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If you are in any doubt as to the contents of this document or the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser authorised under the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, another appropriately authorised professional adviser.

If you have sold or transferred all of your ordinary shares in the Company (the **Shares**) please forward this document together with the Form of Proxy enclosed without delay to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected.

FUNDING CIRCLE SME INCOME FUND LIMITED

(Incorporated in Guernsey, registered number 60680)

Notice of Annual General Meeting

Notice of the first Annual General Meeting of Funding Circle SME Income Fund Limited to be held at Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG, Channel Islands on 16 January 2017 at 9.00 a.m. is set out in this document at pages 4 to 7. Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form for use by shareholders in accordance with the instructions on the enclosed form. The Form of Proxy must be completed and signed and received at the Company's registrar's offices at Capita Asset Services, The Registry, 34 Beckenham Road, Kent, BR3 4TU, United Kingdom, by no later than 9.00am London time on 12 January 2017.

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FUNDING CIRCLE SME INCOME FUND LIMITED

(Incorporated in Guernsey, registered number 60680)

Directors:

Richard Boleat (Chairman)
Richard Burwood
Jonathan Bridel
Frederic Hervouet
Samir Desai

Registered office:

Sanne Group (Guernsey) Limited
Third Floor, La Plaiderie Chambers
La Plaiderie
St Peter Port
GY1 1WG

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

1. Introduction

I am delighted to invite you to the Company's first Annual General Meeting ("**AGM**") which will be held on 16 January 2017 at the Company's registered office, Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG, Channel Islands, at 9.00am (London time).

The business to be conducted at the AGM is set out in the Notice of Annual General Meeting at pages 4 to 7 of this document. You will be asked to consider and vote on the resolutions set out in the Notice, which relate to the usual business conducted at an annual general meeting of the Company and also, include proposals to renew the share buy-back authority and to dis-apply the statutory pre-emption rights. An explanation of all the Resolutions is given in paragraph 2 below.

2. Summary of resolutions to be proposed at the AGM

(i) Receive the Annual Report and Consolidated Audited Financial Statements of the Company (Resolution 1).

Shareholders are being asked to receive, consider and approve the Annual Report and Consolidated Audited Financial Statements of the Company for the period from 22 July 2015 to 31 March 2016 with the reports of the Directors and auditors therein. The Annual Report is available from www.fcincomefund.com/documents

(ii) Appointment of Auditor (Resolutions 2 and 3)

The Company is required to appoint an auditor at each general meeting at which accounts are presented to shareholders. PricewaterhouseCoopers CI LLP have been the Company's Auditor since the Company's inception. Shareholders are being asked to re-appoint PricewaterhouseCoopers CI LLP as auditor to the Company to hold office until the conclusion of the next general meeting at which accounts are presented to shareholders and to authorise the directors to fix their remuneration.

(iii) Re-election of Directors (Resolutions 4 to 8)

Each of the Company's directors will stand for re-election. Biographical details of each director standing for re-election are set out on page 41 of the Annual Report.

(iv) Directors' Remuneration Report (Resolution 9)

Shareholders are being asked to approve the Directors' Remuneration Report for the period ended 31 March 2016 which is set out on pages 17 and 18 of the Annual Report.

(v) Share buy-backs (Resolution 10)

The existing buy-back authority, granted by a Written Resolution of the Company dated 5 November 2015 permitted the Company to make market purchases of up to 14.99 per cent. of the Company's issued ordinary share capital immediately following Admission and expires at the first Annual General Meeting. Resolution 10 is being proposed to renew the authorisation of the Board to buy-back on market up to 14.99 per cent. of the Company's issued ordinary share capital (approximately 24,637,669 ordinary shares) at the date on which the resolution is passed. Such authority shall expire at the conclusion of the next AGM of the Company unless such authority is renewed, varied or revoked prior to such time. The Directors do not currently have any intention to use this authority and the making and timing of any market purchases of ordinary shares will be at the absolute discretion of the Board. Any ordinary shares bought back may be cancelled or held by the Company in treasury. The Company does not currently have any shares held in Treasury nor warrants or options in issue. Ordinary Shares will only be purchased pursuant to this resolution at prices which are less than the Company's estimate of the prevailing Net Asset Value per existing Ordinary Share.

(vi) Disapplication of statutory pre-emption rights (Resolution 11)

Resolution 11 will, if approved, authorise the Directors to allot new ordinary shares and to sell existing ordinary shares which may be held by the Company in treasury up to an aggregate amount of 49,308,209 ordinary shares (representing approximately 30 per cent. of the total ordinary share capital of the Company in issue at 13 December 2016 (being the latest practicable date prior to the publication of this document)) for cash without first offering such ordinary shares to existing shareholders pro rata to their existing shareholdings. Ordinary Shares will only be issued pursuant to this resolution at prices which are at least equal to the Company's estimate of the prevailing Net Asset Value per existing Ordinary Share.

These authorities, which relate both to the issue of new ordinary shares and to the sale by the Company of any ordinary shares held in treasury, will expire at the conclusion of the annual general meeting of the Company to be held in 2018.

3. Action to be taken

It is important to the Company that shareholders have the opportunity to vote even if they are unable to attend the AGM.

You will find enclosed with this document a Form of Proxy for use at the AGM. Whether or not you propose to attend the AGM in person, you are requested to complete the Form of Proxy and return it to the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 9.00 am (UK time) on 12 January 2017.

If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (ID RA10) as soon as possible and so that it is received by no later than 9.00 am (UK time) on 12 January 2017.

The completion and return of the Form of Proxy or the transmission of a CREST Proxy Instruction will not affect your right to attend and vote in person at the AGM if you wish.

4. Recommendation

As required by the Listing Rules the Board confirms that it considers that the Special Resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them in respect of their entire beneficial holdings of ordinary shares which amount, in aggregate, to 270,138 ordinary shares (representing approximately 0.16 per cent of the ordinary share capital of the Company in issue), and unanimously recommends that you do as well.

Yours faithfully,

Richard Boleat (Chairman)

Date: 15 December 2016

NOTICE OF ANNUAL GENERAL MEETING

In accordance with the Company's Articles of Incorporation (the "**Articles**"), notice is hereby given that the first Annual General Meeting ("**AGM**") of the Company will be held at the Company's registered office, Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG, Channel Islands, at 9.00am (London time) on 16 January 2017.

This is for the purpose of considering, and if thought fit, passing the resolutions 1 to 9 which are being proposed as ordinary resolutions which means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution and resolutions 10(a) to 10(f) and 11 which are being proposed as special resolutions which means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution:-

Ordinary Resolutions

1. To receive, consider and approve the Annual Report and Consolidated Audited Financial Statements of the Company for the period from 22 July 2015 to 31 March 2016 with the reports of the Directors and auditors therein (the "Annual Report").
2. To re-appoint PricewaterhouseCoopers CI LLP of Royal Bank Place, 1 Gategny Esplanade, St Peter Port, Guernsey GY1 4ND as the Company's auditor ('auditor') to hold office from the conclusion of the meeting until the conclusion of the next AGM at which financial statements are laid before the Company
3. To authorise the Board to negotiate and fix the remuneration of the auditor in respect of the year ending 31 March 2017.
4. To re-elect Richard Boleat as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Boleat, please refer to page 41 of the Annual Report.
5. To re-elect Jonathan Bridel as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Bridel, please refer to page 41 of the Annual Report.
6. To re-elect Richard Burwood as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Burwood, please refer to page 41 of the Annual Report.
7. To re-elect Frederic Hervouet as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Hervouet, please refer to page 41 of the Annual Report.
8. To re-elect Samir Desai as a Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Desai, please refer to page 41 of the Annual Report.
9. To approve the Directors Remuneration Report in respect of the period ended 31 March 2016.

Special Resolutions

10. That the Company be and is hereby generally and unconditionally authorised in accordance with Article 8.1 of the existing Articles and section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "**Law**") to make market acquisitions (as defined in the Law) of Ordinary Shares in issue in the capital of the Company provided that :-
 - (a) The maximum number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent per annum of the Company's share capital in issue at the date of the AGM;
 - (b) The minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be £0.01;
 - (c) The maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be an amount equal to the higher of: (i) five (5) per cent above the average of the middle market quotations of Ordinary Shares taken from the London Stock Exchange Daily Official List for the five

(5) trading days before the purchase is made; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (Commission Regulation (EC) No.2273/2003);

- (d) The authority hereby conferred shall expire at the conclusion of the next AGM of the Company or, if earlier, 18 months from the date of the passing of this resolution (except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority which will or may be executed wholly or partly after such expiry), unless such authority is renewed, varied or revoked prior to such time;
- (e) The Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed in whole or in part after the expiration of such authority and may make an acquisition of Ordinary Shares pursuant to any such contract; and
- (f) Any Ordinary Shares bought back may be held in treasury in accordance with the Law or be subsequently cancelled by the Company at the discretion of the Board.

11. In accordance with Article 7.7 of the Articles the directors be and they are hereby generally and unconditionally authorised and empowered to exercise all the powers of the Company to allot or make offers or agreements to allot equity securities (as defined in the Articles) for cash as if the pre-emption rights in article 7.2 of the Articles did not apply to any such allotment provided that this power shall be limited to the allotment of ordinary shares or the sale of any shares held in treasury up to a maximum aggregate number of 49,308,209 ordinary shares (representing approximately 30 per cent. of the total number of ordinary shares of the Company in issue at 13 December 2016 (being the latest practicable date prior to the passing of this resolution)), PROVIDED THAT the authority granted by this resolution 11 shall expire on the conclusion of the annual general meeting of the Company to be held in 2018.

Notes

Entitlement to attend and vote

1. Only those investors holding Ordinary Shares as at 9.00am London time on 12 January 2017 shall be entitled to attend and/or exercise their voting rights attached to such shares at the AGM.

Appointment of proxies

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM in accordance of the Articles and section 222 of the Law. You should have received a proxy form with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, it will be necessary to notify the registrar in accordance with Note 7 below. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
4. A proxy need not be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
6. The completion of a form of proxy does not preclude a member from attending the AGM and voting in person.

Appointment of proxy using hard copy proxy form

7. A form of proxy is enclosed. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- (i) completed and signed;
- (ii) sent or delivered to the office of the Registrar of the Company at Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- (iii) received by Capita Asset Services no later than 48 hours before the time appointed for the AGM (excluding any part of a non-working day).

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power of authority) must be included in the proxy form.

Changing proxy instructions

- 8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Asset Services no later than 48 hours before the time appointed for the AGM (excluding any part of a non-working day). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

Appointment of proxies through CREST

- 10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID RA10) no later than 48 hours before the time appointed for the AGM (excluding and part of a non-working day). No such CREST Proxy Instruction received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Proxy Instruction by the CREST Applications Host) from which our registrar are able to retrieve the CREST Proxy Instruction by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

14. In the case of joint members, the signature of only one of the joint members is required on the form of proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint members.

Attendance

15. If you wish to attend the AGM in person you should make sure that you arrive at the venue for the AGM in good time before the commencement of the AGM. You may be asked to provide proof of identity in order to gain admission.

Issued shares and total voting rights

16. As at 5.00 pm on 13 December 2016, the Company's issued share capital consists of 164,360,698 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and therefore, the total voting rights in the Company as at 13 December 2016 (being the last business day prior to the publication of this Notice of Meeting) are 164,360,698.

Voting

17. Voting on all resolutions will be conducted by a show of hands whereby every member present in person or by proxy shall have one vote subject to any special voting powers or restrictions unless a poll is otherwise demanded.

Information regarding the AGM, is available from www.fcincomefund.com.

BY ORDER OF THE BOARD,

Sanne Group (Guernsey) Limited, Third Floor
Company Secretary

Registered Office:

Sanne Group (Guernsey) Limited
Third Floor, La Plaiderie Chambers
La Plaiderie
St Peter Port
GY1 1WG

15 December 2016