily invested in cash, cash equivalents, money market instruments, government securities and other investment grade securities pending its investment in accordance with the Company's investment policy. Subject to this, the Company's investment policy does not impose any fixed requirements relating to the allocation of the Company's excess capital among various types of temporary investments. The temporary investments that the Company will make will almost certainly have yields that are significantly lower than the target yield.

3.5 Hedging

The Initial Portfolio may contain U.S. dollar and Euro-denominated assets and the Company may also invest in other non-Sterling denominated assets. The value of those assets and the income derived from them, to the extent not Sterling denominated, will be sensitive to changes in foreign exchange rates. The Investment Managers intend to hedge the expected income on the Company's portfolio and anticipate that they may hedge the principal amount against foreign currency fluctuation risks. Accordingly, the Company may use derivative instruments to hedge against foreign currency risks, although there can be no certainty as to the efficacy of any such hedging.

However, hedging arrangements will be implemented only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Company. The Company reserves the right to terminate any hedging arrangement in its

absolute discretion, including, without limitation, if it considers it to be in the interests of Shareholders to do so or that such arrangements may adversely affect the performance of the Company.

The Company may otherwise employ the use of derivatives for efficient portfolio management purposes but derivatives will not be employed for investment purposes.

4 Dividend and distributions policy

The Company is targeting an initial dividend in respect of the first financial year ending on 30 June 2015 of 7.25 pence per Ordinary Share, which is expected to grow over time. Dividends will initially be declared and paid quarterly with the first dividend expected to be declared for the period to 30 September 2014, and are then intended to be paid monthly from January 2015. The initial dividend target is a target only and there can be no guarantee that this will be achieved or that any dividends will be paid.

Dividend payments to Shareholders will be subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.

5 Further issues

The Company has authority to allot up to 250 million Ordinary Shares pursuant to the Initial Placing and Offer and the Placing Programme, such authority to expire at the first annual general meeting of the Company or, if earlier, 18 months from the date on which the resolution conferring the authority was passed. Shareholders' pre-emption rights have been disapplied in relation to the Ordinary Shares to be issued under the Initial Placing and Offer and the Placing Programme so that the Board will not be obliged to offer any Ordinary Shares to Shareholders *pro rata* to their existing holdings. Except where authorised by Shareholders, the Directors will not issue any Ordinary Shares at a price which is less than the Net Asset Value per Ordinary Share at the time of their issue unless they are first offered to Shareholders on a pre-emptive basis. The Company will not issue any Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without Shareholder approval.

6 Discount management

6.1 Ordinary Share buybacks

The Directors have authority to purchase up to 14.99 per cent. of the Ordinary Shares in issue immediately following First Admission. This authority will expire at the first annual general meeting of the Company or, if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting.

Whether the Company purchases such Ordinary Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors. The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests; in particular, as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

Any purchase of Ordinary Shares will be in accordance with the Articles, the Companies Law and the Listing Rules. Purchases of Ordinary Shares will only be made through the market for cash at prices below the last published NAV per Ordinary Share. Any Ordinary Shares purchased may be cancelled or held in treasury.

Investors should note that the purchase of Ordinary Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should note that any purchase is subject to the Company satisfying the solvency test, as defined under the Companies Law, at the relevant time.

6.2 Continuation Resolution

The Company shall have an unlimited life. The Directors shall propose one or more ordinary resolutions at the annual general meeting to be held in 2017 and at every third annual general meeting thereafter that the Company continue as a closed ended investment company (the "**Continuation Resolution**"). In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Shareholders as soon as is

practicable but, in any event, by no later than six months after the Continuation Resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Shareholders to realise their holdings in the Company.

7 Valuation of the Company and net asset calculations

The Administrator, in conjunction with the Investment Managers, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each calendar month (the first such calculation being as at 31 July 2014) and report such calculation to the Board.

The Board will approve each Net Asset Value calculation. These calculations will be reported monthly to Shareholders and reconciled in the Company's annual report. The Net Asset Value will also be announced as soon as possible on a Regulatory Information Service, by publication on the Company's website, www.sqnassettefinance.com, and on www.londonstockexchange.com. The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure the confidentiality of that information.

The Board may determine that the Company shall temporarily suspend the publication of the Net Asset Value per Ordinary Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not currently envisage any circumstances in which valuations will be suspended.

8 Meetings, accounts and reports to Shareholders

The Company is committed to providing as much information to Shareholders as the Directors consider appropriate.

It is intended that the annual general meetings of the Company be held in November of each year. The annual general meeting of the Company will be held in Guernsey or such other place (not being in the U.K.) as may be determined by the Board of Directors. Notices convening the annual general meetings in each year will be sent to Shareholders at their registered address or given by advertisement not later than 14 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere.

The first accounting period of the Company will run until 30 June 2015 and accounting periods will end on 30 June each year. It is expected that the audited annual accounts will be published within 4 months of the year end to which they relate. Unaudited half-yearly reports, made up to 31 December each year, will be published within 2 months thereof. The audited annual accounts and half-yearly reports will also be available at the registered office of the Company and the Administrator and on the Company's website. The Company has adopted International Financial Reporting Standards.

9 Taxation

Further details of the taxation of the Company and a general guide to certain tax issues relating to the holding or disposing of Ordinary Shares for Shareholders who are resident (and, in the case of individuals, domiciled) in the U.K. is set out in Part 10 of this document and your attention is drawn to this section. The statements in that section are intended as a general, non-exhaustive summary and do not constitute tax advice. Prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the U.K. are strongly advised to consult their professional advisers immediately.

10 Further information

Prospective investors should read the whole of this document, which provides additional information on the Company, the Initial Placing and Offer and the Placing Programme, and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to the section headed "**Risk Factors**" in which a summary of the risk factors relating to an investment in the Company, and to Part 9 of this document, which contains further additional information on the Company.

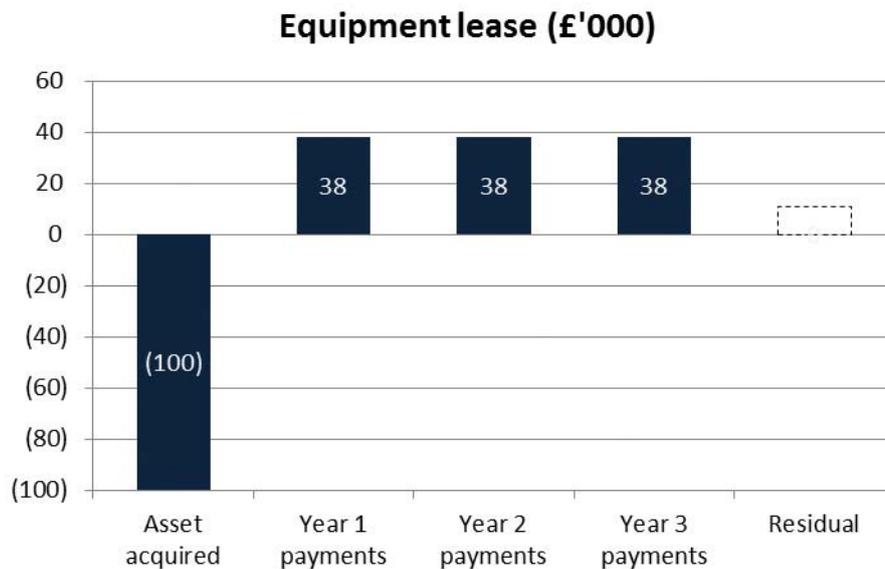
PART 2

EQUIPMENT LEASE INVESTING AND MARKET OVERVIEW

1 Equipment lease investing

An investor in equipment leasing will typically acquire an asset which it will lease to another entity in exchange for regular lease payments. At the end of the term of the lease the investor retains ownership of the asset unless, under the terms of the lease, the ownership passes to the end-user. In some finance leases where the lessor retains ownership of the asset after the expiry or early termination of the lease, the lessor will share with the lessee in agreed proportions any sale proceeds following a sale of the asset. The lease payments comprise income and partial capital repayments that provide the Company with cashflow for distributions and capital reinvestment.

The chart below provides an example of the cashflows for a typical equipment lease. In this example the regular cashflow generates a gross IRR of 9.7 per cent., assuming monthly cashflow in advance, excluding any residual value upside.



There are typically two types of leases: finance (cashflow) leases and operating leases. The lease payments under a finance (cashflow) lease will equal 100 per cent. of the capital plus the interest payable over the term of the lease (excluding any residual value). Under an operating lease, the lease payments in themselves will not equal 100 per cent. of the invested capital plus interest and, therefore, will require some portion of the residual value to meet the return expectations. Whilst many will, it is important to note that not all of the investments made by the Company will have both cashflow and residual upside opportunity.

Companies tend to lease for a number of reasons, including:

- Easiest way to acquire an asset – lease finance often presents the quickest form of capital asset acquisition. Corporations are often managed on a divisional basis and significant capital spending requirements can often take prolonged periods of time to be approved. As such, corporations often utilise lease financing in order to obtain use of an asset quickly.
- Flexibility – Lease financing provides flexibility to the lessee to return the asset at the end of the lease when it is no longer required.
- Cashflow management – the capital investment required to acquire equipment directly often means that corporations prefer to utilise lease finance as a means of spreading the capital outlay over multiple financial reporting periods.
- Pass through ability – lease payments represent a cost which can often be passed on to another party and hence can improve the profitability of the lessee.
- Borrowings – some corporations have restrictions on the amount of borrowings they can have through their general corporate loan facilities and lease finance is not always caught by these restrictions.

The lease investment market can be divided into three main segments:

- high volume, low margin commoditised goods;
- large asset leasing; and
- specialist leasing.

High volume, low margin leasing includes cars, photocopiers and printers and is typically avoided by the Investment Managers as it tends to be prone to commercial credit business cycles. It is highly competitive and does not produce a high level of return.

Large asset leasing includes aircraft and oil rigs and is generally undertaken by specialist funds and large institutions. With large asset leasing, returns tend to be heavily reliant on the residual value of the assets and hence, in the view of the Investment Managers, tend to have a limited number of alternative end-users as well as high off-lease maintenance costs.

Specialist leasing is generally undertaken by specialist finance firms and is the type of leasing undertaken by the Investment Managers. The ability to understand the assets, markets and customers, along with the ability to structure the transactions to meet the clients' needs, provides, in the view of the Investment Managers, the most attractive risk adjusted returns. Specialist lease investing provides for cashflow during the initial lease term and is therefore less reliant on the residual value than large asset leasing to achieve its target return. Nonetheless, some residual upside remains, allowing the Investment Managers to achieve more attractive risk adjusted returns than high volume, low margin leasing.

In the specialist leasing market, at the end of the lease term, the lease investor often retains ownership of the asset. The options to realise value from this asset include (i) lease extension; (ii) sale to the end-user; and (iii) sales in the secondary market where all or part of the sale proceeds are shared with the end-user.

The Investment Managers estimate that approximately 50 per cent. of their lease investments are extended at the end of the initial term, 40 per cent. are sold to the end-user and 10 per cent. are sold in the secondary market. Lease extensions tend to provide the highest level of overall return.

2 Market overview

Global leasing volumes in 2012 reached \$868 billion⁴ (£546 billion), which reflects growth of 11 per cent. between 2007 and 2012. Approximately 75 per cent. of global leasing volume in 2012 was in North America and Europe with the U.K. market achieving volumes of \$61.7 billion (£38.5 billion). In the U.K. in 2012, approximately 24 per cent.⁵ of all plant and equipment sales were leased.

Rank by volume	Region	2012 Annual volume (US\$bn)	Percentage of world market volume 2012 (%)
1	N America	336.4	38.8
2	Europe	314.0	36.2
3	Asia	180.2	20.8
4	Aus/NZ	16.1	1.9
6	S America	13.2	1.5
5	Africa	8.2	0.9
	Total	868.0	

Source: 2014 White Clarke Global Leasing Report

Leasing as a form of investment in the specialist segment in which the Company proposes to invest tends, in the Investment Managers' opinion, to be non-cyclical. During times of strong growth and economic expansion, businesses can be expected to acquire more capital assets as they expand and grow and leasing volumes tend to increase. Similarly, during downturns, capital asset acquisitions can be expected to decline which results in existing assets staying in place longer,

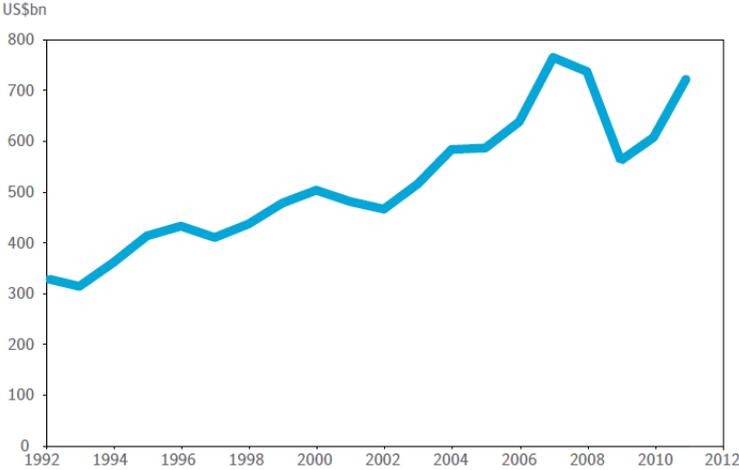
⁴ Source: 2014 White Clarke Global Leasing Report.

⁵ Source: 2014 White Clarke Global Leasing Report.

generating higher returns on the residual value at the end of the lease term. In periods of low interest rates, leasing companies can sell receivables at lower rates providing capital for reinvestment and increasing overall returns. In periods of rising interest rates, new leases are written at higher rates keeping relative margins the same.

This through-the-cycle behaviour results in an asset class that, whilst not immune to the wider market environment, has defensive characteristics with global leasing volumes rising from in excess of \$550 billion in 2009 to \$868 billion in 2012. This also results in low levels of correlation with equity markets.

Global leasing volumes



Source: 2014 White Clarke Global Leasing Report

Over the last few years, the market has, in the Investment Managers’ experience, seen a decreasing level of competition with European banks, such as KBC Bank and ING Leasing exiting the market, largely as a result of capital constraints and regulatory pressures. Similarly, national and regional banks in the United States are being driven out by the FDIC and changes in banking regulations. Whilst the Investment Managers have seen the number of traditional participants diminishing, economic growth is picking up in both the United Kingdom and the United States with particular strength in asset-intensive sectors such as manufacturing which rely heavily on lease financing.

With a focus on transactions below £20 million and without the cumbersome restrictions and the boilerplate underwriting process associated with banks, the Investment Managers believe that the Company is positioned to capitalise on opportunities too small for “big ticket” investment banks and too specialist for “high street” banks.

PART 3

THE INVESTMENT MANAGER, THE SUB-INVESTMENT MANAGER AND THE U.K. INVESTMENT MANAGER

1 The Investment Manager, the Sub-Investment Manager and the U.K. Investment Manager

1.1 Introduction

The Investment Manager

The Company has appointed the Investment Manager to manage its portfolio in accordance with the Investment Management Agreement, which is summarised in paragraph 14.2 of Part 9 of this document.

The Investment Manager is a Delaware limited liability company formed on 3 December 2007 with registered number 4466472. Its registered office is situated at 110 William Street, 26th Floor, New York, New York 10038. The Investment Manager is a Registered Investment Advisor with the United States Securities and Exchange Commission (CRD # 158704) and the parent company of SQN Securities, LLC, an SEC and FINRA registered broker/dealer (CRD # 153322).

Jeremiah Silkowski, a director of the Investment Manager, is the person responsible for providing management services to the Company. Further details of Jeremiah Silkowski are set out in paragraph 1.2 below.

The Investment Manager will have day to day responsibility for managing the Company's portfolio, subject to the overall supervision of the Board. The Investment Manager will be responsible for sourcing and managing the Company's investments as more particularly described in paragraph 3 entitled "Investment process" below.

The Sub-Investment Manager

The Sub-Investment Manager is a limited liability company incorporated in England and Wales on 2 March 1992 with registered number 2692408. Its registered office is situated at Melita House, 124 Bridge Road, Chertsey, Surrey KT16 8LA. The Sub-Investment Manager is not regulated in the United Kingdom.

Neil Roberts, a director of the Sub-Investment Manager, is the person responsible for providing management services to the Investment Manager. Further details of Neil Roberts are set out in paragraph 1.2 below.

Pursuant to an agreement originally dated 28 June 2011 and amended and restated on 16 June 2014, the Investment Manager has delegated the performance of certain of its management functions to the Sub-Investment Manager. The Company is not a party to this agreement and the Investment Manager remains liable for the acts and omissions of the Sub-Investment Manager as if they were its own under the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager is required to procure that the Sub-Investment Manager complies with all instructions from the Board, the Company's investment policy and restrictions, the provisions of this document and all applicable laws, rules and regulations. The fees of the Sub-Investment Manager are payable by the Investment Manager and not by the Company, although the Company may, in certain circumstances, pay the Sub-Investment Manager's properly incurred expenses for activities undertaken on behalf of the Company.

The Investment Manager has indicated that it intends to acquire the operations of the Sub-Investment Manager after First Admission. It intends to do this by acquiring the staff and infrastructure into a wholly-owned subsidiary of it which is called SQN Capital Management (UK) Limited. Once that transfer has completed to the satisfaction of the Board, SQN Capital Management (UK) Limited shall become the U.K. Investment Manager to the Company pursuant to the terms of the Investment Management Agreement, to which the U.K. Investment Manager is already a party. At that point, it is intended that the Delegation Agreement will terminate. It is expected that the transfer of the operations of the Sub-Investment Manager will take place within six months of First Admission, however there can be no certainty that it will occur in this timeframe or at all.

The U.K. Investment Manager

The U.K. Investment Manager is a newly incorporated limited liability company incorporated in England and Wales on 12 May 2014 with registered number 9033846. Its registered office is situated at Melita House, 125 Bridge Road, Chertsey, Surrey KT16 8LH. The directors of the U.K. Investment Manager are Jeremiah Silkowski and Neil Roberts, referred to in paragraph 1.2 below. The U.K. Investment Manager is not regulated in the United Kingdom.

The Investment Management Agreement provides for the appointment of SQN Capital Management (UK) Limited to be appointed as the U.K. Investment Manager once the operations of the Sub-Investment Manager have transferred to the U.K. Investment Manager to the satisfaction of the Board.

1.2 History and fund managers

The Investment Manager is an independent asset manager and registered investment advisor to institutional investors. Headquartered in New York City and specialising in alternative asset management, the Investment Manager provides investment advisory and portfolio management services to three private offerings and two public direct participation programs, as well as managing institutional accounts for insurance companies, all of which are based in the United States. As at 31 March 2014, the Investment Manager had assets under advisement of approximately \$600 million. The Investment Manager's investment strategy is focused on business-essential, revenue-producing or cost-saving assets. Historically, the Investment Manager has invested in the Agricultural, Energy, Environmental, Medical, Manufacturing, Technology, and Transportation industries.

The Sub-Investment Manager is a privately-owned company formed in 1991 specialising in operating leasing and asset finance. Its customers include some of the largest corporations and public sector bodies in the U.K. As at 31 May 2014, the Sub-Investment Manager had assets under management of approximately £80 million. The Investment Manager and the Sub-Investment Manager have been working together since 2007.

Together, the Investment Manager and the Sub-Investment Manager have a team of 17 professionals. The principals of the Investment Manager and the Sub-Investment Manager are experienced in structuring asset-based financing both domestically and internationally with a particular focus on the United States and the United Kingdom, having undertaken over \$1 billion in leasing transactions over the course of their respective careers. The principals at the Investment Manager and the Sub-Investment Manager are Jeremiah Silkowski and Neil Roberts.

Jeremiah Silkowski

Jeremiah Silkowski formed SQN Capital Corporation in 2005 to provide asset-backed and equipment-based financing to underserved sectors of the market with a focus on business-essential assets and equipment. In 2007, Jeremiah formed the Investment Manager as a joint venture and serves as President and Chief Executive Officer. Since then, the Investment Manager has grown to manage a number of public and private funds under the SQN Alternative Investment Funds umbrella which are designed specifically to bring collateralised, non-correlated investments to the registered investment advisor and private wealth management community. Jeremiah is also responsible for the formation of SQN Realty Finance, LLC which focused on direct investments in commercial real estate in the Southwest of the United States and the SQN Special Opportunity Fund which is focused on providing financing for modular accommodations and panelised building systems throughout the world. Under SQN's SEC Registered Investment Advisor, Jeremiah is also responsible for its growth into separate account management for insurance companies throughout the United States. Jeremiah also serves as President and Chief Executive Officer of the SEC Registered and FINRA Member broker/dealer, SQN Securities, LLC. Prior to SQN Capital Corporation, Jeremiah spent thirteen years with one of the largest independent privately-held equipment finance companies in the United States, most recently, as Senior Vice President of Operations.

Jeremiah holds Series 7, 24, and 63 licenses and graduated from New York University with a degree in Economics.

Neil Roberts

Since 1972 Neil has held senior positions within the banking and asset finance industry in the U.K. and has international experience in Italy, Germany and the United States. Prior to founding the Sub-Investment Manager, Neil held Managing Directorships of three international finance companies owned respectively by Chemical Bank of New York (now J.P. Morgan Chase), HSBC and, latterly, Kleinwort Benson. Neil joined The Summit Group in 1991 to consolidate its leasing and asset finance activities and built a specialised finance and managed equipment services group. Neil co-founded the Sub-Investment Manager in 2007.

2 Investment strategy

The Investment Managers will undertake both credit analysis and asset due diligence prior to making an investment as set out in the paragraph entitled “Investment process” below. Whilst the credit analysis forms a significant part of the process, the investment strategy is based around the thesis of being both a credit and an asset investor.

The Investment Managers will seek to target assets that meet a number of the following attributes:

- Business essential – assets that are core to the operations of an enterprise and are key to the ongoing success of the business.
- Revenue producing or cost saving – assets that are used for generating revenue or saving costs that are considered by the Investment Managers to be in demand on an ongoing basis and more likely to be renewed.
- High in-place value – assets that have a high level of costs associated with replacing them in terms of time, money, and logistics and where the continued use of the existing assets present a more viable alternative than replacing them.
- Long economic life – assets with an economic life longer than the investment term ensuring that the assets or equipment still has utility beyond the investment term.
- Active secondary markets – assets that have established secondary markets with multiple participants that can be sold into the market without material modification in a relatively predictable time frame and pricing level.
- Multiple industry applications – assets which can be used in more than one capacity or industry such as containers or point of sale equipment.
- Multiple level of security – investments that include multiple forms of credit enhancement, support, or collateral including guarantees, business interruption insurance, step-in agreements, vendor or manufacturer buy-backs, pledge agreements and multiple exits strategies, among others.

The Investment Managers believe that avoiding certain types of assets is as important as considering the positive attributes of the assets to acquire. Importantly, the Investment Managers will seek to avoid assets that are:

- Low margin / high volume – asset classes that have become commoditised, such as cars or photocopiers which are regularly financed at high volumes by captive finance companies at very low interest rates.
- Tied to cyclical markets – the Investment Managers will seek to avoid assets tied to certain cyclical markets as this minimises the risk of not being able to generate upside value from the residual value.
- Subject to technological obsolescence – assets that are subject to frequent and rapid technological innovation that results in newer generations of the same assets being less expensive and more efficient, thereby reducing the residual value of the older generation of assets.
- Highly regulated assets – assets that are highly regulated, such as gaming equipment, that can rapidly lose value based on changes in laws or licencing requirements.

The Investment Managers will seek to acquire investments and/or enter into lease arrangements that are “hell or high water” (requiring the rent to be paid regardless of the circumstances) and triple-net leases or similar contracts, that require the lessee or other counterparty to bear all tax, maintenance, insurance, and other costs related to the lease or the operation of the underlying

asset(s) which will require, among other things, that the end-user carries insurance covering all insurable damage that could occur to the assets, including total loss insurance.

The Investment Managers will target transaction sizes below £20 million but, generally, the average transaction size is expected to be £3 million to £6 million. In doing so, the Company will, in the Investment Managers' opinion, be operating in areas with limited competition.

The investment focus will be on specific industries and asset types where the Investment Managers have extensive expertise and a deep and well-developed sales and remarketing network. This includes, but is not limited to, the following industries and asset types:

Industry	Asset type (examples)
Agriculture	Intermediate bulk containers, processing equipment, anaerobic digestion plants
Energy	Wind turbines, combined heat and power (CHP), hydroelectric turbines
Environmental	Waste management / processing equipment
Material Handling	Forklifts, packaging equipment
Medical	Radiotherapy & radiosurgery equipment, magnetic resonance imagery
Manufacturing	Machine tools, production line facilities
Technology	Information technology and communications infrastructure
Transportation	Marine vessels, trailers, ground support equipment

The Investment Managers may also identify other assets or industries that meet the Company's investment objectives.

The Company will generally make investments in the United Kingdom and the United States but may also make investments in other countries, regions, or jurisdictions where the Investment Managers believe they can adequately secure the Company's interest in assets and equipment whilst achieving an appropriate risk-adjusted return consistent with the rest of the Company's portfolio.

3 Investment process

The Investment Managers undertake a multi-faceted approach to analysing investment opportunities which includes a traditional credit underwriting, a thorough analysis of the underlying equipment and assets (including the primary and secondary markets for the equipment and the industries in which it is utilised), an assessment of the intended use, the in-place value and the structural and organisational environment in which the assets or equipment will be used. The key components of the investment process are: (i) sourcing; (ii) due diligence; (iii) structure and investing; (iv) ongoing management; and (v) residual management.

3.1 Sourcing

In addition to a direct sales force, the Investment Managers have extensive relationships across the United Kingdom and the United States as well as some strategic relationships in other regions with equipment vendors, manufacturers, intermediaries, banks, other finance and leasing companies, and customers, all of which provide referrals of investment opportunities.

In addition, the Investment Managers have access to portfolios of assets subject to existing leases, principally from international banks and investment banks, other leasing companies, regional and national commercial banks, and captive finance companies of large manufacturers.

3.2 Due diligence

The due diligence is considered at four levels: (i) customer market position; (ii) asset value to lessees and secondary market; (iii) lessee credit position; and (iv) assessment of the residual valuation.

The Investment Managers will seek to eliminate investments to customers with a weak market position. In seeking to invest in clients with a strong market position the Investment Managers can have comfort that the asset will be in use throughout the economic cycle.

The value of the asset to the lessee will be determined by a review of the client's business procedures and processes and an understanding of the need for the particular asset within the business.

The Investment Managers will undertake a full credit analysis of the lessee. This will include analysis of historic audited financial information, recent unaudited financial information, budget or forecast data, a review of existing credit arrangements and a review of recent lease arrangements. This may also include background checks on the principals as well as obtaining third party reports on the potential counterparty.

In assessing the residual value, the Investment Managers will consider the value to the end-user and the value in the secondary market. The Investment Managers will generally seek to structure the transaction to maximise the opportunity for a lease extension or an in-place sale; however, the Investment Managers will also undertake a full analysis of the value of the equipment in the secondary market in the event that the asset or equipment is returned at the end of the investment term. The residual value assessments will include information from a number of sources, including: secondary market publications; interviews with manufacturers and used equipment dealers; auction sales guides; historical sales data; industry organisations; valuation companies; ongoing communications with the end-users; and the prior experience of the Investment Managers' management as to the propensity to re-lease the asset or for it to be sold in place.

Residual management is discussed in more detail in paragraph 3.5 below.

3.3 Structure and investing

The Investment Managers intend to structure leases for optimal security by transferring the risk of owning the asset to the lessee whilst retaining actual ownership or ongoing economic interest beyond the life of the lease. Differing clients and industries have different requirements as to how lease arrangements are structured but the Investment Managers have the ability and flexibility to meet the client's needs whilst ensuring the appropriate levels of protections for the Company.

All transactions will require the approval of the investment committee of the Investment Manager. Jeremiah Silkowski and Neil Roberts will maintain ultimate investment discretion and will have to be in agreement on all transactions.

It is intended that all customers will be visited, at least once, at their premises either prior to the first drawdown or by way of asset inspection before funding.

3.4 Ongoing management

The Investment Managers will undertake ongoing monitoring of each lessee. After the first anniversary of the funding of a transaction or the production of the final accounts of the lessee, whichever is the later, a review of its or any guarantor's creditworthiness will be undertaken. For transactions of three years or less, one such review will be undertaken and, for transactions of a longer duration, a review will be undertaken on the second anniversary. The review summary will recommend if any further reviews should be undertaken. Transactions that become delinquent in their payment of rentals to the Company for more than 30 days will be subject to a formal review. Reviews notwithstanding, all customers and credits will be continuously monitored by way of press tracking and industry intelligence.

3.5 Residual management

One of the main tenets of the investment strategy is to write original term lease contracts for a period less than the economic useful life of the asset. The result of this approach leads to a higher probability that the asset will stay in place at the end of the initial term. The asset is said to have "high in-place value". As part of the same strategy, when possible, the Investment Managers set original terms against other factors of the end-user's business. Some of the ways that the Investment Managers realise residual value are:

- Automatic billing extension – the lease documentation will require the lessee to provide notice before the lease matures in order to arrange for disposition of the asset. If the lessee does not provide this notice, then they will automatically be billed for continued use until proper notice is delivered.

- Re-leasing to lessee – the Investment Managers anticipate that a significant amount of the Company’s assets will be re-leased to the current lessee at the end of the initial lease term.
- Sold in place to lessee – the Investment Managers anticipate that they will sell certain assets in place to the original lessee at the end of its lease, re-lease or automatic billing extension period.
- Resale market – on a limited basis, assets that are not sold in place to the lessee at the end of its lease, re-lease or automatic billing extension period will be sold to either the original vendor, a variety of used equipment dealers or other end-users.

The Investment Managers believe successful realisation of residual values at the end of a lease term depends, as discussed above, on an accurate residual value assessment at the beginning of a lease.

4 Track record

The table below sets out the track record since inception on individual completed transactions within funds managed by the Investment Manager (the “SQN Funds”). It should not be construed, and is not an indication of, the actual returns that may be achieved by those funds.

Fund	Launched	Unaudited return on completed transactions*
SQN Fund I	2008	19.4%
SQN Fund II	2009	15.0%
SQN Fund III	2011	16.4%

* The unaudited return indicated above for each fund has been calculated as the weighted (by purchase price) average of the internal rates of return (“IRRs”) of the individual completed transactions that make up each of the SQN Funds, where:

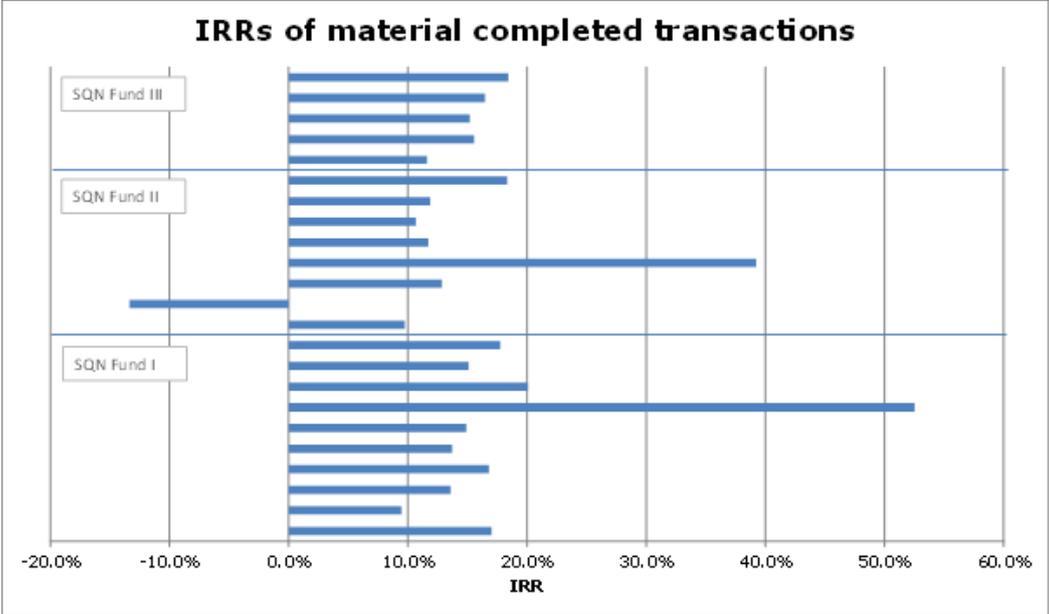
- completed transactions include all transactions that are complete and for which no further cashflows are due, or anticipated to be due, to the SQN Funds; and
- the IRR for each completed transaction is a cashflow IRR and is calculated based on the amount of cash received, or paid, by the SQN Funds in respect that transaction and the dates on which those payments were recorded.

The table below sets out a breakdown of all material⁶ completed transactions within SQN Fund I, SQN Fund II and SQN Fund III.

Acquisition Date	SQN Fund	Equipment Type	Asset Category	IRR
Feb 2008	I	IT Infrastructure	Technological	17.0%
Feb 2008	I	Modular Accommodations	Modular Buildings	9.5%
Mar 2008	I	Modular Accommodations	Modular Buildings	13.6%
May 2008	I	Furniture and Fixtures	Infrastructure	16.8%
May 2008	I	IT Infrastructure	Technological	13.7%
Jun 2008	I	IT Infrastructure	Technological	14.9%
Sep 2008	I	Modular Accommodations	Modular Buildings	52.5%
Oct 2008	I	Medical Equipment	Medical	20.1%
Apr 2010	I	IT Infrastructure	Technological	15.1%
Oct 2010	I	Medical Equipment	Medical	17.8%
Jun 2009	II	IT Infrastructure	Technological	9.7%
Oct 2009	II	Furniture and Fixtures	Infrastructure	-13.3%
Dec 2009	II	Furniture and Fixtures	Infrastructure	12.9%
May 2010	II	Containers	Agricultural	39.2%
Sep 2010	II	IT Infrastructure	Technological	11.7%
Dec 2010	II	IT Infrastructure	Technological	10.7%
Mar 2011	II	Furniture and Fixtures	Infrastructure	11.9%
Aug 2011	II	Hydro Electric Generation Plant	Energy	18.3%
Dec 2011	III	Entertainment and Leisure	Technological	11.6%
Mar 2012	III	Containers	Agricultural	15.6%
Jun 2012	III	Entertainment and Leisure	Technological	15.2%
Aug 2012	III	Entertainment and Leisure	Technological	16.5%
May 2013	III	Modular Accommodations	Modular Buildings	18.4%

⁶ Having purchase prices in excess of \$150,000

The chart below shows the IRRs for these completed transactions.



The information in this section headed "Track record" of this Part 3 has been provided by the Investment Manager.

PART 4

INITIAL PORTFOLIO AND PIPELINE ASSETS

1 The Asset Pool

The Company intends to invest at least 75 per cent. of the Net Issue Proceeds in an initial portfolio up to a maximum of £82.5 million (the “**Initial Portfolio**”). The Investment Managers have identified a portfolio of assets with an estimated transaction value of £82.5 million⁷ (the “**Asset Pool**”) from which the Investment Managers intend to identify the Initial Portfolio for acquisition by the Company shortly following First Admission. The Asset Pool is comprised of (i) assets held or intended to be held in existing funds managed by the Investment Manager and assets owned by the Investment Managers (the “**SQN Portfolio**”); (ii) seasoned portfolios of mature assets over which the Investment Managers have agreed indicative terms or which are held by existing funds managed by the Investment Manager (the “**Seasoned Portfolio**”); and (iii) investment opportunities over which the Investment Managers have agreed or proposed terms and, subject to agreement and documentation, the Investment Managers have indicated they will make available for acquisition by the Company (the “**Optional Portfolio**”).

1.1 SQN Portfolio

The SQN Portfolio is valued at £7.2 million as at 16 June 2014 (being the date of this document) and includes seven leases. This valuation, which has not been audited, has been sourced from a valuation report prepared by GoIndustry (UK) Limited as at 16 June 2014 on behalf of the Company, which is set out in Part 5 of this document.

This valuation will be updated, and reviewed by GoIndustry (UK) Limited, at the time of completion of the acquisition of any assets in the SQN Portfolio, to reflect the cashflow movements in the portfolio and value change over time.

The average lease length of the assets in the SQN Portfolio is 4.1 years with an average valuation of £1.03 million. 94.6 per cent. of the SQN Portfolio is denominated in Sterling and 5.4 per cent. is denominated in U.S. Dollars.

1.2 Seasoned Portfolio

The Seasoned Portfolio has a total transaction value, estimated by the Investment Manager, of £24.6 million, reflecting an approximate transaction value on the basis of discounted estimated future cashflows and residual values anticipated on the portfolio. It includes over 200 assets and has an estimated average lease length of 2.2 years and an average estimated value of approximately £100,000. The Seasoned Portfolio is denominated in US Dollars.

1.3 Optional Portfolio

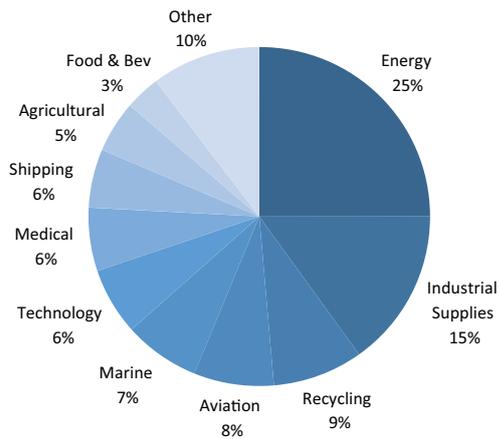
The Optional Portfolio has a total transaction value of approximately £50.7 million and includes 12 assets, being the aggregate of the agreed or proposed transaction value. The average lease length is 6.0 years with an average valuation of £4.2 million. 48.1 per cent. of the Optional Portfolio is denominated in Sterling, 41.5 per cent. is denominated in U.S. Dollars and 10.4 per cent. is denominated in Euros.

In total, the Asset Pool comprises over 250 leases across 22 industries with lease lengths ranging from very short term up to 10 years with an average lease length of 4.7 years. 55.7 per cent. of the Asset Pool is denominated in U.S. Dollars, 37.9 per cent. is denominated in Sterling and 6.4 per cent. is denominated in Euros. However the portfolio of the Company is expected to trend toward Sterling assets over time.

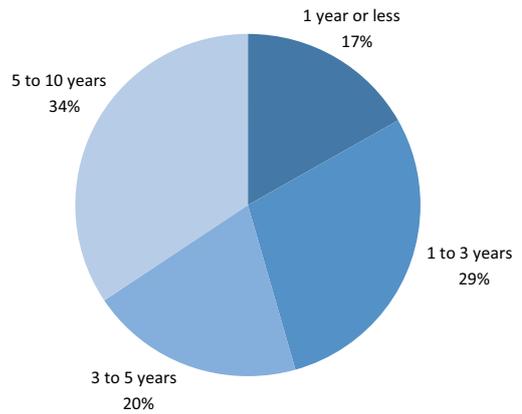
⁷ Based on the valuation of the SQN Portfolio prepared by the Valuer set out in Part 5 of this document, the estimated total value of the Seasoned Portfolio based on discounted estimated future cashflows and residual values and the estimated total value of the Optional Portfolio prepared by the Investment Managers based on indicative terms as discussed further below.

An overview of the composition of the Asset Pool is set out below:⁸

Industry

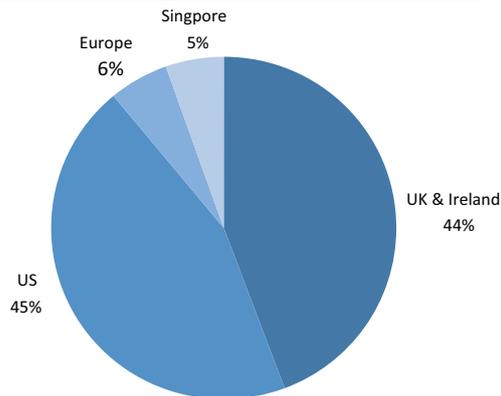


Lease length

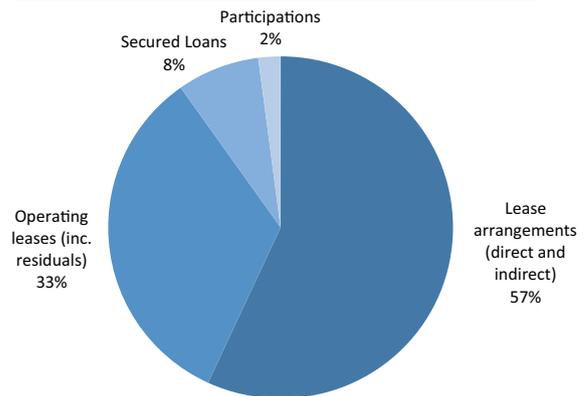


* Other includes Packaging, Logistics, Automotive, Printing, Education, Non-Profit, Grocery, Government, Pharmaceutical, Manufacturing, Defence, Publishing

Geography



Lease Type



The Initial Portfolio will not necessarily include all the assets in the Asset Pool and therefore the breakdown of the Initial Portfolio may not be entirely the same as the Asset Pool.

8 Source: Investment Managers

The table below provides an overview of the Asset Pool, including an unaudited value by asset.⁹

Asset	Lessee Description	Currency	Amount (£m)	Term (months)	Industry	Portfolio
Diverse US portfolio of forklifts, medical equipment, tractors, industrial machinery and IT assets	Predominantly US global corporations, hospitals and schools	\$	24,587,650.91	Various	Various	Seasoned
Portfolio of Panasonic tough pads and related IT equipment	\$15bn market cap global building material supplier	\$	11,911,852.29	36	Industrial Supplies	Optional
Waste effluent processing and gas to grid	Waste oil and biodiesel refiner	£	5,460,000.00	84	Recycling	Optional
Deep sea submersible remotely operated vehicle	Major oil field services company	£	5,234,687.00	60	Marine	Optional
Williams anaerobic digestion plant	Energy company supplying energy to major international aircraft and rail car manufacturer	£	5,000,000.00	120	Energy	Optional
Williams gas to grid anaerobic digestion plant	Supplier to national gas grid in conjunction with gas utility	£	5,000,000.00	120	Energy	Optional
Container ship	Shipping company in conjunction with global shipping operator	\$	4,586,063.13	60	Shipping	Optional
Semi conductor testing equipment portfolio	2 global semiconductor assembly and testing services companies	\$	4,497,041.42	12	Technology	Optional
4 Enercom 800 wind farm	Private company	€	3,658,536.59	120	Energy	Optional
Farm-based anaerobic digestion plant	Private company	£	2,078,000.00	84	Agricultural	SQN
Weltech 500 KW anaerobic digestion plant	Private company	£	1,800,000.00	84	Energy	Optional
Recycling and extrusion line for the processing of waste plastics	European waste recycling company in joint venture with major beverage company	£	1,605,000.00	37	Recycling	SQN
Hydro electric plant	Independent Northern Ireland energy producer	£	1,502,000.00	9	Energy	SQN
Vestas V52 wind turbines	Private company	€	1,626,016.26	120	Energy	Optional
EWT 500 wind turbine	Energy supplier to major international chemical company	£	1,078,846.00	84	Energy	Optional
Modular buildings	Government-backed healthcare establishment	£	800,000.00	24	Medical	Optional
Deep sea submersible remotely operated vehicle	North sea oil field services company	£	726,000.00	46	Marine	SQN
Wind turbine generator	Private company	£	501,000.00	73	Energy	SQN
IT equipment and related infrastructure	Utility service company	£	391,000.00	14	Technology	SQN
Wind turbine generator	Private company	£	434,000.00	75	Energy	SQN
Total			82,477,693.61			

Note: The assets from the SQN Portfolio are valued as at 16 June 2014 on the basis of an independent valuation from GoIndustry (UK) Limited. The value of the Seasoned Portfolio and assets from the Optional Portfolio are based on an indicative transaction values.

2 Initial Portfolio

Following First Admission, the Company intends to invest at least 75 per cent. of the Net Issue Proceeds in the Initial Portfolio which, as set out above, the Investment Managers expect to identify from the Asset Pool. It is therefore capped at £82.5 million, being the estimated total value of the Asset Pool, based on the valuation of the SQN Portfolio prepared by the Valuer, the estimated total value of the Seasoned Portfolio based on discounted estimated future cashflows and residual values and the estimated total value of the Optional Portfolio prepared by the Investment Managers based on the indicative terms. The Company will retain at least 10 per cent. of the Net Issue Proceeds for pipeline investments.

The assets to be included in the Initial Portfolio from the SQN Portfolio, the Seasoned Portfolio and the Optional Portfolio will be proposed by the Investment Managers shortly following First Admission, taking into account the Net Issue Proceeds, the overall portfolio mix and having regard to the interests of the Company. Any such proposal will be subject to the approval of the Board.

The Investment Managers have the right to propose that, prior to the Company acquiring the assets that form the Initial Portfolio, assets in the Asset Pool be substituted for assets of comparable quality in the Company's pipeline of investments that, as at the date of this document, were not sufficiently advanced to be considered part of the Optional Portfolio. The Board may accept such substitutions if it is in the best interests of Shareholders as a whole, but has no obligation to do so.

3 Pipeline investments

In addition to the Asset Pool, the Investment Managers have a strong pipeline. They are currently undertaking due diligence in respect of a number of assets and are engaged in discussions regarding a number of further opportunities on which they anticipate they will commence due diligence in due course. Furthermore, through the Investment Managers' relationships with clients and manufacturers, they have confidence that the Net Issue Proceeds will be substantially invested within three to six months of First Admission.

⁹ Source: Investment Managers

PART 5

VALUATION REPORT



GoIndustry (UK) Ltd
1st Floor
1 Alie Street
London, E1 8DE
UK

Tel: +44 (0) 207 098 3700
Fax: +44 (0) 207 098 3795

www.go-dove.com

SQN Asset Finance Income Fund Limited
BNP Paribas House
St. Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
United Kingdom

16 June 2014

Dear Sirs

Valuation Report on the SQN Portfolio

We are writing to provide to SQN Asset Finance Income Fund Limited (the "Company") and to Winterflood Securities Limited ("Winterflood"), acting as sponsor on the transaction, our opinion (the "Valuation Opinion") of the Fair Market Value of the underlying assets (the "Valuation") to be acquired from existing funds managed by SQN Capital Management LLC (the "Investment Manager") in a portfolio (the "SQN Portfolio"). The SQN Portfolio is described on page 49 of the prospectus issued by the Company dated 16 June 2014 (the "Prospectus").

Purpose

Our opinion of value has been provided to the Company and Winterflood in connection with the proposed acquisition of the SQN Portfolio by the Company or its subsidiaries (the "Acquisition"), and the subsequent application for the Company's ordinary shares to be admitted to the Official List of the Financial Conduct Authority (acting in its capacity as a competent authority for listing in the UK pursuant to Part VI of the Financial Services and Markets Act 2000 of the United Kingdom, as amended) and to trading on the London Stock Exchange's main market for listed securities.

In providing the valuation opinion, we are not making any recommendations to any person regarding the Prospectus as a whole or in part and are not expressing an opinion on the fairness of the terms of the Acquisition or the terms of any investment in the Company.

Responsibility

Save for any responsibility we may have to those persons to whom this report is expressly addressed and save for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent therein provided, to the fullest extent permitted by law we do

not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Commission Regulation (EC) No 809/2004 ("PD Regulation").

Valuation basis and valuation assumptions

This report sets out our opinion on a Fair Market Value of assets in the SQN Portfolio in connection with the acquisition, which is expected to take place shortly following admission. Fair Market Value is defined as "a value expressed in terms of money, that may be reasonably expected for a property in an exchange between a willing buyer and a willing seller, with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts, including installation, as of a specific date and assuming that the business earnings support the value reported. This amount includes all normal direct and indirect costs, such as installation and other assemblage costs to make the property fully operational".

The Valuation is necessarily based on economic, market and other conditions and the information available to us, as of 15 June 2014. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this report. Specifically it is understood that the Valuation may change as a consequence of changes to economic, market and regulatory conditions, the prospects of the asset sectors in general or in particular, or the special purpose vehicles in which the assets may be held. The Valuation may also change as a consequence of changes in the circumstances described in the risk factors set out on pages 15 to 24 of the Prospectus.

In providing this report, we have relied upon the commercial assessment of the directors of the Company (the "Directors") and the Investment Manager on a number of areas, including the markets in which the assets operate and the assumptions underlying the projected financial information which were provided by the Company and for which the Directors are wholly responsible. We have also placed reliance on the results of independent due diligence advice from the Company's legal, insurance, tax, financial and technical advisers.

The Valuation Opinion has been determined using a range of valuation methodologies as appropriate, including:

- (i) a discounted cashflow methodology, whereby the estimated future cashflows accruing to each asset and attributable to the SQN Portfolio have been discounted to 16 June 2014 (the "Valuation Date") using discount rates reflecting the risks associated with each asset and the time value of money. The Valuation is based on all estimated future cashflows projected to be received, or paid, on or after 16 June 2014.
- (ii) a cost approach where the cost of replacing an asset was estimated by reference to the historic cost of the asset, the current market price of an identical or similar asset, the age and future economic working life of the asset and any future residual value, and finally
- (iii) a market approach, where we had evidence of the sale of identical or similar assets in the open market and could compare the asset directly with the market price of same or similar assets sold or for sale in the open market.

In determining the value attached to each asset in the SQN Portfolio, we further took account of various factors, including, but not limited to, the age of the asset, the period of operation, the historical track record, secondary market values, the terms of the lease agreements and the market conditions in which the assets operate, adequate maintenance to ensure the full working life of the asset and adequate insurance to cover loss or damage under normal operations, where the SQN Portfolio is named in the appropriate insurance contract as the payee in case of loss.

Except where the due diligence findings reported to the Company has indicated otherwise or you have disclosed such circumstances to us in writing, we have made the following key assumptions in determining the valuation of the assets:

- In the case of the renewable energy assets within the SQN Portfolio, we have assumed the United Kingdom ("UK") Government Legislation and long term subsidy regime for such assets, specifically the Feed In Tariff, Renewable Energy Obligation, Levy Exemption Certificates and Renewable Energy Guarantee of Obligation payments will continue to be paid for the full guaranteed term of 20 years, that any applicable Gate Fees for the disposal of waste to Landfill and Anaerobic Digestion renewable energy installations remains for the

working life of the assets, subject to normal market forces, that the Export Tariff for electric power produced by the renewable energy assets remains at or above the current market price level and the planned and predicted energy production from these assets is achieved for the duration of the life of the assets;

- In the case of certain assets within the SQN Portfolio, where there may be 3rd party assets that are required to ensure the future earnings of the asset, we assume these 3rd party assets remain available or in place for the duration of the life of the SQN Portfolio assets;
- the financial model and data for the SQN Portfolio, which was provided by the Company for the purpose of the valuation, accurately reflects the terms of all agreements relating to each asset;
- there are no material disputes with parties in relation to each asset nor any going concern issues, credit issues, nor performance issues in regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of this report are expected to give rise to a material adverse effect on the estimated future cashflows from each asset as set out in the data provided to us;
- transaction costs associated with any acquisition have been ignored.

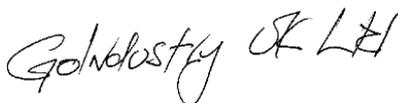
Valuation Opinion

While there is clearly a range of possible values for the SQN Portfolio and no single figure can be described as a “correct” valuation for such underlying assets, we advise the Company and the Sponsor that, based on market conditions on 15 June 2014, and on the assumptions stated above, the net present value of the lease and income receivables from the SQN Portfolio is £7.237m, supported by our opinion of a Fair Market Value of the equity interests for the SQN Portfolio of at least £8.595m.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully



GoIndustry (UK) Ltd

PART 6

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1 The Board

The Board is responsible for the determination of the Company's published investment policy as specified in this document and has overall responsibility for its activities and compliance with the Disclosure and Transparency Rules. The Directors, all of whom are non-executive and independent of the Investment Managers, are as follows:

Peter Niven, (aged 60) (Non-executive Chairman)

Peter Niven is a resident of Guernsey. He has worked in the financial services industry in the U.K., offshore and internationally for almost 40 years, 30 of those with the Lloyds Banking Group from which he retired in 2005 as the head of the Group's Offshore Banking Division.

Since then Peter has worked for the Guernsey Government and the local financial services sector, through Guernsey Finance, with the remit to develop and promote the island on the world stage as a premier international finance centre. He retired from that role in December 2012.

He now acts as a non-executive director on a broad portfolio of listed (LSE, AIM, CISE) and unlisted investment funds investing in asset classes including property, hedge funds, emerging markets and private equity with wide experience of both chairing Boards, Audit and Management Committees. He is also a director of ABTA's Guernsey captive insurance entity.

Peter is a Fellow of the Institute of Bankers, a Member of the IoD and a Chartered Director.

John Martyn Falla, (aged 52) (Non-executive Director)

John, a Guernsey resident, is a Chartered Accountant and has a BSc Hons degree in Property Valuation and Management from The City University, London. He is a Chartered Fellow of the Chartered Institute for Securities and Investment having been awarded their diploma. He is a corporate finance director with Edmond de Rothschild Securities (C.I.) Limited in Guernsey.

John joined Ernst & Whinney in London in 1984 as a trainee in the audit department and moved to the corporate finance department in 1989, becoming a senior manager before moving back to Guernsey in 1996.

On his return to Guernsey, John joined Bermuda Trust Company (Guernsey) Limited, part of the Bank of Bermuda Group as trust development manager focussing on business development as well as dealing with private trust and employee benefit fiduciary and corporate structures.

In 1998 John was part of the team that launched the Channel Islands Stock Exchange and he set up the listing department responsible for vetting applications for listing and monitoring compliance with continuing obligations. He was a member of the Market Authority of the Exchange and contributed towards the development of the listing rules of the Exchange.

In 2000 John joined LCF Edmond de Rothschild (C.I.) Limited and has provided corporate finance advice to clients including open and closed-ended investment funds, and institutions with significant property interests. John is on the board of a number of Edmond de Rothschild group operating and investment companies, and is a non-executive director of Duet Real Estate Finance Limited, a company listed on the London Stock Exchange.

Carol Patricia Goodwin, (aged 70) (Non-executive Director)

Carol Goodwin has extensive experience in the finance industry and has held senior executive positions with several European and North American banks, managing businesses in London, Toronto, Montreal, Amsterdam, Nassau and Guernsey. She was responsible for establishing and launching a new full-service bank in Holland in 1992 and, after moving to Guernsey in 1994, was instrumental in the significant expansion of Investec Bank's business and profitability during her five-year term as managing director.

Carol is currently a director of Investec Bank (Channel Islands) Limited and acts for another associated Investec company. In addition she also serves as a non-executive director for a number of other financial services entities, including a variety of listed and unlisted investment fund companies. Carol has a strong background in corporate governance and risk management.

Carol is a Fellow of the Institute of Canadian Bankers (FICB), a Trust and Estate Practitioner (TEP), a Chartered Director (C.Dir.) and a Fellow of the Institute of Directors (FloD).

Christopher Paul Spencer, (aged 63) (Non-executive Director)

Christopher Spencer, a resident of Guernsey, qualified as a chartered accountant in London in 1975. Following two years in Bermuda he moved to Guernsey. Christopher, who specialised in audit and fiduciary work, was Managing Partner/Director of Pannell Kerr Forster (Guernsey) Limited from 1990 until his retirement in May 2000. Christopher is a member of the AIC Offshore Committee, a past President of the Guernsey Society of Chartered and Certified Accountants and a past Chairman of the Guernsey Branch of the Institute of Directors. Christopher sits on the Board of Directors of Real Estate Credit Investments PCC Limited, JP Morgan Private Equity Limited, John Laing Infrastructure Fund Limited, Tamar European Industrial Fund Limited and Ruffer Investment Company Limited, each of which is listed on the London Stock Exchange.

2 Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. Insofar as the Directors believe it to be appropriate and relevant to the Company, it is their intention that the Company should comply with best practice standards for the business carried on by the Company.

On 1 January 2012, the GFSC's Finance Sector Code of Corporate Governance (the "**Code**") came into effect. The GFSC has stated in the Code that companies which report against the U.K. Corporate Governance Code or the Association of Investment Companies' Code of Corporate Governance (the "**AIC Code**") are deemed to meet the requirements of the Code, and need take no further action.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (the "**AIC Guide**"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the U.K. Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the U.K. Corporate Governance Code), will provide better information to Shareholders. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk.

It is the Board's intention to comply with the AIC Code save in respect of provisions relating to the role of chief executive, executive directors' remuneration and the internal audit function, which the Board considers are not relevant to the Company, being an externally managed investment company. In addition, the Board does not propose to appoint a senior independent director. This is not in accordance with the recommendations in principle 1 of the AIC Code but is felt to be appropriate for the size and nature of the Company.

Board committees

Audit and risk committee

The audit and risk committee will be chaired by Christopher Spencer with all the other Directors as members. The Board considers that Christopher's experience makes him suitably qualified to chair the audit and risk committee. The audit and risk committee will meet no less than twice a year and, if required, meetings can also be attended by the Investment Managers, the Administrator and the Auditors.

The audit and risk committee is responsible for reviewing the half-year and annual financial statements before their submission to the Board. In addition, the audit and risk committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the Auditors, including their remuneration, independence, objectivity and reviewing with the Auditors the results and effectiveness of the audit, and in ensuring that the Company's annual report and financial statements are fair, balanced and understandable. The audit and risk committee is also responsible for oversight and advice to the Board on the current risk exposures and future risk strategy of the Company.

Management engagement committee

The management engagement committee is chaired by Peter Niven with all other Directors as members.

Nomination and remuneration committee

The nomination and remuneration committee is chaired by Peter Niven with all other Directors as members.

3 The Investment Manager

The Investment Manager will have responsibility for managing the Company's portfolio. For its services, the Investment Manager will be entitled to a management fee at a rate equivalent to the following schedule (expressed as a percentage of NAV per annum):

- 1.0 per cent. for assets lower than or equal to £300,000,000;
- 0.9 per cent. for assets greater than £300,000,000 and lower than or equal to £500,000,000; and
- 0.8 per cent. for assets greater than £500,000,000.

The management fee is payable monthly in arrears within 14 days of each month end.

No performance fee is payable by the Company to the Investment Manager.

Pursuant to an agreement originally dated 28 June 2011 and amended and restated on 16 June 2014 between the Investment Manager and the Sub-Investment Manager, the Investment Manager has delegated the performance of certain of its management functions to the Sub-Investment Manager. The fees of the Sub-Investment Manager are payable by the Investment Manager and not by the Company, although the Company may, in certain circumstances, pay the Sub-Investment Manager's properly incurred expenses for activities undertaken on behalf of the Company.

The Investment Manager has indicated that it intends to acquire the operations of the Sub-Investment Manager after First Admission through its wholly-owned subsidiary, SQN Capital Management (UK) Limited. Once that transfer has completed to the satisfaction of the Board, SQN Capital Management (UK) Limited shall become the U.K. Investment Manager to the Company pursuant to the terms of the Investment Management Agreement, to which the U.K. Investment Manager is already a party. At such point, the fees payable to the Investment Manager shall be paid jointly to the Investment Manager and the U.K. Investment Manager and the Company will not incur any additional fees to those referred to above as a result of the U.K. Manager's appointment.

The Company may also incur transaction costs for the purposes of structuring investments for the Company. These costs form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Managers when pricing a transaction. When structuring services are provided by the Investment Managers or an affiliate of them, they shall be entitled to charge an additional fee equal to up to one per cent. of the costs to the Company (ignoring gearing and transaction expenses) of acquiring each investment. This cost will not be charged in respect of assets acquired from the Investment Managers, the funds they manage or where they or their affiliates do not provide such structuring advice.

The Investment Managers have agreed to bear all the broken and abortive transaction costs and expenses incurred on behalf of the Company. Accordingly, the Company has agreed that the Investment Managers may retain any commitment commissions charged in respect of acquiring assets on behalf of the Company save that if such commission on any transaction was to exceed one per cent. of the transaction value, the excess would be paid to the Company.

4 The Administrator and Custodian

The Company has appointed BNP Paribas Securities Services, S.C.A., Guernsey Branch to act as its administrator, company secretary and custodian pursuant to an administration and custody agreement entered into between it and the Administrator. The Administrator is responsible for providing general fund administration services (including calculation of the monthly NAV) and accounts preparation services as well as providing company secretarial and custody services to the Company.

The Company will invest, directly or indirectly, in equipment and other physical assets. Where investment is made indirectly, for example through special purpose vehicles, the Administrator, in its capacity as custodian, will provide safekeeping services in respect of such certificates and other documents as may represent investments in accordance with the Company's investment policy.

5 The Registrar

The Company has appointed Capita Asset Services to act as the Company's registrar pursuant to the Registrar Agreement between the Company and the Registrar. The Registrar is responsible for providing registration services to the Company and maintaining the necessary books and records (such as the Company's register of Shareholders).

Further details of the agreements between the Company and the Administrator, Custodian and Registrar are set out in paragraph 14 of Part 9 of this document.

6 Material relationships; conflicts of interest

Conflicts of interest may arise between the Company, the Directors, the Investment Managers, and certain of the directors, members and officers of each. These relationships are described below:

- 6.1 None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his/her private interests and/or any other duties.
- 6.2 The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest. Further details of the Investment Manager's conflicts of interest policy is set out on pages 20 to 21 in the section entitled "Risk Factors".
- 6.3 Certain of the assets in the Initial Portfolio to be purchased by the Company shortly after First Admission will be purchased from other funds managed by the Investment Manager and from the Investment Managers. Such assets will be proposed by the Investment Managers, subject to the approval of the Board and will be purchased on arm's length terms.
- 6.4 In addition, the Sub-Investment Manager (of which Neil Roberts is a director and shareholder) holds 75 per cent. of the issued share capital of South East Power Engineering Limited which, itself, holds 80 per cent. of the issued share capital of Sion Hydro Limited, a lessee of a hydro-electric plant in the SQN Portfolio. Neil Roberts is also a director of Sion Hydro Limited.
- 6.5 The Directors have satisfied themselves that each of the Investment Managers have procedures in place to address potential conflicts of interest and that, where a conflict arises, each of the Investment Managers will allocate the opportunity on a fair basis.

Save as disclosed above, there are no potential or actual conflicts of interest between any duties owed to the Company by the Directors or any of the directors of the Investment Managers or any of the directors of the Company and their private interests or other duties.

7 Fees and expenses of the Company following Admission

Ongoing operational expenses will include fees payable under the arrangements with the Investment Management Agreement, the Administration Agreement, the Registrar Agreement, Directors' fees and expenses, audit costs, the Company's broker, expenses of publishing reports, notices and proxy materials to Shareholders, expenses of convening and holding meetings of Shareholders, costs of preparing, printing and/or filing all reports and other documents relating to the Company, expenses of making any capital distributions, insurance premia in respect of directors' and officers' liability insurance for members of the Board, fees of the Commission, London Stock Exchange fees and associated fees of Admission. On the basis that the Initial Placing and Offer is fully subscribed, it is estimated that these costs will be approximately equal to 1.36 per cent. of the Net Asset Value in the first year.

PART 7

THE INITIAL PLACING AND OFFER

1 Introduction

The Initial Placing and Offer comprises a limited offer by the Company of up to 150 million Ordinary Shares to raise Gross Issue Proceeds of up to £150 million (Net Issue Proceeds of approximately £147 million). The Directors have determined that the Ordinary Shares will be issued at the Initial Placing and Offer Price of 100 pence per Ordinary Share.

2 The Initial Placing

In connection with the Initial Placing, the Company, the Directors, the Investment Manager, the U.K. Investment Manager, the Sub-Investment Manager and Winterflood entered into the Placing Agreement on 16 June 2014, pursuant to which Winterflood has agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares under the Initial Placing at the Initial Placing and Offer Price. A summary of the terms of the Placing Agreement is set out in paragraph 14.1 of Part 9 of this document. The Initial Placing is not being underwritten.

3 The Offer for Subscription

The Ordinary Shares are being made available under the Offer for Subscription at the Initial Placing and Offer Price, subject to the terms and conditions of application under the Offer set out in Part 12 of this document. These terms and conditions, and the Application Form attached as the Appendix to this document, should be read carefully before an application is made. The Offer will close at 1.00 p.m. on 7 July 2014 (or such later date, not being later than 31 August 2014, as the Company and Winterflood may agree). If the Offer is extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £1,000.

Completed Application Forms accompanied by a cheque or banker's draft in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours only) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, no later than 1.00 p.m. on 7 July 2014. It is expected that the results of the Initial Placing and Offer will be notified through a Regulatory Information Service on 9 July 2014. Multiple applications will not be accepted.

4 Admission

Application will be made to the U.K. Listing Authority and the London Stock Exchange for all of the Ordinary Shares being offered pursuant to the Initial Placing and Offer to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that the results of the Initial Placing and Offer will be announced through the Regulatory Information Service on 9 July 2014 and it is expected that First Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence at 8.00 a.m. on 14 July 2014.

The ISIN number of the Ordinary Shares is GG00BN56JF17, the SEDOL code of the Ordinary Shares is BN56JF1 and the ticker code of the Ordinary Shares is SQN. The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares.

5 General

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to First Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

Should the Initial Placing and Offer be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

In the event that the Ordinary Shares are oversubscribed, the Company may scale back applications made in such manner as it shall determine in its discretion (in consultation with Winterflood) and thereafter no further commitments or applications will be accepted and the Initial Placing and Offer will be closed.

Definitive certificates in respect of the Ordinary Shares in certificated form will be dispatched by post in the week commencing 21 July 2014. Temporary documents of title will not be issued.

Pursuant to anti-money laundering laws and regulations with which the Company must comply in Guernsey, the Company and its agents (and their agents) may require evidence in connection with any application for Ordinary Shares, including further identifications of the applicant(s), before any Ordinary Shares are issued.

6 Reasons for the Initial Placing and Offer and use of proceeds

Shortly after First Admission, the Company will acquire the Initial Portfolio and seek to invest the balance of the Net Issue Proceeds of the Initial Placing and Offer in accordance with the Company's investment policy. It is expected that the Net Issue Proceeds of the Initial Placing and Offer will be substantially invested within three to six months of First Admission.

The assets to be included in the Initial Portfolio from the SQN Portfolio, the Seasoned Portfolio and the Optional Portfolio will be proposed by the Investment Managers shortly following First Admission, taking into account the Net Issue Proceeds, the overall portfolio mix and having regard to the interests of the Company. Any such proposal will be subject to the approval of the Board.

The Investment Managers have the right to propose that, prior to the Company acquiring the assets that form the Initial Portfolio, assets in the Asset Pool be substituted for assets of comparable quality in the Company's pipeline of investments that, as at the date of this document, were not sufficiently advanced to be considered part of the Optional Portfolio. The Board may accept such substitutions if it is in the best interests of Shareholders as a whole, but has no obligation to do so.

7 Conditionality

The Initial Placing and Offer is conditional, *inter alia*, upon the following.

- (i) First Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 14 July 2014 (or such later time and/or date, not being later than 8.00 a.m. on 31 August 2014, as the Company and Winterflood may agree);
- (ii) the Placing Agreement becoming otherwise unconditional in all respects and not being terminated on or before 8.00 a.m. on 31 August 2014; and
- (iii) the Minimum Net Proceeds being raised.

In the event that the Company, in consultation with the Investment Manager and Winterflood, wishes to waive condition (iii) referred to above, the Company will be required to publish a supplementary prospectus.

If the above conditions are not met on or before 31 August 2014, the Initial Placing and Offer will lapse and any subscriptions received will be returned to investors without interest.

8 The Placing Agreement

The Placing Agreement contains provisions entitling Winterflood to terminate the Initial Placing and Offer (and the arrangements associated with them) at any time prior to First Admission in certain circumstances. If this right is exercised, the Initial Placing and Offer and these arrangements will lapse and any monies received in respect of the Initial Placing and Offer will be returned to applicants without interest at the applicant's risk.

The Placing Agreement provides for Winterflood to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Initial Placing and Offer. Any commissions received by Winterflood may be retained, and any Ordinary Shares subscribed for by Winterflood may be retained or dealt in by it for its own benefit.

Further details of the terms of the Placing Agreement are set out in paragraph 14.1 of Part 9 of this document.

9 Clearing and settlement relating to the Initial Placing and Offer

Payment for the Ordinary Shares in the case of the Initial Placing and Offer should be made in accordance with settlement instructions provided to placees by (or on behalf of) Winterflood or the Company.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors will apply for the Ordinary Shares to be admitted to CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear U.K. & Ireland Limited, the Registrar and the Receiving Agent (details of whom are set out on page 32).

The Company will arrange for Euroclear U.K. & Ireland Limited to be instructed on 14 July 2014 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Ordinary Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Ordinary Shares out of the CREST system following the Initial Placing and Offer should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Ordinary Shares to be issued in certificated form and is holding such Ordinary Shares outside CREST, a share certificate will be dispatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Shareholders holding definitive certificates may elect at a later date to hold such Ordinary Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

10 Overseas persons

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or in any Restricted Jurisdiction. The Ordinary Shares are only being offered and only sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading "Important Information" at the beginning of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Initial Placing and Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 8

THE PLACING PROGRAMME

1 The Placing Programme

The Company is permitted to issue up to 100 million Ordinary Shares pursuant to the Placing Programme. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time. The Placing Programme is intended to satisfy continued market demand for the Ordinary Shares and to raise further money to increase the size of the Company and invest in accordance with the Company's investment policy. In using their discretion under the Placing Programme, the Directors may also take into account the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to acquire additional Ordinary Shares at a high premium to Net Asset Value per Ordinary Share. The maximum number of Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

The Placing Programme will open on 15 July 2014 and will close on 15 June 2015 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors).

Ordinary Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Placing Programme Price to investors. No Ordinary Shares will be issued at a discount to the cum-income Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without Shareholder approval.

The allotment of Ordinary Shares under the Placing Programme is at the discretion of the Directors. Allotments may take place at any time prior to the final closing date of 15 June 2015 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through a Regulatory Information Service, including details of the number of Ordinary Shares allotted and the Placing Programme Price for the allotment.

So far as the Directors are aware as at the date of this document, no members of the Company's management, supervisory or administrative bodies intend to make a commitment for Ordinary Shares under the Placing Programme.

There is no minimum subscription. The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Ordinary Shares to be issued under the Placing Programme is not known.

2 The Conditions

Each allotment and issue of Ordinary Shares pursuant to the Placing Programme is conditional, *inter alia*, on:

- (i) the Company having a placing agreement or equivalent arrangement in place at the time of such issue; and
- (ii) the Admission of those Ordinary Shares.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Placing Programme will not take place.

3 Voting Dilution

If 100 million Ordinary Shares are issued pursuant to the Placing Programme, assuming the Initial Placing and Offer has been subscribed as to 150 million Ordinary Shares, there would be a dilution of approximately 40 per cent. in Shareholders' voting control of the Company immediately after the Initial Placing and Offer.

4 The Placing Programme Price

Subject to the requirements of the Listing Rules, the minimum price at which the Ordinary Shares will be issued pursuant to the Placing Programme, which will be in Sterling, will be calculated by reference to the estimated prevailing Net Asset Value of the existing Ordinary Shares (cum-

income) together with a premium sufficient to cover the costs and expenses of issuing such Ordinary Shares (including, without limitation, any placing commissions). Fractions of Ordinary Shares will not be issued.

Where Ordinary Shares are issued, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Placing Programme Price less brokers' commission and any other incidental expenses. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds of the Placing Programme, after providing for the Company's operational expenses, will be invested in accordance with the Company's investment policy.

5 Admission

Application will be made to the U.K. Listing Authority and the London Stock Exchange for all of the Ordinary Shares being offered pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. All Ordinary Shares issued pursuant to the Placing Programme will be allotted conditionally on such admission occurring. This document has, *inter alia*, been published in order to obtain Admission to the premium segment of the Official List of any Ordinary Shares issued pursuant to the Placing Programme.

The Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares). The Ordinary Shares will be issued in registered form.

It is anticipated that dealings in the Ordinary Shares will commence approximately three Business Days after their allotment. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Ordinary Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any Ordinary Shares are issued in certificated form it is expected that share certificates will be despatched within ten Business Days of the relevant allotment date.

6 Non-United Kingdom Investors

The attention of potential investors in any territory other than the U.K. is drawn to the paragraphs below.

The offer of Ordinary Shares under the Placing Programme to potential investors in any territory other than the U.K. may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Ordinary Shares pursuant to the Placing Programme. It is the responsibility of all persons in any territory other than the U.K. receiving this document and/or wishing to subscribe for Ordinary Shares under the Placing Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the U.K. may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or in any Restricted Jurisdiction. The Ordinary Shares are only being offered and only sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder. The Ordinary Shares may not be offered, sold, pledged or otherwise

transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading “Important Information” at the beginning of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Placing Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 9

ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names appear on page 32 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company

- 2.1 The Company was incorporated, with an unlimited number of shares of no par value, and registered in Guernsey with registered number 58519 on 28 May 2014 under the name SQN Asset Finance Income Fund Limited. The Company is regulated by the Commission and registered as a Registered Closed-ended Collective Investment Scheme pursuant to the POI Law.
- 2.2 The Company is domiciled in Guernsey. The registered office and principal place of business of the Company is at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA, Guernsey (telephone number +44 1534 813800). The address of the Company's corporate website is www.sqnassetfinance.com.
- 2.3 The principal legislation under which the Company operates (and under which the Ordinary Shares will be created) is the Companies Law together with the ordinances and regulations made under the Companies Law. The liability of the Company's members is limited.
- 2.4 A Registered Closed-ended Collective Investment Scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the POI Law.
- 2.5 The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.
- 2.6 The Company does not have any employees.
- 2.7 The Company does not have, nor will it be establishing, any share incentive scheme in relation to the Board or any personnel of any third party service providers.
- 2.8 At the date of this document, the Company has one wholly-owned subsidiary, SQN Asset Finance (Guernsey) Limited, a limited liability company incorporated in Guernsey on 5 June 2014 with registered number 58559.

3 Ordinary Share capital

- 3.1 The share capital of the Company is represented by an unlimited number of shares of no par value. On incorporation, the issued share capital of the Company was £1.00 consisting of one Ordinary Share, fully paid up.
- 3.2 By a resolution dated 11 June 2014, the sole Shareholder of the Company passed a written resolution to disapply pre-emption rights in respect of the issue of up to 250 million Ordinary Shares.
- 3.3 Set out below are details of the share capital of the Company (i) as at the date of this document, (ii) as it will be immediately following the Initial Placing and Offer and First Admission (assuming a full take-up under the Initial Placing and Offer) and (iii) as it will be immediately after the Placing Programme has been completed (assuming a full take up under the Initial Placing and Offer and also under the Placing Programme):
 - (i) 1 ordinary share of no par value, issued at 100 pence;
 - (ii) 150 million ordinary shares of no par value, issued at 100 pence; and
 - (iii) 250 million ordinary shares of no par value, issued at the relevant Initial Placing and Offer Price and/or Placing Programme Price, as applicable.
- 3.4 Following Admission, the Ordinary Shares will be capable of being held in uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure

enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors will apply for the Ordinary Shares to be admitted to CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear U.K. & Ireland Limited, the Registrar and the Receiving Agent (details of whom are set out on page 32).

- 3.5 It is anticipated that, where appropriate, share certificates will be despatched by first class post within 7 days of Admission. Temporary documents of title will not be issued. Prior to the despatch of definitive share certificates, transfers will be certified against the register.
- 3.6 The legislation under which the Ordinary Shares have been and/or will be created is the Companies Law.
- 3.7 The Ordinary Shares will be allotted and issued in accordance with the Company's Articles conditional upon First Admission, pursuant to a resolution of the Board passed on or around 8 July 2014.
- 3.8 The Ordinary Shares will be denominated in Sterling. The ISIN number of the Ordinary Shares is GG00BN56JF17.
- 3.9 As at the date of this document:
 - 3.9.1 the Company does not hold any treasury shares and no Ordinary Shares were held by, or on behalf of, the Company;
 - 3.9.2 no Ordinary Shares have been issued otherwise than as fully paid;
 - 3.9.3 the Company has no outstanding convertible securities, exchangeable securities or securities with warrants;
 - 3.9.4 there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has given no undertaking to issue Ordinary Shares other than in accordance with the Articles and this document;
 - 3.9.5 no capital of the Company is under option or is agreed, conditionally or unconditionally, to be put under option; and
 - 3.9.6 there are no restrictions on the transfer of Ordinary Shares other than the restrictions described in the Articles (see paragraph 4 below), including (without limitation) that the Board may refuse to register a transfer of shares which might result in: (i) the Company incurring a liability in connection with being required to register as an "investment company" under the U.S. Investment Company Act; (ii) the Company losing an exemption from the requirement to register as an investment company under the U.S. Investment Company Act; (iii) the assets of the Company being deemed to be assets of an ERISA Plan Investor; or (iv) the offer and sale being subject to registration under the Securities Act, and that the Board may require the transfer of shares by a person believed to be an ERISA Plan Investor.

4 Memorandum and Articles of Incorporation

4.1 General

The Articles were adopted on 11 June 2014 by way of a special written resolution. The Articles and the memorandum of incorporation of the Company contain, *inter alia*, provisions as summarised below. This summary is qualified in its entirety by the Articles. Defined terms where used in this section shall, unless otherwise defined, bear the meaning ascribed to them in the Articles.

4.2 Unrestricted objects

The objects and powers of the Company are not restricted.

4.3 Ordinary Share rights

The holders of Ordinary Shares shall have the following rights:

- 4.3.1 Dividends: Holders of Ordinary Shares are entitled to receive, and participate in, any dividends or other distributions resolved to be distributed in respect of any accounting period or other period.
- 4.3.2 Winding Up: On a winding up, the holders of Ordinary Shares shall be entitled to the surplus assets remaining after payment of all the creditors of the Company.

- 4.3.3 Voting: The holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company and each holder of Ordinary Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Ordinary Share held by him.
- 4.3.4 Variation: The rights attached to any class of shares may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.
- 4.3.5 Further issues of shares: the Company will not allot any shares in the capital of the Company which are unissued from time to time (“**Unissued Shares**”) to any person unless it has previously offered to each holder of Ordinary Shares to allot to him on the same or more favourable terms a proportion of those Unissued Shares which is as nearly as practicable equal to the proportion held by him of the aggregate Ordinary Shares in issue at such date.

4.4 C Share rights

The holders of C Shares shall have the following rights:

- 4.4.1 Issues of C Shares: Subject to the Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions contained in this paragraph. The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time (as defined in the Articles) and Conversion Time (as defined in the Articles) together with any amendments to the definition of Conversion Ratio (as defined in the Articles) attributable to each such tranche. Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.
- 4.4.2 Dividends and *pari passu* ranking of C Shares and New Ordinary Shares: The holders of C Share(s) of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus (as defined in the Articles) of that tranche. If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares. The New Ordinary Shares (as defined in the Articles) shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise *pari passu* with the Ordinary Shares in issue at the Conversion Time.
- 4.4.3 Rights as to capital: The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:
- (a) the Share Surplus (as defined in the Articles) shall be divided amongst the holders of Ordinary Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution; and
 - (b) the C Share Surplus shall be divided amongst the holders of C Share(s) *pro rata* according to their holdings of C Shares.
- 4.4.4 Voting and transfer: The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company in the same manner as the Ordinary Shares (notwithstanding any difference in the respective Net Asset Values of the C Shares and Ordinary Shares). The C Shares shall be transferable in the same manner as the Ordinary Shares.
- 4.4.5 Redemption: The C Shares are issued on terms that each tranche of C Shares shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with

such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Share(s).

4.4.6 Class consents and variation of rights: Without prejudice to the generality of the Articles, for so long as any C Shares are in issue, until Conversion of all such C Shares it shall be a special right attaching both to the existing Ordinary Shares and to the C Shares as separate classes that save that with the sanction or consent of such holders given in accordance with the Articles that:

- (a) no alteration shall be made to Articles of the Company;
- (b) no allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares shall be made, and
- (c) no resolution of the Company shall be passed to wind up the Company.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Ordinary Shares and/or C Shares shall not be required in respect of:

- (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares), or
- (ii) the sale of any shares held as treasury shares or the purchase of any shares by the Company (whether or not such shares are to be held in treasury).

4.4.7 Undertakings: Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- (b) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date (as defined in the Articles) and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of Conversion Ratio in the Articles; and
- (c) manage the Company's assets so that such undertakings can be complied with by the Company.

4.4.8 Conversion: In relation to each tranche of C Shares, the C Shares shall be converted into New Ordinary Shares at the Conversion Time in accordance with the following provisions of this paragraph. The Directors shall procure that:

- (a) the Company (or its delegate) calculate, within ten (10) Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Ordinary Shares (as defined in the Articles) to which each holder of C Shares of that tranche shall be entitled on Conversion; and
- (b) the Independent Accountants (as defined in the Articles) shall be requested to certify, within fifteen (15) Business Days after the Calculation Time, that such calculations:
- (c) have been performed in accordance with the Articles; and
- (d) are arithmetically accurate,

whereupon, subject to the proviso in the definition of Conversion Ratio in the Articles, such calculations shall become final and binding on the Company and all Shareholders.

4.4.9 The Directors shall procure that, as soon as practicable following such certification, an announcement is made to a Regulatory Information Service, advising holders of C Share(s) of that tranche, of the Conversion Time, the Conversion Ratio and the aggregate number of New Ordinary Shares to which holders of C Share(s) of that tranche are entitled on Conversion.

4.4.10 Conversion shall take place at the Conversion Time. On Conversion:

- (a) each issued C Share of the relevant tranche shall automatically convert into such number of New Ordinary Shares as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of C Shares which are converted into New Ordinary Shares equals the aggregate number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Ordinary Share);
- (b) the New Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Share(s) *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Share(s), in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them; and
- (c) any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold his New Ordinary Shares in uncertificated form.

4.5 Restrictions on Members

4.5.1 No Member shall be entitled to be present or take part in any proceedings or vote, either personally or by proxy, at any meeting unless all calls due from him have been paid.

4.5.2 The Directors shall have the power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member who has any interest in the shares and the nature of such interest. Where the Member fails to comply with the notice within a period of time prescribed by the Articles, the Company may give the holder of those Ordinary Shares a direction notice, which imposes restrictions on those shares while the default continues, which restrictions may include restrictions on any dividend, distribution or other payment which would otherwise be paid on the shares, restrictions on the transfer of such shares, the disentitlement to attend, speak or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class, in person or by proxy, or to exercise any privilege as a Member in relation to meetings of the Company.

4.5.3 From the date of Admission and for so long as the Company has any of its shares admitted to trading on the London Stock Exchange, every Member shall comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules as if the Company were classified as an "Issuer" whose "Home State" is the "United Kingdom" but not a "non U.K. issuer" (as such terms are defined in the FSA Handbook of Rules and Guidance). If it shall come to the attention of the Directors that any Member has not, within the requisite period made or, as the case may be, procured the making of any notification required, the Company may (in the absolute discretion of the Directors) at any time thereafter by notice impose restrictions on those shares while the default continues, which restrictions may include restrictions on any dividend, distribution or other payment which would otherwise be paid on the shares, restrictions on the transfer of such shares, the disentitlement to attend, speak

or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class, in person or by proxy, or to exercise any privilege as a Member in relation to meetings of the Company.

4.6 Life of the Company

The Company shall have an indefinite life. The Directors shall propose one or more ordinary resolutions at the annual general meeting to be held in 2017 and at every third annual general meeting thereafter that the Company continue as a closed ended investment company (the “**Continuation Resolution**”). In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Shareholders as soon as is practicable but, in any event, by no later than six months after the Continuation Resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Shareholders to realise their holdings in the Company.

4.7 Changes to the Company’s investment policy

Any material change to the Company’s investment policy will require approval by way of an ordinary resolution of the Shareholders.

4.8 Representatives of corporations

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company.

4.9 General meetings

4.9.1 The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Law. Subject to the Law, the Board may convene a general meeting whenever it thinks fit.

4.9.2 A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least fourteen (14) clear days.

4.9.3 The ordinary business of an annual general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors, if any, to elect or re-elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare final dividends (if required by the Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business of an annual general meeting shall be deemed special and shall be subject to notice as hereinbefore provided. The quorum for a general meeting shall be two (2) or more Members present in person or by proxy save that the quorum for a general meeting shall be one (1) or more Member present in person or by proxy if the Company only has one Member.

4.10 Uncertificated shares

Subject to the Law, the Directors without further consultation with the holders of any shares or securities of the Company may resolve that any class or classes of share or other securities of the Company from time to time in issue or to be issued may be in uncertificated form and no provision in the Articles will apply to any uncertificated share or other securities of the Company to the extent they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a Relevant System.

4.11 Electronic communications

All Members shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with Sections 524 and 526 and Schedule 3 of the Law unless a Member notifies the Company otherwise. Notice under this paragraph must be in writing and signed by the Member and delivered to the Company’s Office or such other place as the Board directs.

4.12 Dividends

- 4.12.1 Subject to compliance with Section 304 of the Law and paragraph 3.3.2, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company.
- 4.12.2 The method of payment of dividends shall be at the discretion of the Board.
- 4.12.3 No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.
- 4.12.4 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each Member. For the avoidance of doubt, where there is more than one class of share in issue, dividends declared in respect of any class of share shall be declared and paid *pro rata* according to the number of shares of the relevant class held by each Member.
- 4.12.5 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 4.12.6 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 4.12.7 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.
- 4.12.8 With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members entitled as may seem expedient to the Board.
- 4.12.9 Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends, interest or other monies payable in respect of their joint holdings. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.
- 4.12.10 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 4.12.11 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six (6) years after having been declared shall be forfeited and shall revert to the Company.

4.13 Untraced shareholders

- 4.13.1 The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

- (a) during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and
- (b) the Company shall following the expiry of such period of twelve (12) years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and
- (c) during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and
- (d) notice shall have been given to the stock exchanges on which the Company is listed, if any.

4.13.2 The foregoing provisions of this paragraph are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

4.14 Distributions of assets otherwise than in cash

If the Company is wound up whether voluntarily or otherwise the Liquidator may, with the sanction of a special resolution, divide among the Members *in specie* any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the Liquidator with the like sanction shall think fit.

4.15 Transfer and transmission of shares

4.15.1 The Directors shall have the power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, paragraph 3.14.2 shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST UK system.

4.15.2 In relation to any class of shares which, for the time being, Euroclear has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of shares of that class in uncertificated form;
- (b) the transfer of title to shares of that class by means of the CREST UK system; or
- (c) the CREST Guernsey Regulations.

4.15.3 Subject to such of the restrictions of the Articles as may be applicable:

- (a) any Member may transfer all or any of his uncertificated shares by means of a Relevant System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
- (b) any Member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
- (c) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

- 4.15.4 All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner as the Board may accept and permitted by the Law and the rules of each stock exchange on which the relevant shares may be listed. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register. A transfer in respect of shares which are not fully paid shall also be signed by the transferee.
- 4.15.5 Every instrument of transfer shall be left at the registered office of the Company or such other place as the Board may prescribe with the certificate (if applicable) of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives.
- 4.15.6 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form which is not fully paid or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the directors may refuse to register a transfer of shares unless:
- (a) it is in respect of only one class of shares;
 - (b) it is in favour of a single transferee or not more than four joint transferees; and
 - (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 4.15.7 The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in regulations issued for this purpose under the Law, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- 4.15.8 If the Board refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 4.15.9 Subject to the provisions of the CREST Guernsey Regulations the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share. Any such suspension shall be communicated to Members, giving reasonable notice of such suspension, by means of a recognised regulatory news service.
- 4.15.10 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 4.15.11 The Company shall keep the Register in accordance with Sections 123 to 128 of the Law and the CREST Guernsey Regulations. The Register may be closed during such periods as the Board thinks fit not exceeding in all thirty days in any year.
- 4.15.12 On the death of a Member the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 4.15.13 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of

the share, but he shall not be entitled to receive notice of or to attend or speak or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share **PROVIDED ALWAYS** that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

4.15.14 Nothing in the Articles shall preclude the Board from recognising the renunciation of the allotment of any share by the allottee in favour of some other person.

4.15.15 The Directors may, in their absolute discretion, refuse to register a transfer of any shares to a person that they have reason to believe is (i) an “employee benefit plan” (within the meaning of section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code or any other state, local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company, the Investment Managers (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a “Plan”) or (iv) a US Person in circumstances where the holding of shares by such person would (a) give rise to an obligation on the Company to register as an “investment company” under the Investment Company Act; (b) preclude the Company from relying on the exception to the definition of “investment company” contained in section 3(c)(7) of the Investment Company Act; (c) give rise to an obligation on the Company to register under the Exchange Act, as amended; or (d) result in the Company not being considered a “Foreign Private Issuer” as that term is defined by Rule 3b-4(c) promulgated under the Exchange Act; or (e) give rise to an obligation on the Investment Managers to register as a commodity pool operator or commodity trading advisor under the US Commodity Exchange Act of 1974, as amended (each such US Person, a “Prohibited US Person”). Each person acquiring shares shall by virtue of such acquisition be deemed to have represented to the Company that they are not a Prohibited US Person.

4.15.16 If any shares are owned directly or beneficially by a person believed by the Board to be a Prohibited US Person, the Board may give notice to such person requiring them either (i) to provide the Board within thirty (30) days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Prohibited US Person or (ii) to sell or transfer their shares to a person qualified to own the same within 30 days and within such thirty (30) days to provide the Board with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within thirty (30) days after the serving of the notice, the person will be deemed, upon the expiration of such thirty (30) days, to have forfeited their shares.

4.15.17 For the avoidance of doubt, nothing in the Articles shall require the shares to be transferred by written instrument if the Law provides otherwise and the Board shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Law and the rules of the U.K. Listing Authority to evidence and regulate the transfer of title to shares in the Company and for the approval or disapproval as the case may be by the Directors or the operator of any Relevant System of the registration of those shares.

4.16 Repurchase of shares

The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

4.17 Directors

- 4.17.1 The first Directors have been specified in the application for incorporation prepared in accordance with Section 17 of the Law. Unless a sole Director is specified in the application for incorporation and until otherwise determined by the Board, the number of Directors shall be not less than two (2). At no time shall a majority of Directors, including any duly appointed alternates, be resident in the United Kingdom, and a person shall not be appointed a Director if as a result of such appointment the Board would cease to consist of a majority of Directors resident outside the United Kingdom.
- 4.17.2 The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provisions of the Articles) shall not exceed in aggregate £200,000 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.
- 4.17.3 The Board may at any time appoint one or more of their body (other than a Director in the United Kingdom) to be holder of any executive office including the office of managing Director on such terms and for such periods as they may determine. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.
- 4.17.4 The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- 4.17.5 At every annual general meeting any Director:
- (a) appointed by the Board since the last annual general meeting; or
 - (b) who held office at the time of the two preceding annual general meetings and who did not retire at either of them,
- shall retire from office and may offer himself for re-appointment by the Members.
- 4.17.6 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law:
- (a) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or
 - (b) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.
- 4.17.7 Paragraph 4.17.6 does not apply if:
- (a) the transaction or proposed transaction is between the Director and the Company; and
 - (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- 4.17.8 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- 4.17.9 Nothing in paragraphs 4.17.6 to 4.17.8 applies in relation to:
- (a) remuneration or other benefit given to a Director;
 - (b) insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or
 - (c) a qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law.
- 4.17.10 Subject to paragraph 4.17.11, a Director is interested in a transaction to which the Company is a party if the director:
- (a) is a party to, or may derive a material benefit from, the transaction;

- (b) has a material financial interest in another party to the transaction;
 - (c) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
 - (d) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
 - (e) is otherwise directly or indirectly materially interested in the transaction.
- 4.17.11 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- 4.17.12 Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 4.17.13 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:
- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. (1%) or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this paragraph to be a material interest in all circumstances).
- 4.17.14 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not debarred from voting under the provisions of paragraph 4.17.12 above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 4.17.15 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

- 4.17.16 The Company may by ordinary resolution suspend or relax the provisions of paragraphs 4.17.12 and 4.17.13 above to any extent or ratify any transaction not duly authorised by reason of a contravention of any of the said paragraphs.
- 4.17.17 Subject to paragraph 4.17.12 above the Directors may exercise the voting power conferred by the share in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company or voting or providing for the payment or remuneration to the directors, managing director, manager or other officer of such company).
- 4.17.18 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- 4.17.19 Subject to due disclosure in accordance with this paragraph 4.17, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 4.17.20 Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director **PROVIDED THAT** nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.
- 4.17.21 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

4.18 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

4.19 Liability of shareholders

The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares held by them.

4.20 Indemnity

- 4.20.1 The Directors, Company Secretary and officers for the time being of the Company and their respective heirs and executors shall, to the extent permitted by Section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against all actions, expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which

may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

4.20.2 The Directors may agree to such contractual indemnities for the benefit of the Secretary, officers, employees and other agents and contracting parties as they may, from time to time, deem fit.

4.20.3 Notwithstanding paragraph 4.20.1, the Board may purchase and maintain, at the expense of the Company, insurance for the benefit of the Directors, Secretary, officers, employees and other agents and/or to cover corporate reimbursement of such Directors, Secretary, officers, employees and other agents.

5 Directors' and other interests

5.1 John Falla subscribed for the subscriber share in the capital of the Company on 28 May 2014 for an aggregate consideration of £1.00.

5.2 The Directors intend to subscribe for an aggregate of 89,999 Ordinary Shares pursuant to the Initial Placing and Offer, following which the Directors will own, in aggregate, 90,000 Ordinary Shares representing approximately 0.06 per cent. of the Ordinary Shares immediately following First Admission (assuming a full take-up under the Initial Placing and Offer), as follows:

Director	Number of Ordinary Shares
Peter Niven	40,000
John Falla	10,000
Carol Goodwin	30,000
Christopher Spencer	10,000

5.3 Neil Roberts, a director of the U.K. Investment Manager, intends to subscribe for an aggregate of 100,000 Ordinary Shares pursuant to the Initial Placing and Offer, following which he will own Ordinary Shares representing approximately 0.07 per cent. of the Ordinary Shares immediately following First Admission (assuming a full take-up under the Initial Placing and Offer).

5.4 Save as disclosed in paragraphs 5.1 and 5.2 above, none of the Directors has any interests, whether beneficial or non-beneficial, in the issued share capital of the Company nor, so far as is known to the Directors having made appropriate enquiries, does any person connected with them (which expressions shall be construed in accordance with sections 252 to 255 of the Companies Act 2006 and which includes for these purposes relevant personnel of the Investment Managers).

5.5 Save as disclosed in paragraph 5.1, the Company is not aware of any person who is directly or indirectly interested (within the meaning of Part VI of FSMA) in 5 per cent. or more of the Company's issued share capital or any person who will hold, directly or indirectly, more than 5 per cent. of the Company's issued share capital after Admission. All Shareholders have the same voting rights in respect of the share capital of the Company.

5.6 Save as disclosed in paragraph 5.1, the Company and the Directors are not aware of: (i) any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company; nor (ii) any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

5.7 There are no outstanding loans granted by the Company to any Director nor are there any guarantees provided by the Company for the benefit of any Director.

5.8 The Directors hold the following directorships and are partners in the following partnerships and have held the following directorships and have been partners in the following partnerships within the five years prior to the date of this document:

Name	Current directorships/partnerships	Previous directorships/partnerships
Peter Niven	ABTA Insurance PCC Limited AnaCap Atlantic Co-Investment GP Limited AnaCap Debt Opportunities Limited AnaCap Derby Co-Investment GP	ABTA (Guernsey) Limited Close European Accelerated Fund Limited Dexion Trading Limited Investec Capital Accumulator Trust limited

Name	Current directorships/partnerships	Previous directorships/partnerships
John Falla	AnaCap FP Debt Opportunities GP Limited AnaCap FP GP II Limited AnaCap FP GP III Limited AnaCap FP GP Limited Asset Holdings Limited Bramshott General Partner Inc Brick Global Asset Limited Equinox Russian Opportunities Fund Limited F&C Commercial Property Finance Limited F&C Commercial Property Holdings Limited F&C Commercial Property Trust Limited F&C Holdings Limited Guernsey Portfolios PCC Limited India Capital Growth Fund Limited Lotus Global Asset Holdings Limited Prime Four Limited Saltus (Channel Islands) Limited SCP Estate Holdings Limited SCP Estate Limited Thorntonhall Limited Winchester Burma Limited	Jaguar Capital Guernsey Limited Phaunos Timber Fund Limited PSD SVP2 Inc PSource Structured Debt Limited Resolution Holdings (Guernsey) Limited (was Sussex Holdings (Guernsey) Limited Resolution Limited Threadneedle Asset Backed Income Limited CTBR Holding Limited Guernsey Yacht Club Guernsey Yacht Club, LBG Priquam Advisory Limited (<i>liquidated following members' voluntary liquidation</i>) Treasury Investments (C.I.) Limited (<i>voluntarily struck off</i>) West End of London Property Investment Company Limited (<i>voluntarily struck off</i>) WHC Limited (<i>voluntarily struck off</i>)
Carol Goodwin	AB Alternative Strategies Fund PCC Limited AB Fund managers (Guernsey) Limited AB International Fund PCC Limited Curlew Group Holdings Limited Dalton Capital (Asia) Limited Dalton Capital (Guernsey) Limited Dexion Trading Limited (<i>in members' voluntary liquidation</i>) Eastern European Property Fund Episode Inc. Episode L.P. IIAB PCC Limited Investec Bank (Channel Islands) Limited M&G General Partner Inc. Melchior European (Master) Fund Limited (<i>in members' voluntary liquidation</i>) Melchior European Fund Limited (<i>in members' voluntary liquidation</i>) Yorkshire Guernsey Limited (<i>in members' voluntary liquidation</i>)	ABL Holdings Ltd Alpha Asset Finance Co Limited Alpha Bank Jersey Limited (<i>in members' voluntary liquidation</i>) Dexion Trading Limited (<i>in members' voluntary liquidation</i>) F & C Property Growth and Income Fund Ltd F&C Directional Opportunities Fund Limited Generali International Limited Generali Portfolio Management (CI) Limited Generali Portfolio Management UK Limited Generali Worldwide Insurance Company Ltd. Grenfell PIA Guernsey Limited (<i>in members' voluntary liquidation</i>) Henderson Far East Income Fund Limited
Christopher Spencer	Carib Golf Limited F & C Longstone Fund Limited J.P. Morgan Private Equity Limited John Laing Infrastructure Fund Limited KAAAN Limited Olivant Limited Opportunity Investment Co. Limited Real Estate Credit Investments PCC Limited RIL Insurance Limited Ruffer Investment Company Limited Rutley Russia Property Fund Limited Sitex Insurance PCC Limited Sniper China Logistics Properties Limited Spencer Holdings Limited Tamar European Industrial Fund Ltd TEIF Luxembourg Investments S.ar.L.	ABL Holdings Ltd Alpha Asset Finance Co Limited Alpha Bank Jersey Limited (<i>in members' voluntary liquidation</i>) Dexion Trading Limited (<i>in members' voluntary liquidation</i>) F & C Property Growth and Income Fund Ltd F&C Directional Opportunities Fund Limited Generali International Limited Generali Portfolio Management (CI) Limited Generali Portfolio Management UK Limited Generali Worldwide Insurance Company Ltd. Grenfell PIA Guernsey Limited (<i>in members' voluntary liquidation</i>) Henderson Far East Income Fund Limited

Name	Current directorships/partnerships	Previous directorships/partnerships
	TEIF Luxembourg SARL TEIF Luxembourg Scandi SARL	Safedataco.com Limited (dissolved) Hillside Apex Fund Limited IPT Finance Limited IRP Holdings Limited IRP Property Investments Limited Kingsway Fund Limited Low Carbon Accelerator Limited (<i>in members' voluntary liquidation</i>) Rutley East African Property Limited (<i>liquidated following members' voluntary liquidation</i>) Tacus Fund Limited (<i>liquidated following members' voluntary liquidation</i>) Thames River 2X Currency Alpha Fund Limited (<i>in members' voluntary liquidation</i>) Thames River Argentum Fund Limited (<i>in members' voluntary liquidation</i>) Thames River ZeCo Fund Limited Thames River Origin Fund Limited Thames River Hillside Apex Fund II Limited Thames River Hillside Apex Fund SPC Thames River Kingsway Fund Limited Thames River Legion Fund Limited (<i>in members' voluntary liquidation</i>)

- 5.9 No Director has, within the period of five years preceding the date of this document:
- 5.9.1 had any convictions in relation to any fraudulent offences;
 - 5.9.2 been bankrupt or entered into an individual voluntary arrangement;
 - 5.9.3 been a director of any company at the time of receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - 5.9.4 been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
 - 5.9.5 had his assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of a receivership; or
 - 5.9.6 been subject to any public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.
- 5.10 No director of either of the Investment Managers has, within the period of five years preceding the date of this document:
- 5.10.1 had any convictions in relation to any fraudulent offences;
 - 5.10.2 been bankrupt or entered into an individual voluntary arrangement;
 - 5.10.3 been a director of any company at the time of receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - 5.10.4 been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
 - 5.10.5 had his assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of a receivership; or
 - 5.10.6 been subject to any public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

6 Directors' appointments

- 6.1 Peter Niven was appointed a non-executive Director and Chairman of the Company pursuant to a letter of appointment dated 11 June 2014. His appointment is terminable on three months' notice. The fee payable for his services as Chairman and non-executive Director is £40,000 per annum and is subject to annual review by the Nomination and Remuneration Committee.
- 6.2 Christopher Spencer was appointed a non-executive Director and Chairman of the Audit and Risk Committee of the Company pursuant to a letter of appointment dated 11 June 2014. His appointment is terminable on three months' notice. The fee payable for his services as Chairman of the Audit and Risk Committee and non-executive Director is £35,000 per annum and is subject to annual review by the Nomination and Remuneration Committee.
- 6.3 Each of John Falla and Carol Goodwin were appointed as non-executive Directors of the Company pursuant to letters of appointment dated 11 June 2014. Each of their appointments is terminable on three months' notice. The fee payable for each of their services as non-executive Directors is £30,000 per annum and is subject to annual review by the Nomination and Remuneration Committee.
- 6.4 The maximum amount of remuneration payable to the Directors permitted under the Articles is £200,000 in aggregate in any financial year.
- 6.5 There are no existing or proposed service agreements or consultancy agreements between any of the Directors and the Company which cannot be terminated by the Company without payment of compensation within 12 months.
- 6.6 Other than the payment of benefits during the notice periods set out above, the Directors' letters of appointment provide for no benefits upon termination of their appointment.
- 6.7 There are no arrangements under which any Director has waived or agreed to waive future emoluments nor have there been any such waivers of emoluments during the period immediately preceding the date of this document.

7 Related party transactions

- 7.1 No Director has any interest, direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, the Company or which are proposed to be acquired by, disposed of by, or leased to, the Company.
- 7.2 Certain of the assets in the Initial Portfolio to be purchased by the Company shortly after First Admission will be purchased from other funds managed by the Investment Manager and from the Investment Managers. Such assets will be proposed by the Investment Managers, subject to the approval of the Board and will be purchased on arm's length terms.
- 7.3 In addition, the Sub-Investment Manager (of which Neil Roberts is a director and shareholder) holds 75 per cent. of the issued share capital of South East Power Engineering Limited which, itself, holds 80 per cent. of the issued share capital of Sion Hydro Limited, a lessee of a hydro-electric plant in the SQN Portfolio.
- 7.4 Save as set out above, no director of the Investment Managers has any interest, direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, the Company or which are proposed to be acquired by, disposed of by, or leased to, the Company.

8 Working capital

The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document.

9 Capitalisation and indebtedness

The following table shows the Company's gross indebtedness as at 28 May 2014, being the date of incorporation:

Total current debt (£)	As at 28 May 2014
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
Total non-current debt (excluding current portion of long-term debt) (£)	As at 28 May 2014
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
Shareholders' equity (£)	As at 28 May 2014
Ordinary Share capital	Nil
Legal reserve	1
Other reserves	Nil
Total	1

10 Financial information

The Company was incorporated on 28 May 2014 and, save for the material contracts described in this Part 9, has not yet commenced operations and has no material assets or liabilities. As at the date of this document, no financial statements have been prepared.

11 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document, which may have, or have had, in the recent past a significant effect on the Company's financial position or profitability.

12 No significant change

There has been no significant change in the Group's financial or trading position since the date of its incorporation.

13 Costs and expenses

The total costs and expenses of, or incidental to, the Initial Placing and Offer, have been capped at 2.0 per cent. of the Gross Issue Proceeds. Any costs and expenses in excess of 2.0 per cent. of the Gross Issue Proceeds will be borne by the Investment Managers. The Net Issue Proceeds are dependent on subscriptions received but, assuming the Initial Placing and Offer is fully subscribed, the Net Issue Proceeds are expected to be at least £147,000,000 and the total costs and expenses of the Initial Placing and offer will be capped at £3,000,000. In the unlikely event that First Admission does not occur, the costs of the aborted proposals shall be borne by the Investment Managers.

The costs and expenses of the Placing Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share.

14 Material contracts relating to the Company

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and are, or may be, material to the Company:

14.1 The Placing Agreement

In connection with the Initial Placing and Offer and the Placing Programme, the Company, the Directors, the Investment Manager, the U.K. Investment Manager, the Sub-Investment Manager and Winterflood entered into the Placing Agreement on 16 June 2014. The Placing Agreement is conditional on, *inter alia*, First Admission taking place on 14 July 2014 (or such later date as may be agreed between the Company and Winterflood being no later than 31 August 2014). The principal terms of the Placing Agreement are as follows:

- 14.1.1 Winterflood has agreed, as agent of the Company, to use its reasonable endeavours to procure subscribers for the Ordinary Shares at the relevant Initial Placing and Offer Price and Placing Programme Price;
- 14.1.2 the Company has given certain warranties to Winterflood as to the accuracy of the information in this document and as to other matters relating to the Company. The Directors, the Investment Manager, the U.K. Investment Manager and the Sub-Investment Manager have also given certain warranties to Winterflood as to certain information in this document and as to themselves. The Company has given an indemnity to Winterflood in respect of any losses or liabilities arising out of the proper performance by Winterflood of its duties under the Placing Agreement and the Investment Manager, the U.K. Investment Manager and the Sub-Investment Manager have given an indemnity to Winterflood in respect of their obligations;
- 14.1.3 Winterflood may terminate the Placing Agreement before First Admission or any Subsequent Admission in certain circumstances, including for breach of the warranties referred to above; and
- 14.1.4 neither the Initial Placing nor the Placing Programme is being underwritten.

Subject to the Placing Agreement becoming unconditional, Winterflood shall be entitled to a commission of 1.5 per cent. of the gross proceeds of Ordinary Shares issued under the Initial Placing and Offer and 1.0 per cent. of the gross proceeds of Ordinary Shares issued under the Placing Programme.

Pursuant to the terms of the Placing Agreement, the parties have agreed that the total expenses of the Initial Placing and Offer payable by the Company (including all fees, commissions and expenses payable to Winterflood, all reasonable fees, costs and expenses related to the fundraising, structuring and establishment of the Company which have been incurred by the Investment Managers and all other advisers and services providers to the Company, the Investment Managers and Winterflood (the “**Expenses Actually Incurred**”)) shall be equal to an amount not exceeding two per cent. of the Gross Issue Proceeds (such amount being known as the “**Expenses Cap**”). If the Expenses Actually Incurred exceed the Expenses Cap, such excess shall be borne by the Investment Managers who shall reimburse the Company for any such excess paid by the Company.

14.2 The Investment Management Agreement

An Investment Management Agreement dated 16 June 2014 between the Company, the Investment Manager and the U.K. Investment Manager, pursuant to which the Investment Manager has been appointed to act as investment manager of the Company with responsibility for portfolio management and risk management of the Company’s investments.

The Investment Manager has indicated that it intends to acquire the operations of the Sub-Investment Manager after First Admission. It intends to do this by acquiring the staff and infrastructure into a wholly-owned subsidiary of it which is called SQN Capital Management (UK) Limited. Once that transfer has completed to the satisfaction of the Board, SQN Capital Management (UK) Limited shall become the U.K. Investment Manager to the Company pursuant to the terms of the Investment Management Agreement, to which the U.K. Investment Manager is already a party. At that point, the Investment Manager and the U.K. Investment Manager will be appointed jointly to act as investment manager of the Company with responsibility for portfolio management and risk management of the Company’s investments, provided that, to the extent any activity must be undertaken by a regulated entity, the Investment Manager will provide such services to the Company

For their services, the Investment Managers are together entitled to a management fee at a rate equivalent to the following schedule (expressed as a percentage of NAV per annum):

- 1.0 per cent. for assets lower than or equal to £300,000,000;
- 0.9 per cent. for assets greater than £300,000,000 and lower than or equal to £500,000,000; and
- 0.8 per cent. for assets greater than £500,000,000.

The management fee is payable monthly in arrears within 14 days of each month end.

No performance fee is payable by the Company to the Investment Managers.

The Company may also incur transaction costs for the purposes of structuring investments for the Company. These costs form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Managers when pricing a transaction. When structuring services are provided by the Investment Managers or an affiliate of them, they shall be entitled to charge an additional fee equal to up to one per cent. of the costs to the Company (ignoring gearing and transaction expenses) of acquiring each investment. This cost will not be charged in respect of assets acquired from the Investment Managers, the funds they manage or where they or their affiliates do not provide such structuring advice.

The Investment Managers have agreed to bear all the broken and abortive transaction costs and expenses incurred on behalf of the Company. Accordingly, the Company has agreed that the Investment Managers may retain any commitment commissions charged in respect of acquiring assets on behalf of the Company save that if such commission on any transaction was to exceed one per cent. of the transaction value, the excess would be paid to the Company.

The Investment Management Agreement is terminable by either of the Investment Managers or the Company giving to the other not less than 12 months' written notice, such notice not to expire earlier than the third anniversary of First Admission. The Investment Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

The Company has given an indemnity in favour of the Investment Manager and the U.K. Investment Manager in respect of their respective potential losses in carrying on their responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by the laws of Guernsey.

14.3 The Registrar Agreement

The Registrar Agreement between the Company and Capita Registrars (Guernsey) Limited dated 16 June 2014, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive an annual maintenance fee from the Company of £1.60 per shareholder account, subject to an annual minimum charge of £5,500.

Either party may terminate the Registrar Agreement on not less than 12 months' notice in writing to the other party. Either party may terminate the Registrar Agreement immediately on notice in writing in the event of material and continuing breach or insolvency.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement. The Company indemnifies the Registrar and its affiliates against all claims arising out of or connected to the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of the Registrar or its affiliates or a material breach of the agreement by any of them. The Registrar Agreement is governed by the laws of Guernsey.

14.4 The Receiving Agent Agreement

The Receiving Agent Agreement between the Company and Capita Registrars Limited dated 16 June 2014, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Offer for Subscription.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee at a rate of £200 per hour (subject to a minimum fee of £2000), plus a processing fee per application received. The Receiving Agent will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement contains a provision whereby the Company indemnifies the Receiving Agent and its affiliates and their directors, officers, employees and agents against any losses resulting from any breach by the Company of the agreement or in connection with the Receiving Agent's activities pursuant to the Receiving Agent Agreement, save where such losses are due to fraud, wilful default or negligence on the part of the party seeking indemnity under the agreement.

The Receiving Agent Agreement is governed by the laws of England.

14.5 The Administration and Custody Agreement

The Administration and Custody Agreement dated 16 June 2014 between the Company and the Administrator, pursuant to which the Administrator has agreed to provide certain administration and custody services to the Company. Under the agreement, the Administrator will provide general fund administration services (including calculation of the monthly NAV) and accounts preparation services as well as providing company secretarial and custody services to the Company.

Under the terms of the Administration Agreement, the Administrator is entitled to a fee of approximately £190,000 per annum. The Administrator is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties.

The agreement may be terminated by either party on six months' notice in writing save that, in the event that the agreement is terminated prior to the third anniversary, the Company shall be obliged to pay 50 per cent. of the fees payable during the unexpired term. The agreement may also be terminated forthwith on notice in writing in the event of certain circumstances, including material and continuing breach of the agreement or insolvency.

The Company has agreed to indemnify the Administrator from and against any liabilities, losses, claims, costs, damages, penalties, fines, obligations, or expenses of any kind whatsoever (including reasonable fees and legal expenses) in connection with the provision of its services under the Administration Agreement, other than by reason of negligence, fraud or wilful default on the part of the Administrator or the material breach of the Administration Agreement by the Administrator.

The Administration Agreement is governed by the laws of the Island of Guernsey.

14.6 Mandatory offers and squeeze out rules

14.6.1 Mandatory offers

The Takeover Code applies to the Company at First Admission and Shareholders will be entitled to the protections afforded by the Takeover Code. Under Rule 9 of the Takeover Code, where (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in Ordinary Shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent., but holds shares in the aggregate which carry not more than 50 per cent. of the voting rights of such company, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert parties.

Save where the Takeover Panel permits otherwise, an offer under Rule 9 of the Takeover Code must be in cash and at not less than the highest price paid within 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers in different classes of equity share capital must be comparable. The Takeover Panel should be consulted in advance of such cases.

In the event that the Takeover Code should cease to apply, the Company will notify Shareholders accordingly upon becoming so aware of this occurring.

14.6.2 Squeeze-out rules

The Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within 4 months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, within 2 months after the expiration of those 4 months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an **"Acquisition**

Notice”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected, was made.

15 General

- 15.1 Each of the Investment Manager, the U.K. Investment Manager and the Sub-Investment Manager has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for the information attributed to it in this document, including without limitation the section headed “Track record” in Part 3, and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 15.2 Winterflood as broker and financial adviser has given and not withdrawn its consent to the publication of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 15.3 GoIndustry (UK) Limited has given and not withdrawn its consent to the publication of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 15.4 The auditors of the Company are Baker Tilly CI Audit Limited whose registered office is at PO Box 344, Mont Crevelt House, Bulwer Avenue, St. Sampsons, Guernsey GY2 4LH. Baker Tilly CI Audit Limited are chartered accountants and a member firm of the Institute of Chartered Accountants in England and Wales.
- 15.5 The Administrator is a Société en Commandite par Actions created in France on 1 September 1955 with registration number 552 108 011 and has been licensed by the Commission since 2007. The Administrator provides its services through its Guernsey branch at BNP Paribas House, St. Julian’s Avenue, St. Peter Port, Guernsey, GY1 1WA and the telephone number for this office is 01481 750850. Its registered office is at 3 rue d’Antin, 75002 Paris, France.
- 15.6 The Initial Placing and Offer and the Placing Programme are designed to be suitable for institutional and other sophisticated or professional investors seeking exposure to investments in alternative investments mainly in equipment leases and who are capable themselves of evaluating the merits and risks of the investment and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing in Ordinary Shares.
- 15.7 The business address of each of the directors of the Investment Manager is the registered office of the Investment Manager. The business address of each of the directors of the U.K. Investment Manager is the registered office of the U.K. Investment Manager.
- 15.8 Certain information has been obtained from external publications and third parties and is sourced in this document where the information is included. The Company and the Investment Managers each confirm that this information has been accurately reproduced and, so far as the Company and each of the Investment Managers is aware and is able to ascertain from information published by applicable third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Unless otherwise stated, such information has not been audited.
- 15.9 The publication or delivery of this document shall not under any circumstances imply that the information contained in this document is correct as at any time subsequent to the date of this document or that there has not been any change in the affairs of the Company since that date.

16 Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at BNP Paribas House, St. Julian’s Avenue, St. Peter Port, Guernsey, GY1 1WA from the date of this document until 15 June 2015:

- 16.1 the Memorandum and Articles;

16.2 the material contracts referred to in paragraph 14 of this Part 9;
16.3 the written consents, referred to in paragraphs 15.1 to 15.3 of this Part 9; and
16.4 this document.

Dated 16 June 2014

PART 10

TAXATION

Taxation

The following information, which relates only to U.K. and Guernsey taxation, is applicable to the Company and certain types of investors.

Prospective investors should note that the statements below are of a general nature and are based on current tax law and current published tax authority practice, as of the date of this document, both of which are subject to change, possibly with retrospective effect. In particular, the levels and basis of, and reliefs from, taxation may change and this may alter the benefits of investment in the Company.

The information does not constitute legal, tax or investment advice and is not exhaustive and, if prospective investors are in any doubt as to the tax consequences of acquiring, holding or disposing of their investments, they should consult their professional advisers without delay.

It is the responsibility of all persons interested in purchasing Ordinary Shares to inform themselves regarding any tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of Ordinary Shares.

Guernsey taxation

The following summary of the anticipated tax treatment in Guernsey of the Company and Shareholders is based on Guernsey taxation law and practice in force at the date of this document and does not constitute legal or tax advice. Prospective investors should consult their professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax rules and practice and their interpretation may change.

The Company

As the Company is incorporated in Guernsey, and is not intending to apply for exempt status, its profits will be within the charge to Guernsey income tax, although the company standard rate of such tax is zero per cent.

Certain types of Guernsey source income are taxed on companies at rates other than zero per cent, as follows:

- i) Income arising from Guernsey property development or Guernsey rental income is taxable at the company higher rate of 20 per cent.
- ii) The profits of utilities regulated by the Office of Utility Regulation are also subject to the 20 per cent. rate.
- iii) Profits arising from certain banking activities and the provision of credit facilities (see below) are subject to tax at the company intermediate rate of 10 per cent. With effect from 1 January 2013, the 10 per cent. intermediate rate has been extended to licensed fiduciaries (in respect of activities regulated by the Commission), licensed insurers (in respect of domestic business), licensed insurance intermediaries and licensed insurance managers.

Included within 'credit facilities' is the provision, in connection with the supply of goods by hire-purchase, conditional sale or credit sale, of credit in instalments for which a separate charge is made and disclosed to the customer.

As a consequence of this definition, certain hire purchase activities of the Company as described in this document could be treated as the provision of 'credit facilities' and therefore within the scope of the 10 per cent. intermediate rate of tax. However, by concession, the Director of Tax in Guernsey will not apply the 10 per cent. rate of tax to the provision of credit facilities, where the borrower has no source of income or profits that is subject to tax in Guernsey. As the businesses entering into hire purchase arrangements with the Company are expected to be non-Guernsey based businesses with negligible Guernsey source income (bank interest is excluded for this purpose), it is anticipated the above concession will apply to all such businesses. Accordingly, the

Company should not be subject to the Guernsey 10 per cent. intermediate rate of tax on its profits from hire purchase transactions.

Profits from the Company's other activities (leasing and investment in collateralized debt securities) as described in this document would not ordinarily be regarded as profits from banking. If they were to be, they would also be within the scope of the 10 per cent. intermediate rate of tax. However, in these circumstances, the same concession as referred to above would apply, as a result of which such profits would not in practice be taxed at the 10 per cent. rate, again provided that the associated customers do not have any profits that are within the scope of Guernsey tax.

Shareholders

In the case of Shareholders who are not resident in Guernsey for tax purposes and provided the Company maintains its zero per cent status, the Company's distributions can be paid to such Shareholders without giving rise to a liability to Guernsey income tax, nor will the Company be required to withhold Guernsey tax on such distributions.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) may incur Guernsey income tax at the applicable rate on a distribution paid to them by the Company. The Company may be required to provide the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its zero per cent. status, there would currently be no requirement for the Company to withhold Guernsey tax from the payment of a distribution to a Guernsey resident Shareholder.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in the Ordinary Shares, with details of the interest.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No document duty is chargeable in Guernsey on the Initial Placing and Offer or the Placing Programme, transfer or redemption of Ordinary Shares in the Company.

European Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "**Directive**") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to an Undertaking for Collective Investment in Transferable Securities ("**UCITS**"), guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Company is not equivalent to a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the Directive in Guernsey.

The scope and operation of the Directive is currently being reviewed in accordance with the European Council's findings published on 13 November 2008. Any review will affect EU Member States. Guernsey, along with other dependent and associated territories, will consider the effect of any proposed changes to the Directive in the context of existing bilateral treaties and domestic law, once the outcome of that review is known. If changes are implemented, the position of Shareholders in relation to the Directive as applied in Guernsey may be different to that set out above.

Future changes

The Company could be subject to the United States Foreign Account Tax Compliance Act ("**FATCA**"). FATCA targets tax non-compliance by US taxpayers with foreign accounts. A

withholding tax of 30 per cent. is chargeable on those foreign entities that do not satisfy the reporting requirements of the US Internal Revenue Service (“**IRS**”). FATCA withholding for non-compliant entities begins with effect from 1 July 2014.

The application of FATCA to the Company is not currently clear, and may be affected by any intergovernmental agreement relating to the implementation of FATCA in Guernsey, into which Guernsey and the United States may enter.

On 15 March 2013, the Chief Minister of Guernsey made a statement that the States of Guernsey (Guernsey’s Parliament) were engaged in final negotiations with the US to conclude an intergovernmental agreement (“**IGA**”) regarding the implementation of FATCA, under which disclosure requirements may be imposed on the Company. This IGA was signed on 13 December 2013. The IGA will be subject to ratification by Guernsey’s parliament (the “States of Guernsey”), and implementation of the agreement will be through Guernsey’s domestic legislative procedure. Financial institutions will not be required to report until 2015 at the earliest (in respect of the 2014 and subsequent periods).

The Company intends to ensure that it complies with any FATCA reporting requirements to which it may be subject, in order that no withholding obligation will arise.

On 15 March 2013 the Chief Minister of Guernsey announced that Guernsey was in the process of finalising a draft intergovernmental agreement with the United Kingdom (“**U.K.-Guernsey IGA**”), under which potentially obligatory disclosure requirements may be imposed in respect of certain Shareholders in the Company who are resident in the United Kingdom for tax purposes. On 22 October 2013, the U.K.-Guernsey IGA was signed. The U.K.-Guernsey IGA is subject to ratification by the States of Guernsey and implementation of the agreement will be through Guernsey’s domestic legislative procedure. Financial institutions will not be required to report until 2016 at the earliest (in respect of the 2014 and subsequent periods).

U.K. taxation

The following statements are intended to address only certain general aspects of the U.K. tax treatment of the Company and certain U.K. tax consequences of the holding and disposing of Ordinary Shares by Shareholders who are resident and, in the case of individuals, resident and domiciled in the U.K. (and not only temporarily non-resident), who are beneficial owners of their Ordinary Shares and the dividends on those Ordinary Shares and who hold their Ordinary Shares as an investment. They may not apply to certain classes of Shareholders including (but not limited to): (i) dealers in securities; (ii) persons who have acquired their Ordinary Shares by reason of any office or employment; (iii) persons who control or hold, either alone or together with one or more associated or connected persons, directly or indirectly, (a) 10 per cent. or more of the Ordinary Shares, (b) 10 per cent. or more of the voting power of the Company, or (c) any other interests in the Company, whether debt, equity or otherwise; or (iv) persons who acquire Ordinary Shares other than for *bona fide* commercial reasons or who have a tax avoidance purpose or motive. Such persons may be subject to a materially different tax treatment.

If Shareholders are resident or domiciled for tax purposes in a jurisdiction other than the U.K., or if Shareholders are unsure as to any aspect of their tax treatment, they should consult their own professional tax advisers.

The Company

The Directors intend to conduct the affairs of the Company so that it does not become resident in the U.K. for U.K. tax purposes and does not become subject to U.K. tax on its profits or gains as a result of carrying on a trade in the U.K. On that basis, the Company is not expected to be subject to U.K. corporation tax or income tax, other than in respect of certain types of U.K. source income which may be received subject to deduction of income tax at source.

The Directors do not consider the Company to be an “offshore fund” for U.K. tax purposes. If the Company were to be treated as an “offshore fund” for U.K. tax purposes, gains on disposals of Ordinary Shares may be taxable as income, rather than capital gains. The statements below assume that the Company is not an offshore fund.

Taxation of dividends

The Company will not be required to withhold U.K. tax at source when paying a dividend.

U.K. resident individual Shareholders who receive a dividend from the Company, and who hold less than 10 per cent. of the issued share capital of the Company, will generally be entitled to a tax credit equal to one-ninth of the dividend payment. The income tax payable in respect of the dividend will be based on the amount of dividend plus the U.K. tax credit. The individual should be entitled to deduct the U.K. tax credit from the income tax payable. However, if the income tax payable is less than the U.K. tax credit, the excess can neither be claimed as a tax refund nor used against any other income tax liability.

Shareholders which are subject to U.K. corporation tax and are not small companies should generally be exempt from U.K. corporation tax in respect of dividends received from the Company.

U.K. small companies will be subject to U.K. corporation tax on dividends received on the Ordinary Shares. A company is "small" for these purposes for any accounting period during which staff headcount is below 50 and either turnover or balance sheet total is less than or equal to €10 million.

Disposals of Ordinary Shares

Shareholders who sell or otherwise dispose of their Ordinary Shares may, depending on their circumstances and subject to any available exemption or relief, incur a liability to U.K. capital gains tax (for individual Shareholders) or U.K. corporation tax on chargeable gains (for corporate Shareholders). Individual Shareholders may, depending on their circumstances, have gains reduced by the annual exemption, whereas corporate Shareholders subject to U.K. corporation tax may have their gains reduced by indexation allowance (but this allowance will not create or increase an allowable loss).

ISAs and SIPPs

Ordinary Shares acquired pursuant to the Offer for Subscription or in the secondary market (but not Ordinary Shares acquired directly under the Initial Placing or Placing Programme) should be qualifying investments for inclusion in an ISA, subject to applicable subscription limits. Investments held in ISAs will be free of U.K. tax on both capital gains and income. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Ordinary Shares should also be eligible for inclusion in a SIPP, subject to the discretion of the trustees of the SIPP.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a general guide to the U.K. stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules may apply.

No U.K. stamp duty or SDRT will be payable on the issue of Ordinary Shares pursuant to the Initial Placing and Offer or the Placing Programme.

U.K. stamp duty may be chargeable (generally at the rate of 0.5 per cent. of the amount or the value of the consideration for the transfer, rounded up to the nearest £5) on any instrument transferring Ordinary Shares which is executed in the U.K. or which relates to any property situated, or any matter or thing done or to be done, in the U.K. If an instrument of transfer is chargeable to U.K. stamp duty, that instrument may not be produced in civil proceedings in the United Kingdom, and may not be available for any other purpose in the United Kingdom (other than criminal proceedings), until any United Kingdom stamp duty that is due, and any interest and penalties for late stamping, have been paid.

Any agreement to transfer Ordinary Shares, including any transfer effected through CREST, should not be subject to SDRT, provided that the Ordinary Shares are not registered in any register of the Company kept in the U.K. and that the Ordinary Shares are not paired with shares issued by a company incorporated in the U.K.

Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.

Prospective purchasers of Ordinary Shares who are citizens of, or domiciled or resident in (or otherwise subject to the tax or other laws of), a jurisdiction outside the U.K. should consult their own professional advisers with respect to the potential tax, exchange control and other

consequences to them of acquiring, holding and disposing of Ordinary Shares under the laws of their country of citizenship, domicile or residence.

PART 11

TERMS AND CONDITIONS OF APPLICATION UNDER THE INITIAL PLACING AND PLACING PROGRAMME

1 Introduction

Each Placee which confirms its agreement to the Company and/or Winterflood to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Winterflood may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2 Agreement to subscribe for Ordinary Shares

Conditional on: (i) First Admission of Ordinary Shares occurring and becoming effective by 8.00 a.m. (London time) on or prior to 14 July 2014 (or such later time and/or date, not being later than 8.00 a.m. on 31 August 2014, as the Company and Winterflood may agree) and any Subsequent Admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and Winterflood prior to the closing of each placing under the Placing Programme, not being later than 15 June 2015; (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission; and (iii) Winterflood confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Winterflood at the Initial Placing and Offer Price or the Placing Programme Price, as appropriate. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3 Payment for Ordinary Shares

3.1 Each Placee must pay the relevant Placing Programme Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Winterflood. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares may, at the discretion of Winterflood, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.

3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Initial Placing or Placing Programme Price for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Winterflood elects to accept that Placee's application, Winterflood may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Winterflood's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf.

4 Representations and warranties

By agreeing to subscribe for Ordinary Shares, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, the Investment Manager and Winterflood that:

- (a) in agreeing to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Placing and/or the Placing Programme. It agrees that none of the Company, the Investment Manager, Winterflood or the Registrar, nor any of their respective officers, agents employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Winterflood or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or the Placing Programme;
- (c) it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 11 and the Articles as in force at the date of Admission of the relevant Ordinary Shares;
- (d) it has not relied on Winterflood or any person affiliated with Winterflood in connection with any investigation of the accuracy of any information contained in this document;
- (e) the content of this document is exclusively the responsibility of the Company and its Directors and neither Winterflood nor any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or the Placing Programme based on any information, representation or statement contained in this document or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Initial Placing and/or the Placing Programme to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Winterflood;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- (h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of the United States, Canada, Australia or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Canada, Australia or Japan unless an exemption from any registration requirement is available;
- (i) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC and (b) if that relevant Member State has implemented the AIFMD, that it is a person to whom the Ordinary Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- (k) in the case of any Ordinary Shares acquired by a Placee as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the Ordinary Shares acquired by it in the Initial Placing and/or the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Winterflood has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;

- (l) if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Initial Placing and/or the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (m) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- (n) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Initial Placing or Placing Programme is accepted;
- (o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Initial Placing and/or the Placing Programme or the Ordinary Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (p) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5, below;
- (q) it acknowledges that neither Winterflood nor any of its respective affiliates, nor any person acting on Winterflood's behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or Placing Programme or providing any advice in relation to the Initial Placing and/or Placing Programme and its participation in the Initial Placing and/or Placing Programme is on the basis that it is not and will not be a client of Winterflood and that neither Winterflood has any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing and/or Placing Programme nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or the Placing Programme;
- (r) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or Placing Programme in the form provided by the Company and/or Winterflood. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (s) it irrevocably appoints any director of the Company and any director of Winterflood to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Initial Placing and/or the Placing Programme, in the event of its own failure to do so;
- (t) it accepts that if the Initial Placing and/or Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List of the FCA and to trading on the London Stock Exchange for any reason whatsoever then none of Winterflood or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- (u) in connection with its participation in the Initial Placing and/or Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering (“**Money Laundering Legislation**”) and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”); or (iii) subject to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, together with any regulations and guidance notes issued pursuant thereto; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (v) it acknowledges that due to anti-money laundering requirements, Winterflood and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Winterflood and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Winterflood and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- (w) it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Ordinary Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002, as amended;
- (x) it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar’s and the Administrator’s computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law, 2001, as amended (the “**Data Protection Law**”) and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:
 - (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - (iii) provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (iv) without limitation, provide such personal data to the Company or the Investment Manager and each of their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (v) process its personal data for the Registrar’s or the Administrator’s internal administration.
- (y) in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subject to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (x) above). For the purposes of this document, “**data subject**”, “**personal data**” and “**sensitive personal data**” shall have the meanings attributed to them in the Data Protection Law;

- (z) Winterflood and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (aa) the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Winterflood and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Winterflood and the Company;
- (bb) where it or any person acting on behalf of it is dealing with Winterflood, any money held in an account with Winterflood on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Winterflood to segregate such money, as that money will be held by Winterflood under a banking relationship and not as trustee;
- (cc) any of its clients, whether or not identified to Winterflood, will remain its sole responsibility and will not become clients of Winterflood for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (dd) it accepts that the allocation of Ordinary Shares shall be determined by Winterflood in its absolute discretion but in consultation with the Company and that Winterflood may scale down any commitments for this purpose on such basis as it may determine; and
- (ee) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Initial Placing and/or the Placing Programme.

5 United States purchase and transfer restrictions

By participating in the Initial Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar, and Winterflood that:

- (a) it is not a U.S. Person and it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;
- (b) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the Securities Act;
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code. In addition, if a Placee is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

- (e) if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

“SQN ASSET FINANCE INCOME FUND LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;

- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person’s status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- (j) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, Winterflood or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or the Placing Programme or its acceptance of participation in the Initial Placing and/or the Placing Programme;
- (k) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the Investment Manager, Winterflood and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company.

6 Supply and disclosure of information

If Winterflood, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme, such Placee must promptly disclose it to them.

7 Miscellaneous

The rights and remedies of the Company, the Investment Manager, Winterflood and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the Placing Programme, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, Winterflood and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Winterflood and the Company expressly reserve the right to modify the Initial Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and/or the Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in Part 9 of this document.

PART 12

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1 Introduction

If you apply for Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, Winterflood and the Receiving Agent as set out in this Part 12.

2 Offer to acquire Ordinary Shares under the Offer for Subscription

Your application must be made on the Application Form attached at the end of this document or otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you complete an Application Form on behalf of another person or a corporation, that person or corporation:

- 2.1 offer to subscribe for the number of Ordinary Shares specified in section 1 of your Application Form (or such lesser number for which your application is accepted) at the Initial Placing and Offer Price on the terms, and subject to the conditions, set out in this document (including this Part 12) and the Memorandum of Incorporation and Articles of the Company;
- 2.2 agree that, in consideration of the Company and/or Winterflood agreeing that they will not, prior to First Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked until after 7 July 2014 and shall not be revoked after First Admission and that this paragraph 2.2 shall constitute a collateral contract between you, the Company and/or Winterflood which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- 2.3 warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to have any Ordinary Shares applied for in uncertificated form credited to a CREST account or to receive a share certificate for any Ordinary Shares applied for in certificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares (and any associated aggregated commission) and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to issue such Ordinary Shares and may issue them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- 2.4 agree that the crediting to a CREST account of any Ordinary Shares in uncertificated form to which you may become entitled may be delayed by, and that any share certificate in respect of any Ordinary Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable may be retained by, the Receiving Agent:
 - (a) pending clearance of your remittance;
 - (b) pending investigation of any suspected breach of the warranties contained in subparagraphs 6.1, 6.2, 6.6, 6.8 or 6.9 of this Part 12 or any other suspected breach of the terms and conditions of application set out in this Part 12; or
 - (c) pending any verification of identity which is, or which the Company or the Receiving Agent considers may be, required for the purposes of its money laundering obligations under the U.K. Money Laundering Regulations 2007, the Money Laundering Directive (Council Directive No. 91/308/EEC), the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007 and the Handbook of Financial Services Business (together referred to as the “**Money Laundering Regulations**”) (in each case as amended) and any other regulations applicable thereto; and

- (d) any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;
- 2.5 agree, on the request of the Company and/or Winterflood, to disclose promptly in writing to them such information as the Company and/or Winterflood may request in connection with your application and authorise the Company, Winterflood and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.6 agree that, if evidence of identity satisfactory to the Company, and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Winterflood following a request therefor, the Company or Winterflood may terminate the agreement with you to issue Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been issued to you may be re-issued and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest and at your risk;
- 2.7 agree that you are not applying on behalf of a person engaged in money laundering;
- 2.8 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certificated by a solicitor or notary) is enclosed with your Application Form;
- 2.9 undertake to pay interest at the rate described in paragraph 3.3 of this Part 12 if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.10 authorise the Receiving Agent to credit the CREST account specified in section 5 of the Application Form with the number of Ordinary Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of Ordinary Shares for which your application is accepted by post to your address (or that of the first-named applicant) as set out in your Application Form;
- 2.11 agree that, in the event of any difficulties or delays in the admission of the Ordinary Shares to CREST or the use of CREST in relation to the Offer for Subscription, the Company and/or Winterflood may agree that all of the Ordinary Shares should be issued in certificated form;
- 2.12 authorise the Receiving Agent to send a crossed cheque for any monies returnable (without interest) by post to your address (or that of the first-named applicant) as set out in your Application Form;
- 2.13 confirm that you have read and complied with paragraph 8 of this Part 12;
- 2.14 consent to the processing of personal data given in relation to your application and acknowledge and accept that information provided by you to the Company, Receiving Agent or Administrator will be stored on the Receiving Agent's, the Registrar's and the Administrator's computer system and manually. You acknowledge and agree that for the purposes of the Data Protection (Bailiwick of Guernsey) Law, 2001, as amended (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Receiving Agent, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Receiving Agent, the Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
- (a) process your personal data (including sensitive personal data) as required by or in connection with your holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on you;
 - (b) communicate with you as necessary in connection with your affairs and generally in connection with your holding of Ordinary Shares;
 - (c) provide personal data to such third parties as the Administrator, the Registrar or Receiving Agent may consider necessary in connection with your affairs and generally in connection with your holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (d) without limitation, provide such personal data to the Company, Winterflood, the Investment Manager, the Administrator, the Receiving Agent, the Registrar and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and

- (e) process your personal data for the Administrator's, the Receiving Agent's or the Registrar's internal administration.

In providing the Receiving Agent, the Registrar and the Administrator with information, you hereby represent and warrant to the Receiving Agent, the Registrar and the Administrator that you have obtained the consent of any data subject to the Receiving Agent and the Administrator and their respective associates holding and using their personal data for the purposes (including the explicit consent of the data subject for the processing of any sensitive personal data for the Purposes set out in paragraph 2.14 (a) above). For the purposes of this document, "**data subject**", "**personal data**" and "**sensitive personal data**" shall have the meanings attributed to them in the Data Protection Law; and

2.15 agree that your Application Form is addressed to the Company.

3 Acceptance of applications

- 3.1 In respect of those Ordinary Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company, or Winterflood on behalf of the Company, either:
 - (i) by notifying the FCA of the basis of allocation (in which case the acceptance will be on that basis); or
 - (ii) by notifying acceptance thereof to the Receiving Agent.
- 3.2 The basis of allocation will be determined by the Company in consultation with Winterflood. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with the terms and conditions of application set out in this Part 12 or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with it in some other manner to apply in accordance with the terms and conditions of application in this Part 12. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 1.00 p.m. on 7 July 2014 or which are received otherwise than in accordance with these terms and conditions of the Offer for Subscription.
- 3.3 The right is reserved to present all cheques for payment on receipt by the Receiving Agent to retain documents of title and surplus application monies pending clearance of successful applicant's cheques. The Company may require you to pay interest or its other resulting costs (or both) if any cheque accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer for Subscription is publicly announced until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2 per cent. per annum.
- 3.4 The right is reserved to reject in whole or in part and/or to scale down or limit, any application.
- 3.5 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 Ordinary Shares, or applications which are more than 1,000 Ordinary Shares but not a multiple of 1,000 thereafter.

4 Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
 - (i) First Admission by 8.00 a.m. (London time) on or prior to 14 July 2014 (or such later time or date, not being later than 8.00 a.m. on 31 August 2014, as the Company and Winterflood may agree);
 - (ii) the Placing Agreement referred to in paragraph 14.1 of Part 9 of this document becoming unconditional and the obligations of Winterflood thereunder not being terminated prior to First Admission; and

(iii) the Minimum Net Proceeds being raised.

4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5 Return of application monies

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

6 Warranties

By completing an Application Form, you:

- 6.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation and that such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 12 and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.2 warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any such territory or jurisdiction and that you have not taken any action or omitted to take any action which will result in the Company, Winterflood or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer for Subscription in respect of your application;
- 6.3 confirm that, in making an application, you are not relying on any information or representations in relation to the Company other than those contained in this document and any supplementary prospectus issued by the Company prior to First Admission (on the basis of which alone your application is made) and, accordingly, you agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any such other information or representation;
- 6.4 agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained in it;
- 6.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to First Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or Winterflood;
- 6.6 warrant that you are not under the age of 18 on the date of your application;
- 6.7 agree that all documents and monies sent by post to, by or on behalf of the Company, Winterflood or the Receiving Agent will be sent at your risk and, in the case of documents and returned monies to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- 6.8 warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services); and
- 6.9 confirm that you have reviewed the restrictions contained in paragraph 2 of this Part 12 and warrant to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph.

7 Money laundering

7.1 You agree that, in order to ensure compliance with the Money Laundering Regulations, as amended, and any other regulations applicable thereto, the Company and/or Winterflood may, at its/their absolute discretion, require verification of identity from any person lodging an Application Form who either:

7.1.1 tenders payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or

7.1.2 appears to the Receiving Agent to be acting on behalf of some other person (in which case verification of or identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence or identity may result in application(s) being rejected or delays in the despatch of documents or CREST accounts being credited.

Without prejudice to the generality of this paragraph 7 of this Part 12, verification of the identity of applicants will be required if the aggregate value of the Ordinary Shares applied for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,125).

8 Overseas investors

The attention of investors who are not resident in, or citizens of, countries other than the United Kingdom and Guernsey is drawn to paragraph 8.1 to 8.4 below:

8.1 The offer of Ordinary Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer for Subscription. It is the responsibility of all such persons receiving this document and/or wishing to subscribe for Ordinary Shares under the Offer for Subscription, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territories.

8.2 No person receiving a copy of this document in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.

8.3 Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

8.4 The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9 Miscellaneous

9.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

9.2 The rights and remedies of the Company, Winterflood and the Receiving Agent, pursuant to this Part 12 are in addition to any rights and remedies, which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.

- 9.3 The Company reserves the right to delay the closing time of the Offer for Subscription from 1.00 p.m. on 7 July 2014 by giving notice to the FCA. In this event, the revised closing time will be published in such manner as Winterflood, in consultation with the Company, determines subject, and having regard, to the Listing Rules, the Prospectus Rules and any other requirements of the FCA.
- 9.4 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to First Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned to you without interest.
- 9.5 You agree that Winterflood is acting for the Company in connection with the Offer for Subscription and for no-one else and that Winterflood will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer for Subscription.
- 9.6 You authorise the Receiving Agent, Winterflood or any person authorised by any of them or the Company, as your agent, (without any obligation to do so) to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent or of Winterflood to execute and/or complete any document required therefor.
- 9.7 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Winterflood or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 9.8 The dates and times referred to in this Part 12 may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 9.9 Save where the context requires otherwise, terms used in this Part 12 bear the same meaning as where used elsewhere in this document.

10 Joint applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA or SIPP. If you are interested in transferring your Ordinary Shares into an ISA or SIPP, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Sections 3 and 4 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 7 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address set out in the first paragraph of the Application Form.

11 Verification of identity

Verification of the identity of applicants will be required if the aggregate value of the Ordinary Shares applied for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,125).

12 Instructions for delivery of completed application forms

Completed Application Forms should be returned, by post to or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 1.00 p.m. on 7 July 2014. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 1.00 p.m. on 7 July 2014 may be rejected and returned to the first-named applicant.

PART 13

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Administration and Custody Agreement”	the administration and custody agreement dated 16 June 2014 between the Company and the Administrator;
“Administrator”	BNP Paribas Securities Services S.C.A., Guernsey Branch, whose details are set out on page 32;
“Admission”	admission to trading on the London Stock Exchange’s main market for listed securities of the Ordinary Shares becoming effective in accordance with the LSE Admission Standards and admission of the Ordinary Shares to listing on the premium segment of the Official List;
“Alternative Investment Fund Managers Directive” or “AIFMD”	the Alternative Investment Fund Managers Directive 2011/61 EU
“Application Form”	the application form on which an applicant may apply for Ordinary Shares under the Offer attached as an Appendix to this document;
“Articles”	the articles of incorporation of the Company adopted on 11 June 2014;
“Asset Pool”	has the meaning set out in paragraph 1 of Part 4 of this document;
“Board”	the Directors;
“Business Day”	any day (other than a Saturday or a Sunday) on which clearing banks are open for a full range of banking transactions in London and Guernsey;
“C Shares”	the temporary and separate class of shares that the Directors may determine to issue, as described in paragraph 4 of Part 9 of this document;
“Capita Asset Services”	a trading name for Capita Registrars Limited;
“certificated” or “in certificated form”	the description of a share or other security which is not in form (that is not in CREST);
“Commission”	the Guernsey Financial Services Commission;
“Companies Act 2006”	the provisions of the U.K. Companies Act 2006 in force at the date of this document;
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended, in force at the date of this document;
“Company”	SQN Asset Finance Income Fund Limited, a company incorporated in Guernsey with registered number 58519 whose registered office is at BNP Paribas House, St Julian’s Avenue, St Peter Port, Guernsey, GY1 1WA, Guernsey;
“Continuation Resolution”	the ordinary resolution(s) to be proposed by the Board to Shareholders at the annual general meeting in 2017 and at every third annual general meeting thereafter that the Company continues as a closed-ended investment company;
“Court”	the Royal Court of Guernsey;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear;
“CREST Guernsey Regulations”	the Uncertificated Securities (Guernsey) Regulations 2009 (as amended from time to time);

“CREST Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CCSS Operations Manual and the CREST Glossary of Terms;
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST Proxy Instruction”	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear’s specifications;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Custodian”	BNP Paribas Securities Services S.C.A., Guernsey Branch, whose details are set out on page 32;
“Delegation Agreement”	the agreement dated 28 June 2011 as amended and restated on 16 June 2014 between the Investment Manager and the Sub-Investment Manager, as described in paragraph 1.1 of Part 3 of this document;
“Directors”	the directors of the Company as at the date of this document whose names are set out on page 32 of this document and “Director” means any one of them;
“Disclosure and Transparency Rules”	the disclosure and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA;
“ERISA”	the U.S. Employment Retirement Income Security Act of 1974, as amended;
“ERISA Plan Investors”	a plan investor as defined by ERISA;
“EU” or “European Union”	the European Union first established by the treaty made at Maastricht on 7 February 1992;
“Euroclear”	Euroclear U.K. & Ireland Limited;
“European Economic Area”	the European Union, Iceland, Norway and Liechtenstein;
“FATCA”	the U.S. Foreign Account Tax Compliance Act;
“FCA”	the Financial Conduct Authority;
“FDIC”	the Federal Deposit Insurance Corporation;
“FINRA”	the U.S. Financial Industry Regulatory Authority;
“First Admission”	Admission of the Ordinary Shares issued pursuant to the Initial Placing and Offer;
“FSMA”	the Financial Services and Markets Act 2000, (as amended from time to time), including any regulations made pursuant thereto;
“GFSC Code”	the Finance Sector Code of Corporate Governance published by the Guernsey Financial Services Commission;
“Gross Issue Proceeds”	the gross proceeds received by the Company pursuant to the Initial Placing and Offer;
“Group”	the Company and its subsidiaries from time to time;
“Guernsey”	the Island of Guernsey;
“HMRC”	HM Revenue & Customs;

“Initial Placing”	the conditional placing of Ordinary Shares by Winterflood as described in Part 7 of this document;
“Initial Placing and Offer”	the Initial Placing and Offer for Subscription;
“Initial Placing and Offer Price”	100 pence per Ordinary Share;
“Initial Portfolio”	has the meaning ascribed to it in paragraph 1 of Part 4;
“Investment Management Agreement”	the investment management agreement dated 16 June 2014 and made between the Company, the Investment Manager and the U.K. Investment Manager, details of which are set out in paragraph 14.2 of Part 9 of this document;
“Investment Manager”	SQN Capital Management, LLC, whose details are set out on page 32;
“Investment Managers”	the Investment Manager and/or the Sub-Investment Manager and/or the U.K. Investment Manager, as the context requires;
“IRR”	internal rate of return;
“ISA”	an individual savings account maintained in accordance with the U.K. Individual Savings Account Regulations 1998 (as amended from time to time);
“Law”	The Companies (Guernsey) Law, 2008, as amended;
“Listing Rules”	the listing rules made by the FCA under section 73A of FSMA;
“LLC”	a United States limited liability company;
“London Stock Exchange”	London Stock Exchange plc;
“Main Market”	the main market of the London Stock Exchange;
“Memorandum”	the memorandum of incorporation of the Company dated 28 May 2014 as amended from time to time;
“Minimum Net Proceeds”	£39,200,000;
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (SI 2007 No. 2157) as amended from time to time;
“Net Asset Value” or “NAV”	the value of the assets of the Company or a class of shares of the Company, as the case may be, less its liabilities (including accrued but unpaid fees), determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the Directors;
“Net Issue Proceeds”	the proceeds received by the Company pursuant to the Initial Placing and Offer net of expenses incurred by the Company in respect of the Initial Placing and Offer;
“Offer for Subscription”	the offer for subscription for Ordinary Shares at the Initial Placing and Offer Price as described in this document;
“Official List”	the official list maintained by the U.K. Listing Authority;
“Ongoing Charges”	those expenses which are likely to occur in the foreseeable future which relate to the operation of the Company, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments;
“Ordinary Share”	an ordinary share in the Company of no par value; the persons with whom Ordinary Shares are placed pursuant to the Initial Placing and/or the Placing Programme;
“Placing Agreement”	the conditional agreement dated 16 June 2014 between the Company, the Directors, the Investment Manager, the U.K. Investment Manager, the Sub-Investment Manager and Winterflood, details of which are set out in paragraph 14.1 of Part 9 of this document;

“Placing Programme”	the proposed programme of placings of up to 100 million Ordinary Shares as described in this document;
“Placing Programme Placees”	the subscribers of Ordinary Shares pursuant to the Placing Programme;
“Placing Programme Price”	the price at which Ordinary Shares will be issued pursuant to the Placing Programme to Placing Programme Placees, being such price, not less than the aggregate of the prevailing Net Asset Value per Ordinary Share (cum-income) and a premium at least sufficient to cover the costs and expenses of issuing the Ordinary Shares (including, without limitation, any placing commissions);
“POI Law”	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
“Promoter”	the Investment Manager;
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003;
“Prospectus Rules”	the prospectus rules of the FCA made pursuant to section 73A of FSMA;
“RCIS Rules”	the Registered Collective Investment Scheme Rules 2008;
“Receiving Agent”	Capita Asset Services, whose details are set out on page 32 of this document;
“Receiving Agent Agreement”	the receiving agent agreement between the Receiving Agent and the Company, details of which are set out in paragraph 14.4 of Part 9 of this document;
“Registrar”	Capita Registrars (Guernsey) Limited, whose details are set out on page 32 of this document;
“Regulation S”	Regulation S promulgated under the Securities Act;
“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
“Restricted Jurisdiction”	each of Australia, Canada, Japan and the United States;
“SEC”	the U.S. Securities and Exchange Commission;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“Shareholder”	a holder of an Ordinary Share;
“SIPP”	a self-invested personal pension;
“Sterling” or “£”	pounds sterling, the legal currency of the United Kingdom;
“Sub-Investment Manager”	Summit Asset Management Limited, whose details are set out on page 42 of this document;
“Subsequent Admission”	Admission of the Ordinary Shares issued pursuant to the Placing Programme;
“Takeover Code”	the City Code on Takeovers and Mergers (as amended from time to time);
“Tax Code”	the U.S. Internal Revenue Code of 1986, as amended;
“Terms and Conditions”	the terms and conditions relating to the Offer for Subscription as set out in Part 12 of this document;
“UCITS Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;
“U.K.” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“U.K. Corporate Governance Code”	the United Kingdom Corporate Governance Code published by the Financial Reporting Council in September 2012;

“U.K. Investment Manager”	SQN Capital Management (UK) Limited, whose details are set out on page 43 of this document;
“U.K. Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List;
“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and
“U.S. Dollar” or “\$”	United States dollars, the lawful currency of the United States;
“U.S. Investment Company Act”	the U.S. Investment Company Act of 1940, as amended;
“U.S. person”	has the meaning ascribed to it under Regulation S;
“Winterflood”	Winterflood Securities Limited.

BOX 7 MUST BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

Box 7 – Authorised Financial Intermediaries Details

By completing and stamping Box 7 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 12 (*Terms and Conditions of Application under the Offer for Subscription*) and to have given the warranty and undertaking set out therein and in Note 7 of the accompanying Notes on Completion of the Application Form.

AUTHORISED FINANCIAL INTERMEDIARIES STAMP	Name of Firm	
	FCA Number	
	Signature	
	Name	
	Position	
	Date	
	Telephone No	
	Email Address	

X PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT HERE



Notes on Completion of the Application Form

It is essential that you complete all parts of the Application Form in accordance with the following instructions.

Authorised Financial Intermediaries MUST read Note 7 of these notes.

1. Application and Amount Payable

Insert in Box 1 the subscription amount for the total number of Ordinary Shares you wish to apply for in SQN Asset Finance Income Fund Limited. Your cheque or banker's draft should be for an amount that represents 100 pence multiplied by the number of Ordinary Shares for which you are applying. Your application must be for a minimum of 1,000 Ordinary Shares (£1,000) and thereafter in multiples of 1,000 Ordinary Shares.

Payment

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "**Capita Registrars Limited re: SQN Asset Finance Income Fund Limited Offer for Subscription A/C**". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque/banker's draft to such effect.

The account name should be the same as that shown on the application.

Money Laundering Regulations

Under the Money Laundering Regulations, Capita Asset Services may be required to check the identity of persons who subscribe for in excess of the Sterling equivalent of €15,000 of Ordinary Shares.

Capita Asset Services may therefore undertake electronic searches for the purposes of verifying identity. To do so Capita Asset Services may verify the details against the applicant's identity, but also may request further proof of identity. Capita Asset Services reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

2. Applicant Details

Insert your title, full name, address and daytime telephone number in BLOCK CAPITALS and black ink in Box 2.

Applications can only be made by persons over the age of 18.

3. Joint Applicants

You may apply with up to three joint applicants. Joint applicants should insert their title and full name in Box 3.

4. Corporate Details

A corporate body wishing to apply for Ordinary Shares should insert the company name, address and daytime telephone number in BLOCK CAPITALS and black ink in Box 4.

5. CREST

If you would like to receive your Ordinary Shares in uncertificated form please insert your Participant ID and Member Account number in Box 5. The CREST Account must be in same name(s) as the Applicant(s) Details provided in Box(es) 2, 3 or 4 above. If you are not a CREST Participant or CREST Sponsored Member you should leave Box 5 blank and you will automatically receive a share certificate for your Ordinary Shares.

6. Signature

By signing the Application Form you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 12 of the Prospectus (*Terms and Conditions of Application under the Offer for Subscription*) and to have given the warranties and undertakings set out therein.

Execution by Individuals:

Please sign and date Box 6. All applicants must sign.

The Application Form may only be signed by someone other than the Applicant(s) named in Box(es) 2, 3 or 4 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document) or duly certified copy thereof must be enclosed for inspection.

Execution by a Company:

A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT UNDERNEATH BOX 7 ON THE APPLICATION FORM

NOTES FOR AUTHORISED FINANCIAL INTERMEDIARIES ONLY

7. Authorised Financial Intermediaries Details

Authorised financial intermediaries must complete and stamp (giving their full name and address) Box 7 in BLOCK CAPITALS, giving a contact name, telephone number, email address and details of their authorisation under the Financial Services and Markets Act 2000.

Money Laundering Regulations

If you complete and stamp Box 7 of the Application Form you are warranting that the applicant is known to you and that you have completed all the verification procedures as required by the relevant rules and guidance of the Financial Conduct Authority, the Joint Money Laundering Steering Group Guidance Notes and other anti-money laundering laws and regulations as may be considered appropriate.

You also confirm that this information can be relied upon by the Company and the Receiving Agent and will, subject to reasonable notice, be made available to the Company or the Receiving Agent for inspection upon request.

In the event of delay or failure to produce such information, the Company may refuse to accept an application for the Offer.



