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If you have disposed of all your Shares in the Company, please pass this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities laws of any such jurisdiction.

SQN Asset Finance Income Fund Limited *(Incorporated in Guernsey with registration number 58519)*

Proposed Amendment to Articles of Incorporation and Notice of General Meeting and Notice of Class Meetings of each of the Ordinary Shareholders and C Shareholders

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Board of the Company in which the Directors recommend how you should vote in relation to the special resolution to be proposed at the General Meeting and at each of the class meetings referred to below.

Notices of the General Meeting, Ordinary Class Meeting and C Class Meeting of the Company to be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA on 20 November 2017, commencing respectively at 10.40 GMT, 10.45 GMT and 10.50 GMT (or as soon thereafter as the preceding Meeting concludes or is adjourned), are set out at the end of this document. The Proposal described in this document is conditional upon Shareholder approval.

Whether or not you intend to be present at the Meetings, please complete and return the relevant Forms of Proxy accompanying this document to Capita Asset Services, by hand (during normal business hours only) or by post, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by not later than the time stated in the instructions printed on the relevant Form of Proxy. If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's Registrar, Capita Asset Services (under CREST participant ID RA10) so that it is received during normal business hours as soon as possible and in any event so as to arrive by not later than the time stated in the instructions printed on the relevant Form of Proxy.

Summary of Action to be Taken

The Meetings

Ordinary Shareholders, to vote:

At the Ordinary Class Meeting



Complete and return the **Blue**
Form of Proxy

At the General Meeting



Complete and return the **White**
Form of Proxy

C Shareholders, to vote:

At the C Class Meeting



Complete and return the **Red**
Form of Proxy

At the General Meeting



Complete and return the **White**
Form of Proxy

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LETTER FROM THE CHAIRMAN
SQN Asset Finance Income Fund Limited
(Incorporated in Guernsey with registration number 58519)

Directors:

Peter Niven *(Non-executive Chairman)*

John Falla *(Non-executive Director)*

Carol Goodwin *(Non-executive Director)*

Paul Meader *(Non-executive Director)*

Christopher Spencer *(Non-executive Director)*

Registered and Head Office:

BNP Paribas House, St Julian's Avenue

St Peter Port, Guernsey

GY1 1WA

18 October 2017

To Shareholders

Dear Sir or Madam

1. Introduction

Your Board has today announced a proposal to amend the Company's Articles by extending the longstop date on which the C Shares of the Company currently in issue are to convert into New Ordinary Shares (the "**Proposal**").

The Proposal is subject to Shareholder approval as required by the Listing Rules and the Companies (Guernsey) Law 2008.

This document sets out in more detail the background to the Proposal and the reasons why the Board unanimously recommends that you vote in favour of the Resolution implementing the Proposal at the General Meeting and the resolution to be proposed at separate class meetings of Shareholders.

2. Background

The "Calculation Time" sets out the date on which the C Shares shall convert into Ordinary Shares (the "Conversion"). Currently the C Shares are due to convert no later than 12 December 2017 being the date falling 12 months after their date of issue. The Proposal to be proposed at the General Meeting seeks Shareholder approval for an amendment to the definition of the term "Calculation Time" in the Articles, thereby extending the conversion date to be 29 June 2018, or such earlier time to be determined in accordance with the Articles. This change is primarily being proposed to ensure that the Conversion is effected following the ruling from the White House on Suniva's petition under Section 21 of the Trade Act of 1974.

In August 2015, SQN entered into a 5-year financing arrangement with Suniva that was secured by Suniva's manufacturing and production equipment and supported by a parental guarantee from a Hong Kong-listed public company. In the NAV as at 30 August 2017, being the last published NAV, the amount outstanding to the Company was \$29.9m (£24.3m), which represented approximately 6.8 per cent. of the net assets of the ordinary share class. The Suniva investment is not attributable to the C Shares.

In April 2017, Suniva filed for protection under the Bankruptcy Laws of the United States as a result of an unprecedented decline in the market price of solar cells and modules caused by an excess of foreign imports in circumvention of existing anti-dumping tariffs and WTO rules.

On 22 September 2017, the United States International Trade Commission ("ITC") rendered its decisions on Suniva and Solar World's petition under Section 201 of the Trade Act of 1974, seeking protection for the solar manufacturing industry in the United States and found that substantial damage has been caused to the U.S. solar manufacturing industry by the overcapacity of foreign imports. Therefore, the ITC will be making a recommendation to the White House to provide protection for U.S. solar manufacturers by 13 November 2017.

The White House will have 60 days to either accept, reject or amend the recommendation from the ITC.

Should Suniva be granted a form of the remedies it has proposed, it is expected that profitable operations will recommence in early 2018.

The final outcome of this case may have a significant impact on the valuation of the Company's position in Suniva and therefore the Board believes that it is appropriate to delay the conversion of the Company's existing C Shares until the conclusion of this case.

The Board is also mindful that progress in deploying the existing C Share capital has been slower than anticipated. The Company has allocated £53 million of capital between drawn and committed investments. An additional £12 million of transactions have been approved, together with a pipeline of £96 million. The Proposal will also allow for the Company to further deploy the C Share capital prior to conversion of the C Shares into Ordinary Shares.

3. General Meeting and class meetings

The Proposal is subject to Shareholder approval at the General Meeting. Pursuant to the requirements of the Listing Rules and the Companies (Guernsey) Law 2008, Shareholders are being asked to approve a Resolution to amend the Company's Articles.

The Resolution will be proposed as a special resolution. A special resolution requires a majority of at least 75 per cent. of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Articles, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Share held. In order to ensure that a quorum is present at the General Meeting, it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy.

The formal notice convening the General Meeting is set out on page 10. The Company is relying on its existing authority to convene the General Meeting on 14 clear days' notice in order to be able to hold the General Meeting on 20 November 2017.

As the Proposal involves an amendment to the Articles and an amendment to the rights attaching to the C Shares it is also necessary for each class of the Company's shares to approve the Proposal at a separate class meeting of the holders of the Shares of the respective class. At each such class meeting a special resolution will be proposed which requires a majority of at least 75 per cent. of those entitled to vote and present in person or by proxy to vote in favour for it to be passed.

Members only of the respective class are entitled to attend and vote at their own class meeting. Members present in person or by proxy shall upon a show of hands have one vote and on a poll shall have one vote in respect of each share of the relevant class held. The quorum requirement for each class meeting is two persons present holding at least one third of the voting rights of the relevant class save that if the meeting is adjourned it shall be one person holding shares of the relevant class.

The formal notices convening the class meetings are set out on pages 12 (in respect of the Ordinary Share class meeting) and 14 (in respect of the C Share class meeting).

4. Action to be taken

Forms of proxy for Shareholders are enclosed as follows:

- (a) for the General Meeting, a white form of proxy;
- (b) for the Ordinary Class Meeting, a blue form of proxy; and
- (c) for the C Class Meeting, a red form of proxy.

Whether or not you propose to attend the Meetings in person, you are requested to complete and sign the forms of proxy. Completed forms of proxy should be returned by hand (during normal business hours only) or by post, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received by the Registrar not later than:

- (d) 10.40 GMT on 16 November 2017 in relation to the white form of proxy for the General Meeting;
- (e) 10.45 GMT on 16 November 2017 in relation to the blue form of proxy for the Ordinary Class Meeting; and
- (f) 10.50 GMT on 16 November 2017 in relation to the red form of proxy for the C Class Meeting.

Unless the relevant Form of Proxy is received by the relevant date and time above, it will be invalid. The lodging of a form of proxy will not prevent you from attending the relevant Meeting and voting in person if you are entitled to do so.

If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (Crest Participant ID RA10) so that it is received no later than the times listed in paragraphs (d) to (f) above. Unless the CREST Proxy Instruction is received by the relevant date and time above it will be invalid.

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

5. Recommendation

The Board considers that the Proposal is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the special resolution to be proposed at the General Meeting and at each of the class meetings.

Yours sincerely

Peter Niven

Chairman

Definitions

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires and words and expressions used in this document and not listed below have the same meaning as that defined in the Company's prospectus dated 8 November 2016:

“Articles”	the articles of incorporation of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“C Class Meeting”	the meeting of the holders of C Shares to consider the Proposal, convened for 10.50 GMT on 20 November 2017 or any adjournment thereof
“C Shares”	means the redeemable shares of no par value issued and designated as “C Shares” in the capital of the Company
“Calculation Time”	means the earliest of the: <ul style="list-style-type: none">(a) close of business on the date to be determined by the Directors after the day on which the Investment Manager shall have given notice to the Directors that at least 85 (eighty five) per cent. of the Net Proceeds attributable to the relevant tranche of C Shares (or such other percentage as the Directors and the Investment Manager shall agree) shall have been invested; or(b) close of business on the date falling 12 (twelve) calendar months after the allotment of the relevant tranche of C Shares or if such a date is not a Business Day the next following Business Day; or(c) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or(d) close of business on such date as the Directors may determine
“Company”	SQN Asset Finance Income Fund Limited
“Form of Proxy”	the forms of proxy provided with this document for use by Shareholders in connection with the General Meeting, Ordinary Class Meeting and C Class Meeting
“General Meeting”	the general meeting of the Company to consider the Proposal, convened for 10.40 GMT on 20 November 2017 or any adjournment thereof
“Listing Rules”	the listing rules made by the Financial Conduct Authority under section 74 of the Financial Services and Markets Act 2000
“London Stock Exchange”	London Stock Exchange plc.
“Ordinary Class Meeting”	the meeting of Ordinary Shareholders to consider the Proposal, convened for 10.45 GMT on 20 November 2017 or any adjournment thereof
“Ordinary Shares”	means the shares of no par value issued and designated as “ordinary shares” in the capital of the Company
“Proposal”	the proposal described in this document
“Registrar”	Capita Registrars (Guernsey) Limited, Mont Crevalt House, Bulwer Avenue, St Sampsons, Guernsey GY2 4LH
“Resolution”	the resolution to be proposed at the General Meeting
“Shareholder”	a holder of Shares
“Shares”	the Ordinary Shares and/or the C Shares as the context requires

NOTICE OF GENERAL MEETING
SQN Asset Finance Income Fund Limited
(Incorporated in Guernsey with registration number 58519)

NOTICE IS HEREBY GIVEN THAT a General Meeting of the Company will be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA on 20 November 2017 at 10.40 GMT to consider and, if thought fit, approve the following resolution as a special resolution:

Special Resolution

1 **THAT** the following wording be added to the end of the definition of the term "Calculation Time" after subparagraph (d) on page 2 of the Company's Articles:

"Notwithstanding any of the above, the C Shares in issue as at 20 November 2017 shall instead convert into New Ordinary Shares on the earlier of:

- (i) close of business on such date as the Directors may determine; or
- (ii) 29 June 2018."

Words and expressions defined in the circular to Shareholders dated 18 October 2017 shall, save where the context otherwise requires, have the same meanings in the Resolution.

By order of the Board

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

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

18 October 2017

Notes:

1. Only those shareholders registered in the Company's register of members at close of business on 16 November 2017 or, if the meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member entitled to attend and vote at the meeting is entitled to appoint another person (who need not be a member) as his proxy to exercise all or any of his rights to attend and speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares. A white Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions.
3. To be valid the white Form of Proxy must be deposited, by hand or by post, at the offices of Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.40 GMT on 16 November 2017. The Company will also accept Forms of Proxy deposited in accordance with the Articles.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by Capita Asset Services by no later than 10.40 GMT on 16 November 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your white Form of Proxy must be received by the Company's Registrar no later than 10.40 GMT on 16 November 2017.
5. Members who return the white Form of Proxy or register the appointment of a proxy electronically will still be able to attend the General Meeting and vote in person if they so wish.
6. If, within half an hour of the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned for fourteen days at the same time and place and no notice of adjournment need be given.
7. As at 17.00 GMT on 16 October 2017, the Company's issued share capital comprised 357,707,507 Ordinary Shares, and 180,000,000 C Shares. Each Ordinary Share and each C Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 17.00 GMT on 16 October 2017 is 537,707,507.

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

NOTICE OF ORDINARY SHAREHOLDERS' CLASS MEETING
SQN Asset Finance Income Fund Limited
(Incorporated in Guernsey with registration number 58519)

NOTICE IS HEREBY GIVEN THAT a separate class meeting of the holders of Ordinary Shares in the Company will be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA 20 November 2017 at 10.45 GMT for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions, namely:

Special Resolution

THAT the holders of the Ordinary Shares hereby sanction and consent to:

- (a) the passing of the special resolution set out in the notice convening a general meeting of the Company to be held on 20 November 2017 contained in the circular of the Company dated 18 October 2017 (the "**Circular**"), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting, and the carrying into effect of the resolution; and
- (b) any and all variations or abrogations (including any deemed variation or abrogation) of the rights and privileges attached to the said Ordinary Shares which will or may result from the passing and the carrying into effect of the resolutions or otherwise as may be effected thereby or involved therein.

By order of the Board

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

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

18 October 2017

Notes:

1. Only those shareholders registered in the Company's register of members at close of business on 16 November 2017 or, if the meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member entitled to attend and vote at the meeting is entitled to appoint another person (who need not be a member) as his proxy to exercise all or any of his rights to attend and speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares. A blue Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions.
3. To be valid the blue Form of Proxy must be deposited, by hand or by post, at the offices of Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.45 GMT on 16 November 2017. The Company will also accept Forms of Proxy deposited in accordance with the Articles.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by Capita Asset Services by no later than 10.45 GMT on 16 November 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your blue Form of Proxy must be received by the Company's Registrar no later than 10.45 GMT on 16 November 2017.
5. Members who return the blue Form of Proxy or register the appointment of a proxy electronically will still be able to attend the meeting and vote in person if they so wish.
6. If, within half an hour of the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned for fourteen days at the same time and place and no notice of adjournment need be given.
7. As at 17.00 GMT on 16 October 2017, the Company had 357,707,507 Ordinary Shares in issue. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights which may be cast at the Ordinary Class Meeting as at 17.00 GMT on 16 October 2017 is 357,707,507.

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

NOTICE OF C SHAREHOLDERS' CLASS MEETING
SQN Asset Finance Income Fund Limited
(Incorporated in Guernsey with registration number 58519)

NOTICE IS HEREBY GIVEN THAT a separate class meeting of the holders of C Shares in the Company will be held at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA on 20 November 2017 at 10.50 GMT for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions, namely:

Special Resolution

THAT the holders of the C Shares hereby sanction and consent to:

- (a) the passing of the special resolution set out in the notice convening a general meeting of the Company to be held on 20 November 2017 contained in the circular of the Company dated 18 October 2017 (the "**Circular**"), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting, and the carrying into effect of the resolution; and
- (b) any and all variations or abrogations (including any deemed variation or abrogation) of the rights and privileges attached to the said C Shares which will or may result from the passing and the carrying into effect of the resolution or otherwise as may be effected thereby or involved therein.

By order of the Board

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

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

18 October 2017

Notes:

1. Only those shareholders registered in the Company's register of members at close of business on 16 November 2017 or, if the meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member entitled to attend and vote at the meeting is entitled to appoint another person (who need not be a member) as his proxy to exercise all or any of his rights to attend and speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares. A red Form of Proxy is enclosed which, if required, should be completed in accordance with the instructions.
3. To be valid the red Form of Proxy must be deposited, by hand or by post, at the offices of Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.50 GMT on 16 November 2017. The Company will also accept Forms of Proxy deposited in accordance with the Articles.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by Capita Asset Services by no later than 10.50 GMT on 16 November 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your red Form of Proxy must be received by the Company's Registrar no later than 10.50 GMT on 16 November 2017.
5. Members who return the red Form of Proxy or register the appointment of a proxy electronically will still be able to attend the meeting and vote in person if they so wish.
6. If, within half an hour of the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned for fourteen days at the same time and place and no notice of adjournment need be given.
7. As at 17.00 GMT on 16 October 2017, the Company had 180,000,000 C Shares in issue. Each C Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights which may be cast at the C Class Meeting as at 17.00 GMT on 16 October 2017 is 180,000,000.

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

