

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom.

If you have sold or otherwise transferred all of your Shares in Secured Income Fund plc (the "**Company**") you should pass this document (but not any Form of Proxy) as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

SECURED INCOME FUND PLC

(incorporated and registered in England and Wales with registered number 09682883, an investment company within the meaning of Section 833 of the Companies Act 2006)

Proposed adoption of a B Share Scheme to allow for the return of capital to Shareholders

and

Notice of General Meeting

Notice of a General Meeting of the Company to be held at 16 Charlotte Square, Edinburgh EH2 4DF at 1.30 p.m. on 23 March 2021 is set out at the end of this document. Given the risks posed by the spread of COVID 19 and in accordance with Government guidance, including the rules on physical distancing and limitations on public gatherings, physical attendance at the General Meeting will not be possible. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the General Meeting in order that the meeting may proceed.

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meeting and if the Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf. Given Shareholders and third parties will be unable to attend the General Meeting in person, **Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf.** To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to be received by the Registrars, Link Group, as soon as possible and, in any event, by no later than 1.30 p.m. on 19 March 2021. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by the Registrars as soon as possible and, in any event, by no later than 1.30 p.m. on 19 March 2021.

No application will be made to the Financial Conduct Authority or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the London Stock Exchange's

main market for listed securities, nor will any of the B Shares be listed or admitted to trading on any other securities or investment exchange.

The availability of the B Share Scheme and a Return of Capital to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read the paragraph headed "Overseas Shareholders" set out in Part 2 of this Circular and should inform themselves about, and observe, any applicable legal or regulatory requirements.

The B Shares will not be registered under the US Securities Act or with any state or other jurisdiction of the United States, and none of the B Shares may be reoffered, resold, pledged, or otherwise transferred in or into the United States or to any US persons except pursuant to a transaction that has been registered under the US Securities Act and with the relevant state and other jurisdictions or a transaction that is exempt from, or otherwise not subject to, the securities laws of such jurisdictions.

Neither the B Shares nor this document have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non US securities commission or regulatory authority, nor have such authorities passed upon or endorsed the merits of the B Share Scheme or a Return of Capital or confirmed the accuracy or determined the adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

This Circular does not constitute an invitation to participate in the B Share Scheme or a Return of Capital in or from any jurisdiction in or from which, or to or from whom, it is unlawful to make such offer or participate under applicable securities laws or otherwise.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 11 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Your attention is drawn to the section entitled "Action to be Taken" on page 10 of this document.

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EXPECTED TIMETABLE OF EVENTS

2021

Latest time for receipt of Forms of Proxy	1.30 p.m. on 19 March
General Meeting	1.30 p.m. on 23 March
Record Date in respect of first Return of Capital	6.00 p.m. on 23 March
Redemption Date in respect of first Return of Capital	24 March
Payment date: (i) cheques posted to Shareholders; and (ii) CREST holders credited with funds, in respect of first Return of Capital	31 March

Notes:

1. The above times and/or dates are indicative only and may change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders through an RIS Announcement and, if required, the publication of a supplementary circular.
2. All references to times in this Circular are to London times unless otherwise stated.

PART 1
LETTER FROM THE CHAIRMAN
SECURED INCOME FUND PLC

(Incorporated in England and Wales with registered number 09682883)

(An investment company under Section 833 of the Companies Act 2006)

Directors:
David Stevenson (*Chairman*)
Gaynor Coley
Brett Miller

Registered Office:
Level 13 Broadgate Tower
20 Primrose Street
London
EC2A 2EW

26 February 2021

Dear Shareholder

Introduction

In September 2020, Shareholders approved a change to the investment objective and policy of the Company. Pursuant to this change the Company is now managed with the objective of realising all remaining assets in its portfolio: (i) in a prudent manner consistent with the principles of good investment management; and (ii) with a view to returning cash to Shareholders in an orderly manner.

After careful consideration and discussions with a number of Shareholders, the Board believes that one of the fairest and most efficient ways of returning more substantial amounts of cash to Shareholders is by adopting a B Share Scheme whereby the Company will be able to issue redeemable B Shares to Shareholders and to redeem them on a Redemption Date without further action being required by Shareholders. The Board intends to continue to make dividend payments, where possible, in accordance with the Company's dividend policy.

The quantum and timing of a Return of Capital to Shareholders following receipt by the Company of the net proceeds of realisations of investments will be dependent on the Company's liabilities and general working capital requirements. Accordingly, the quantum and timing of any Return of Capital will be at the discretion of the Board, which will announce details of each Return of Capital, including the relevant Record Date, Redemption Price and Redemption Date, through an RIS Announcement, a copy of which will be communicated to Shareholders.

The adoption of a B Share Scheme will not limit the ability of the Company to return cash to Shareholders by using other mechanisms and, if the B Share Scheme is adopted, the Board will continue to review its tax effectiveness and cost efficiency over time. Details of the Board's intention to implement the B Share Scheme and make an initial Return of Capital to Shareholders are set out in more detail below.

The Board's proposal to adopt a B Share Scheme at this point in time should not be taken as any indication as to the frequency or quantum of any future returns of cash to Shareholders.

The purpose of this document is to provide Shareholders with further details of the proposed B Share Scheme and to give notice of the General Meeting at which the resolutions required to adopt the B Share Scheme will be proposed.

B Share Scheme

How will cash be returned via the B Shares?

Subject to the B Share Resolutions being passed, the Company will have a mechanism to enable it to return cash to Shareholders at such time or times as the Board may, at its absolute discretion, determine by capitalising amounts standing to the credit of certain of the Company's reserves and then applying the resulting amounts for the purpose of paying up the nominal value of the appropriate number of B Shares. Such B Shares would then be issued to Shareholders pro rata to their holding of Ordinary Shares at the time of issue of the B Shares and, shortly thereafter, redeemed and cancelled in accordance with their terms for an amount not exceeding the amount treated as paid up on the issue of the B Shares. The Company will not allot any fractions of B Shares and entitlements will be rounded down to the nearest whole B Share.

Following the redemption and cancellation of the B Shares, the redemption proceeds would be sent to Shareholders, either through CREST to uncertificated Shareholders or via cheque to certificated Shareholders. Each issue and redemption would be announced via Regulatory Information Services and each Shareholder would also be notified via email by the Company's Registrar.

Further details of the B Share Scheme are set out in Part 2 of this Circular.

The structure of a B Share Scheme should result in UK individual tax payers receiving their cash proceeds on redemption of the B Shares as capital and the accrued B Share Dividend as income for taxation purposes. Your attention is drawn to Part 5 of this document which sets out a summary guide to certain potential tax consequences in the UK.

Advantages of returning cash via B Shares

The advantages of returning capital via the B Share Scheme rather than via a tender offer are as follows.

- (a) It reduces costs for the Company, as there should be no need to prepare further circulars to give effect to a future Return of Capital as is the case with tender offers. Details of each Return of Capital would be notified to Shareholders through an RIS Announcement (a copy of which would be communicated to Shareholders through electronic means) and, subject to any change in existing United Kingdom tax law (and in contrast to a tender offer where stamp duty at the rate of 0.5 per cent. of the tender price is payable), no stamp duty would be payable.
- (b) All Shareholders would participate in the redemption process and they would be treated equally.
- (c) Subject to the B Share Resolutions being passed at the General Meeting, Shareholders should not be required to take any further action to give effect to a future Returns of

Capital.

- (d) There would be greater certainty for the Company regarding the rate of returns of capital to Shareholders (unlike tender offers, capital returns under the B Share Scheme would be mandatory and would apply to all Shareholders on a pro rata basis).

However, for some Shareholders, there may be some disadvantages in returning capital via the B Share Scheme relating to the timing and mandatory nature of the scheme. Unlike a tender offer, Shareholders would not be given a choice as to whether or not to participate in a Return of Capital and, for those Shareholders who hold Shares through a number of different vehicles, they would not be given the choice as to which of their vehicles should participate in a Return of Capital. This could potentially lead to adverse tax consequences for Shareholders as they may not be able to structure their returns in the most tax efficient manner.

Taxation of the B Share Scheme

Based on current United Kingdom tax law, it is expected that each redemption of B Shares should be treated as a disposal by the Shareholder of their Shares for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of capital gains.

Each redemption of B Shares will be treated as the receipt of an income distribution for corporate Shareholders for United Kingdom tax purposes.

For further information regarding taxation on redemptions of B Shares please see Part 5 of this document.

Further information on the B Shares

No share certificates would be issued in relation to the B Shares and the B Shares will not be listed or traded on the London Stock Exchange or on any other recognised exchange.

The B Shares would be non-transferable and will have limited rights, including a right to a very small dividend at a fixed rate. Any dividend would not be payable through CREST but by cheque or BACS only.

Given the very short period of time for which any B Share would be in issue, it is unlikely that any dividends would become payable on the B Shares. The rights and restrictions attached to the B Shares are set out more fully in Part 3 of this document.

Proposed initial Return of Capital

Subject to the passing of the B Share Resolutions at the General Meeting, the Board intends to return £5,266,035 to shareholders via an issue of B Shares. B Shares of £1 each will be paid up from capital and issued to all shareholders by way of a bonus issue pro rata to their holding of Ordinary Shares on the basis of one B Share for every ten Ordinary Shares held at the Record Date of 6.00 p.m. on 23 March 2021. The B Shares will be issued 24 March 2021 and immediately

redeemed at £1 per B Share. The Redemption Date in respect of this Return of Capital is 24 March 2021. The proceeds from the redemption of the B Shares, which is equivalent to 10 pence per Ordinary Share, will be sent to Shareholders through CREST to uncertificated Shareholders or via cheque to certificated Shareholders. The Return of Capital represents approximately 12.77 per cent. of the Company's Net Asset Value as at 31 January 2021, being the latest published Net Asset Value prior to the publication of this Circular.

Company Outlook

On 9 October 2020 the Company published its results for the year ended 30 June 2020. In the year to 30 June 2020 the Company's NAV decreased from 95.10 pence to 86.37 pence.

Subject to the changes to the Company at the September general meeting, there have been no significant changes to the outlook since the Company published its last results apart from a marginal improvement in the outlook for direct loans that had been adversely impacted by the COVID-19 pandemic at the start of 2020. As the year progressed, wholesale and media financing began to improve in outlook.

The Board expects the wind-down plan will likely take a number of years to execute with the objective of delivering investors total proceeds as close to NAV as possible less expenses required in the process.

Steps are being taken to reduce costs and the Board will ensure that this will continue over the coming months. If Company and its investment manager are able to identify a suitable buyer to purchase some or all of the existing direct loan portfolio to expedite early capital return, the Board will also consider these proposals. The goal in the managed wind-down is to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This has already commenced well and we have been able to encourage our wholesale borrowers to commence amortisation on time and in some cases, increase their repayments beyond the contractual requirements.

Dividends

Following the change to the Company's investment objective and policy in September 2020, the Board reviewed the dividend policy of the Company and decided to cease paying monthly dividends and instead make quarterly dividend payments.

The Company has returned 8.5 pence per Ordinary Share to Shareholders via dividend distribution since September 2020 and the Company continues to accumulate cash enabling it to continue returning cash to Shareholders in an orderly manner. The Board does not expect to declare any further dividends in respect of the financial year to 30 June 2021.

Buy back and cancellation of Management Shares

As part of the wind-up of the Company, the holder of the Management Shares, Amberton Asset Management Limited, wishes for 49,999 of them to be bought back and cancelled. The Company has agreed a buy back agreement in respect of this purchase and has presented the contract to the meeting to be approved. A copy of the buyback contract has been appended to this notice and will

be available for inspection at the Company's registered office for not less than 15 days ending with the date of the meeting and at the meeting itself.

General Meeting

The proposals are subject to Shareholder approval. A notice convening the General Meeting which is to be held at 16 Charlotte Square, Edinburgh EH2 4DF on 23 March 2021 at 1.30 p.m. is set out at the end of this document.

Resolution 1 is proposed as a special resolution and Resolutions 2 and 3, as ordinary resolutions. Together they seek approval for the proposed B Share Scheme. Resolution 1 relates to the adoption of the New Articles of Association which set out the rights of the B Shares as described in Part 3 of this document and enable the Directors to capitalise reserves from time to time for the purposes of the B Share Scheme with the authority of a one-off ordinary resolution of the Company which will be sought pursuant to Resolution 2.

Resolution 2 (which is conditional on the New Articles of Association being adopted pursuant to Resolution 1) authorises the Directors to capitalise from time to time sums standing to the credit of certain of the Company's reserves and to apply such sums in paying up in full up to 43,857,133 B Shares.

Resolution 3 (which is conditional on Resolutions 1 and 2 being approved) authorises the Directors to issue B Shares from time to time up to an aggregate nominal amount of £43,857,133 on a *pro rata* basis to the holders of Ordinary Shares by way of bonus issues. If approved, this authority to allot and issue B Shares will expire and, if the Directors consider appropriate, be proposed for renewal, at the next annual general meeting of the Company in 2021 and at each annual general meeting thereafter.

If passed, the B Share Resolutions will allow the Company to return capital to Shareholders through bonus issues of B Shares. Shortly after their date of issue, the B Shares would be redeemed at the option of the Company and cancelled in accordance with their terms. The redemption proceeds would then be sent to Shareholders, as set out more fully in Parts 2 and 3 of this document. Subject to the B Share Resolutions being passed, each Return of Capital would be implemented at the discretion of the Company.

Resolution 4, an ordinary resolution, would approve the share buyback contract between the Company and Amberton Asset Management Limited. If approved the Company will undertake the share buy back and cancellation as envisaged by the contract.

All Shareholders are entitled to vote at the General Meeting. In accordance with the Company's articles of association, all shareholders entitled to vote and present in person or by proxy at the General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Share held.

Given the risks posed by the spread of COVID 19 and in accordance with Government guidance, including the rules on physical distancing and limitations on public gatherings, physical attendance at the General Meeting will not be possible. Arrangements will be made by the Company to ensure that the minimum number of Shareholders required to form a quorum will attend the General

Meeting in order that the meeting may proceed.

Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf as third party proxies will not be permitted to attend the General Meeting. This should ensure that your votes are registered.

The Board always welcomes questions from Shareholders and, given physical attendance at the General Meeting is not possible, Shareholders are encouraged to submit any questions they have concerning the General Meeting or the proposed Resolutions to the Board by email to Elysium@elysiumfundman.com by 5.00 p.m. on 19 March 2021. Please put "SSIF – General Meeting" in the subject heading of any email.

A copy of the existing articles and the New Articles marked to show the changes will be available during normal business hours (Saturdays, Sunday and public holidays excepted) at the Company's registered office from the date of this document up to and including close of business on 22 March 2021 and the venue of the General Meeting for at least 15 minutes prior to the start of the meeting and up until the close of the meeting. A copy of the New Articles will also be placed for review on the Company's Website at www.kkvim.com/secured-income-fund.

Action to be Taken

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the General Meeting and if the Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf. Given Shareholders and third parties will be unable to attend the General Meeting in person, Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf.

To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to be received by the Registrars, Link Group as soon as possible and, in any event, by no later than 1.30 p.m. on 19 March 2021. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by the Registrars, as soon as possible and, in any event, by no later than 1.30 p.m. on 19 March 2021.

Recommendation

The Board considers that the proposals as set out in this document and the Resolutions to be proposed at the General Meeting are 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 Resolutions to be proposed at the General Meeting.

The Directors intend to vote in favour, or procure votes in favour, of the Resolutions at the General Meeting in respect of their own beneficial holdings of Shares, which in aggregate amount to 22,395 Shares (representing approximately 0.043 per cent. of the issued Share capital (excluding Shares held in treasury) of the Company as at the date of this document).

Yours sincerely

David Stevenson
Chairman

PART 2

DETAILS OF THE B SHARE SCHEME

1. **Conditions to the Implementation of the B Share Scheme**

The B Share Scheme requires and is conditional upon Shareholder approval of the B Share Resolutions at the General Meeting. A Notice of General Meeting is set out at the end of this document and a summary explanation of the B Share Resolutions 3 is set out in paragraph 8 below. The action to be taken by Shareholders is set out on page 10 of this document.

If the B Share Resolutions are not passed then the Company will be unable to return surplus cash from time to time to Shareholders by way of a B Share Scheme although cash may still be returned in other ways.

2. **Returns of Capital to Shareholders**

A Return of Capital consists of the allotment and issue of B Shares to Shareholders and the redemption of the B Shares by the Company.

The Board intends to notify Shareholders of the details of any and each Return of Capital, including the relevant Record Date, the Redemption Price and the Redemption Date, at the relevant time through an RIS Announcement, a copy of which will be communicated to Shareholders.

It is the intention of the Board that, subject to the passing of the Resolutions at the General Meeting, the first Return of Capital pursuant to the B Share Scheme is completed on 24 March 2021. The Record Date in respect of this Return of Capital will be 23 March 2021, the Redemption Date will be 24 March 2021 and the Redemption Price will be £1 per B Share.

3. **Allotment and Issue of and Rights Attaching to the B Shares**

For the purposes of making an issue of B Shares, it is proposed that the Directors be authorised to capitalise from time to time amounts standing to the credit of certain of the Company's reserves available for the purpose of making a new issue of shares in accordance with the Act and Article 192 of the New Articles of Association. These aggregate capitalised amounts will be used from time to time to pay up in full B Shares with a nominal value of £1 each on the basis that the aggregate nominal value of the B Shares so issued on each such occasion will not exceed the aggregate sum or sums capitalised on each such occasion for the purposes of such B Share issue. The aggregate maximum number of B Shares that may be issued by the Company over time under the B Share Scheme will not exceed 43,857,133 and the aggregate nominal value of all B Shares issued will not exceed £43,857,133.

As at close of business on 31 December 2020, the amount standing to the credit of each relevant reserve of the Company was as follows:

Special distributable reserve (created on cancellation of the Company's share premium account) £43,857,133

Profit and loss account – non-distributable (represents unrealised capital gains and losses on the Company's investments) £(3,172,079)

Profit and loss account – distributable (represents undistributed revenue profit and realised profits and losses on the Company's investments) £0

Under the New Articles of Association, the Directors may, having obtained the relevant authority of Shareholders, capitalise any sum standing to the credit of a special distributable reserve of the Company for the purposes of paying up, allotting and issuing B Shares to Shareholders.

The B Shares will be allotted and issued to Shareholders pro rata to their holding of Ordinary Shares at the time of the issue of the B Shares. The Company will not allot any fractions of B Shares and entitlements will be rounded down to the nearest whole B Share.

The B Shares will have only very limited rights, including a right to a very small fixed rate dividend and will be non-transferable. The rights and restrictions to be attached to the B Shares are more fully set out in Part 3 of this document.

No share certificates will be issued for any B Shares allotted and no CREST accounts will be credited with any such shares.

No application will be made for the B Shares to be admitted to listing on the Official List or to trading on the London Stock Exchange's main market for listed securities and the B Shares will not be listed or admitted to trading on any other recognised investment exchange. Given the very short time for which any B Shares issued will be in issue, it is unlikely that any dividend will become payable on the B Shares.

4. Redemption

Each redemption of B Shares will be undertaken at the option of the Company. It is expected that redemption will occur shortly after each date of issue of the B Shares, when all of the B Shares then in issue will be compulsorily redeemed and cancelled in accordance with their terms for an amount not exceeding the amount treated as paid up on the B Shares.

Following the redemption and cancellation of the B Shares, the redemption proceeds will be sent to Shareholders either through CREST to uncertificated Shareholders or via cheque to certificated Shareholders. As the B Share Dividend payment will be an income payment, it will be paid separately either to mandated bank accounts or by cheque. The cash received, other than the very small B Share dividend, should, under current legislation, be taxed as capital for UK individual Shareholders. Please see Part 5 of this document for a summary guide to certain potential tax consequences in the UK.

5. Overseas Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the B Share Scheme (including, as may be relevant in each case, the issue, holding or redemption of the B Shares (which will be non-transferable)) will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy himself or herself as to full observance of the laws of each relevant jurisdiction in connection with the B Share Scheme, including the obtaining of any government, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the B Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

The provisions of this paragraph 5 relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by the Company in its absolute discretion.

6. Securities Law Considerations in the United States

None of the B Shares will be registered under the US Securities Act or with any state or other jurisdiction of the United States, and none of the B Shares may be reoffered, resold, pledged, or otherwise transferred in or into the United States or to any US persons except pursuant to a transaction that has been registered under the US Securities Act and with the relevant state and other jurisdictions or a transaction that is exempt from, or otherwise not subject to, the securities laws of such jurisdictions.

7. Amendments to the Articles of Association

Amendments to the Articles are required in order to implement the B Share Scheme and require approval at the General Meeting. Therefore it is proposed that the Articles be amended by the adoption of the New Articles of Association which include an insertion that contains the rights and restrictions attaching to the B Shares, as set out in Part 3 of this document together with a mechanism to allow the Directors to capitalise any sum or sums standing to the credit of certain reserves of the Company from time to time for the purposes of the B Share Scheme with the authority of an ordinary resolution of Shareholders to be obtained on a one-off basis.

8. Summary Explanation of the B Share Resolutions

Resolution 1 will be proposed at the General Meeting as a special resolution, the passing of which requires at least 75% of the votes cast (whether in person or by proxy) to be in favour. Resolution 2 and Resolution 3 will each be proposed as ordinary resolutions, the passing of which requires more than 50% of the votes cast (whether in person or by proxy) to be in favour.

A summary of the B Share Resolutions follows below:

Resolution 1 proposes the adoption of New Articles of Association with immediate effect incorporating the rights and restrictions to be attached to the B Shares (as set out in Part 3 of this Circular) together with a mechanism to allow the Directors to capitalise a sum or sums standing to the credit of certain reserves of the Company from time to time for the purposes of the B Share Scheme with the authority of an ordinary resolution of Shareholders to be obtained on a one-off basis.

Resolution 2 (which is conditional upon the passing of Resolution 1) proposes to authorise the Directors to capitalise from time to time a sum or sums not exceeding, at each relevant time, the aggregate amount then standing to the credit of the Company's reserves available for the purpose of making a new issue of shares in accordance with the Act and the New Articles of Association, and to apply such sum or sums from time to time in paying up in full up to 43,857,133 unlisted redeemable fixed rate preference shares of £1 each in the capital of the Company carrying the rights and restrictions set out in article 192 of the New Articles of Association which may be allotted from time to time pursuant to the authority given by Resolution 3.

Resolution 3 (which is conditional upon Resolutions 1 and 2 being approved) proposes to authorise the Directors to allot and issue B Shares from time to time on a pro rata basis as determined by the Directors from time to time up to an aggregate nominal amount of £43,857,133. This authority to allot will expire and, if the Directors consider appropriate, be proposed for renewal, at the next annual general meeting of the Company expecting to be held in September 2021 and at each annual general meeting thereafter.

PART 3

RIGHTS AND RESTRICTIONS ATTACHED TO B SHARES

Set out below is the proposed insertion to the Articles, which contains the rights and restrictions attached to the B Shares. The following Article 192 is to be inserted into the Articles of Association of the Company immediately following the existing Article 192 together with any new defined terms required, thereby forming the New Articles of Association. The Company is seeking Shareholder approval to adopt the New Articles of Association pursuant to Resolution 1.

"B Shares

192. Rights and restrictions attaching to B Shares

192.1 Subject to the 2006 Act and notwithstanding anything in these Articles to the contrary:

192.1.1 the Directors may issue B Shares provided that such B Shares are fully paid up out of the reserves of the Company; and

192.1.2 the Directors may, with the authority of an ordinary resolution of the Company (which need only be obtained once and need not be obtained on every occasion B Shares are to be issued), from time to time resolve to capitalise any sum or sums standing to the credit of a special distributable reserve and apply such sum or sums for the purposes of paying up B Shares to be allotted and issued to existing Shareholders pro rata to their shareholding of Ordinary Shares at the time of issue of B Shares. No fractions of B Shares will be issued and entitlements will be rounded down to the nearest whole B Share.

192.2 Notwithstanding any other provisions in these Articles, the B Shares shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 192 and any other provision in these Articles, the provisions in this Article 192 shall prevail.

192.3 The profits available for distribution shall be applied first in paying to the holders of the B Shares (in priority to any payment of dividend to the holders of any other class of shares in the capital of the Company) a fixed rate cumulative preferential cash dividend (the "**Preferential Dividend**") at the rate of 1 per cent. of the nominal value of £1 on every B Share held by them, such dividend to be paid annually on the date falling six months after the date on which any B Shares are issued and thereafter on each anniversary of such date (the "**Fixed Dividend Dates**") to the registered holders of B Shares shown in the register of members of the Company on the relevant Fixed Dividend Date. Every Preferential Dividend shall be distributed to the holders of the B Shares pro rata according to the amounts paid up or credited as paid up on the B Shares held by them respectively and shall be rounded down to the nearest whole penny.

192.4 Except as provided in Article 192.12 below, on a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of every other class of share in

the capital of the Company, to £1 per B Share held by them.

- 192.5 On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 192.4 above. In the event that there is a winding-up to which Article 192.4 applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their pro rata proportion of the amounts to which they would otherwise be entitled.
- 192.6 The aggregate entitlement of each holder of B Shares on a winding-up in respect of all the B Shares held by him shall be rounded down to the nearest whole penny.
- 192.7 The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of B Shares.

Attendance and voting at general meetings

- 192.8 The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting nor to vote on a written resolution of the Company.
- 192.9 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- 192.10 A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- 192.11 Without prejudice to the generality of the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such redemption (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

Redemption of B Shares

- 192.12 Subject to the provisions of the 2006 Act and these Articles, the Company shall redeem the B Shares as follows:
- (i) The B Shares shall be redeemed at such time or times as the Directors may in their absolute discretion determine (each a **Redemption Time**). There shall be paid on each B Share redeemed under this Article 192.12 the amount paid up thereon together with a sum equal to all arrears, of any Preferential Dividend

due and payable at any time prior to the Redemption Time.

- (ii) As from the Redemption Time, no Preferential Dividends shall be payable on the B Shares.
- (iii) In the absence of bad faith or wilful default, neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Redemption Time in accordance with Article 192.12(i) above.
- (iv) The receipt of the registered holder for the time being of any B Shares (or in the case of joint registered holders the receipt of any of them) of the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

Transfer

192.13 The B Shares shall not be transferable.

Share certificates

192.14 The B Shares shall not be listed or admitted to trading on any stock exchange nor shall any share certificates be issued in respect of the B Shares.

Definitions

192.15 For the purposes of this Article 192, the following terms have the meanings given below:

B Shares	unlisted, redeemable, fixed rate preference shares of £1 each in the capital of the Company
Fixed Dividend Dates	has the meaning given to it in Article 192.3
Preferential Dividend	has the meaning given to it in Article 192.3
Redemption Time	has the meaning given to it in Article 192.12(i)

PART 4

RISK FACTORS

Shareholders should read this document carefully and in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

Risks related to the B Share Scheme and any Returns of Capital

Shareholders should be aware of the following risks associated with the B Share Scheme and any Returns of Capital.

- There is no guarantee that the B Share Scheme or any return of capital pursuant to the B Share Scheme will take place. The B Share Scheme is conditional on, among other things, the approval of Shareholders and will not proceed if the B Share Resolutions are not passed. The approval of Resolution 1 requires not less than 75% of those voting at the General Meeting in person or by proxy to vote in favour of the Resolution. Resolutions 2 and 3 require more than 50% of those voting at the General Meeting in person or by proxy to vote in favour. It is possible that Shareholders may not approve the Resolutions. If the B Share Resolutions are not passed there will be no returns of capital under the B Share Scheme.
- The amount of cash that the Company will be able to return to Shareholders in the future will depend on the performance of the Company's remaining investments and the proceeds eventually realised from them.
- Even if the B Share Resolutions are passed, the Board may determine, at its absolute discretion, not to make any Return of Capital pursuant to the B Share Scheme.
- The Board have been advised that based on the facts, the B share scheme should result in UK individual tax payers receiving their cash proceeds on redemption of the B Shares as capital in the way described in this Circular. However, there is no guarantee that this position will be accepted and not challenged by HMRC and should Shareholders who are individuals fail to receive the capital treatment described in the Circular they will be subject to income tax on the cash proceeds on redemption of the B Shares at the rates set out in the "Taxation of Dividends" section in Part 5.

Risks related to continued investment in the Company

The Company's business, financial condition or results could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Shares may decline because of any of these risks and Shareholders may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company. The Directors consider the following

to be the material known risks specific to the Company, but the risks listed do not necessarily comprise all those associated with the Company:

- In a managed wind down, the value of the Company's portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.
- The Company might experience increased volatility in its Net Asset Value and/or its share price as a result of the wind down of its portfolio.
- The Company's assets may not be realised at their carrying value, and it is possible that the Company may not be able to realise some of its assets.
- As cash is progressively returned to Shareholders, the net assets of the Company will progressively reduce. The Company's annual running costs and liabilities will not necessarily reduce by the same proportion and consequently the costs as a percentage of net assets may increase. This may restrict, in terms of both quantum and timing, the Company's ability to return capital to Shareholders following receipt of the net proceeds of realisations of investments.
- Although the Shares are traded on the Main Market of the London Stock Exchange, the market in the Shares is unlikely to be liquid. It may, therefore, prove difficult for Shareholders to sell their Shares in the market. In addition, there is no guarantee that the market price of the Shares will reflect their underlying NAV or the ability to buy and sell at that price.
- The past performance of investments made by the Company or other funds managed by the Manager should not be regarded as an indication of the future performance of the Company's investments.

PART 5

UNITED KINGDOM TAXATION

United Kingdom taxation

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and HMRC published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes and who are and will be the absolute beneficial owners of their Ordinary Shares and B Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade) other than under an ISA. They may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who are exempt from taxation. The position may be different for future transactions and may alter between the date of this Circular and the implementation of the B Share Scheme. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

Issue of B Shares

For the purposes of CGT, the issue of B Shares should constitute a reorganisation of the share capital of the Company. Accordingly, the B Shares should be treated as the same asset as the Shareholder's holding of existing Ordinary Shares, and as having been acquired at the same time as the Shareholder's holding of existing Ordinary Shares was acquired. A Shareholder's combined holding of Ordinary Shares and B Shares should have the same aggregate base cost as the Shareholder's holding of Ordinary Shares immediately before the issue of B Shares. The aggregate base cost should be apportioned between B Shares and the Ordinary Shares held by the Shareholder by reference to the market values of the Ordinary Shares and the B Shares on the first day of trading after the issue of B Shares. Due to the terms on which the B Shares will be issued and as they are non-transferable, their market value is likely to be equal to their nominal value of £1. The apportionment ratio between B Shares and Ordinary Shares will be published on the Company's Website at the earliest practicable time following a quotation or publication of a price or market valuation in respect of the Ordinary Shares following an issue of B Shares.

The issue of the B Shares should not give rise to any liability to United Kingdom income tax or corporation tax in a Shareholder's hands.

Redemption of the B Shares

On redemption of all or any of the B Shares, an individual Shareholder may, depending on his or her individual circumstances, be subject to CGT on the amount of any chargeable gain realised. Any gain will be measured by reference to the excess of the redemption price above the Shareholder's tax base cost for the B Shares redeemed. The Shareholder's allowable expenditure in relation to his or her existing Ordinary Shares should be apportioned between the Ordinary Shares and the B Shares in the manner described above.

The amount of CGT, if any, payable by an individual Shareholder in relation to the chargeable gain will depend on his or her personal tax position. No tax should be payable on any gain realised on the redemption if the amount of the net chargeable gain, when aggregated with other net chargeable gains realised by the individual Shareholder in the year of assessment in question and allowable losses, does not exceed the annual exemption for UK CGT purposes (£12,300 for the tax year ending 5 April 2021). Broadly, any gains in excess of this amount will be taxed at the individual's relevant UK capital gains tax rate. The gain will be taxable at 10% if the individual is a UK resident and a basic rate income taxpayer only. If the gain exceeds the unused part of an individual's basic rate band for income tax the gain will be taxed at 10% to the extent of the unused element and 20% for the excess. If a UK resident individual is subject to income tax at a rate in excess of the basic rate then the net gain will be taxable at 20%.

Redemptions will be recognised for CGT purposes in the tax year in which they occur.

To the extent that HMRC were to challenge capital treatment, individual Shareholders would instead be treated as receiving an income distribution on receipt of the redemption payments. The tax implications of this are as set out in the "Taxation of Dividends" section below.

Redemption payments made to corporate Shareholders will be treated as distributions for tax purposes and should generally be exempt from corporation tax.

The Finance Act 2015 enacted legislation which, broadly, treats amounts paid on the redemption of shares as income in the hands of an individual Shareholder, rather than a capital gain, where a company gives the shareholder a choice of whether to receive either a distribution or an "alternative receipt" of broadly the same value but which is not charged to income tax. The Company is of the view that this legislation does not apply to any Return of Capital on the basis that it does not provide Shareholders with a choice as to the form of any amounts they are entitled to receive. Accordingly, the proceeds received by a Shareholder on a redemption of B Shares for an amount equal to their nominal value should not be prevented by virtue of this legislation from being a return of capital in the Shareholder's hands.

Other Disposals of Ordinary Shares

On any subsequent disposal (otherwise than by way of redemption) of the whole or part of a Shareholder's holding of Ordinary Shares, a Shareholder may, depending on his or her circumstances, be subject to CGT on the amount of any chargeable gain realised.

Taxation of Dividends

The Company is not required to withhold tax at source from dividend payments that it makes.

Individual Shareholders

Shareholders who are individuals and who receive a dividend from the Company will in principle be liable to UK income tax on the amount of that dividend, depending on the amount of dividend income received in total by (and other taxable income of) that Shareholder (whether from the Company or other sources) in the relevant tax year.

Individual Shareholders will not currently be liable to UK income tax in respect of a dividend from the Company if the Shareholder's total dividend income from any source in the relevant tax year does not exceed £2,000. In the case of an individual Shareholder who receives dividends in excess of £2,000 in a tax year, the excess amount of any such dividends will be subject to UK tax at 7.5% for basic rate and non-taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. In practice, given the very short period of time for which the B Shares will be in issue, B Share Dividends are unlikely to become payable.

Company Shareholders

A Shareholder within the charge to UK corporation tax which is a 'small company' (for the purposes of the UK taxation of dividends) will not generally be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and do not fall within certain specified anti-avoidance provisions and the Shareholder has not elected for the dividends not to be exempt. It is expected that dividends paid by the Company on the B Shares would fall within an exempt class.

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

No stamp duty or SDRT will be payable by Shareholders on the allotment and issue of any B Shares or the redemption of any B Shares (since redemptions will take place under the New Articles of Association and not under Section 690 Companies Act 2006).

Transactions in Securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies) Tax Act 2007, HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HMRC to the proposed B Share Scheme, in broad terms, individual Shareholders might be liable to taxation as if they had received an income amount rather than a capital amount. However, these provisions only apply in the case of close company transactions. The Directors do not consider that the Company is a close company, and consequently these provisions should not be relevant.

PART 6

ADDITIONAL INFORMATION

1. Directors' Interests

As at 24 February 2021 (being the latest practicable date prior to the publication of this document), the interests of each Director in the voting rights of the Company were as follows:

	<i>No. of Shares</i>	<i>Percentage of issued share capital</i>
David Stevenson (Chairman)	20,256	0.039%
Susan Gaynor Coley	2,139	0.004%

2. Major Shareholders

As at 24 February 2021 (being the latest practicable date prior to the publication of this document), the Company was aware of the following interests in three per cent. or more of the issued share capital of the Company:

	<i>No. of Shares</i>	<i>Percentage of issued share capital</i>
Somerston Group	14,725,000	27.96%
Albion Resources	3,758,000	7.14%
WM Thomson & Sons	3,412,000	6.48%
SQN Asset Management	3,300,000	6.27%
New City Investment Managers	3,208,000	6.09%
CG Asset Management	2,662,103	5.06%
AXA Investment Managers	2,500,000	4.75%
Pictet Asset Management	2,500,000	4.75%
Philip J Milton & Company	2,463,891	4.68%
Staude Capital	2,206,000	4.19%
Jupiter Asset Management	2,140,000	4.06%

3. No significant change

There has been no significant change in the financial position of the Company since 30 June 2020 (being the last financial period of the Company for which financial information has been published).

4. Documents available for inspection

Copies of this document will be available for inspection on the Company's website (www.kkvim.com/secured-income-fund) from the date of this document.

DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions bear the following meanings:

Act	the Companies Act 2006
Articles	the current articles of association of the Company as adopted on 17 September 2020
B Share Dividend	the fixed rate dividend to be paid on B Shares in accordance with the rights described in Part 3 of this Circular
B Share Entitlement	the entitlement of the holders of B Shares to participate in a Return of Capital and to receive the B Share Dividend
B Share Scheme	the proposed mechanism to enable returns of capital through the issue and redemption of B Shares
B Shares	unlisted redeemable fixed rate preference shares of £1 each in the capital of the Company carrying the rights and restrictions set out in Part 3 of this Circular
B Share Resolutions	means Resolutions 1, 2 and 3
Board or Directors	the board of directors of the Company (or any duly authorised committee thereof) from time to time
Business Day	any day (excluding Saturdays, Sundays and public holidays) on which banks are open for normal banking business in the City of London
CGT	United Kingdom taxation of capital gains and corporation tax on chargeable gains
Company	Secured Income Fund Plc, a public limited company incorporated in England and Wales with registered number 09682883 and whose registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW
Company's Website	www.kkvim.com/secured-income-fund
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of shares in uncertificated form which is administered by Euroclear
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST

FCA	the UK Financial Conduct Authority or its successor from time to time
Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting which accompanies this document
FSMA	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto
General Meeting	the general meeting of the Company convened for 1.30 p.m. on 23 March 2021, or any adjournment of that meeting the notice for which is set out at the end of this document
HMRC	HM Revenue & Customs
Investment Manager	KKV Investment Management Ltd, a company incorporated in England and Wales with registered number 12475228 and having its registered office at 25 Upper Brook Street, London W1K 7QD
Listing Rules	the listing rules made by the FCA under Part VI of FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities operated by the London Stock Exchange
Management Shares	the management shares of the Company of £1 each
NAV or Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
New Articles of Association	the new articles of association of the Company, which it is proposed are adopted by Shareholders at the General Meeting pursuant to Resolution 1
Official List	the Official List of the FCA
Overseas Shareholders	Shareholders resident in, or citizens or nationals of, jurisdictions outside the United Kingdom
Record Date	in respect of any Return of Capital, the date determined by the Board, at its absolute discretion, being the date on which Shareholders' entitlements to B Shares under that Return of Capital will be calculated
Redemption Date	in respect of any Return of Capital, the date determined by the Board, at its absolute discretion, on which the B Shares allotted

	under that Return of Capital will be redeemed
Redemption Price	in respect of any Return of Capital, the price at which B Shares allotted under that Return of Capital are to be redeemed being £1 for each B Share
Registrar	Link Group
Resolution 1	the resolution number 1 to be put to the General Meeting as detailed on page 15 of this document and in the Notice of General Meeting
Resolution 2	the resolution number 2 to be put to the General Meeting as detailed on page 15 of this document and in the Notice of General Meeting
Resolution 3	the resolution number 3 to be put to the General Meeting as detailed on page 15 of this document and in the Notice of General Meeting
Resolution 4	the resolution number 4 to be put to the General Meeting as detailed on page 9 of this document and in the Notice of General Meeting
Resolutions	Resolution 1, Resolution 2, Resolution 3 and Resolution 4
Restricted Jurisdictions	the United States, Canada, Australia, New Zealand, Japan and South Africa and any other jurisdiction where the mailing of this Circular into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction
Return of Capital	each return of capital pursuant to the allotment and redemption of B Shares to be made at such time or times as determined by the Board, at its absolute discretion
RIS Announcement	an announcement to a regulatory information service that is approved by the FCA as meeting the primary information provider criteria and that is on the list of regulatory information service providers maintained by the FCA
Shareholders	holders of Ordinary Shares
Shares or Ordinary Shares	ordinary shares of one penny each in the capital of the Company
US Securities Act	the United States Securities Act of 1933

NOTICE OF GENERAL MEETING

SECURED INCOME FUND PLC

(Incorporated in England and Wales with registered number 09682883)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Notice is hereby given that a General Meeting of Secured Income Fund Plc (the "**Company**") will be held at 16 Charlotte Square, Edinburgh EH2 4DF at 1.30 p.m. on 23 March 2021 to consider and, if thought fit, pass the following resolutions, of which Resolution 1 will be proposed as a special resolution and Resolutions 2, 3 and 4 will each be proposed as ordinary resolutions.

SPECIAL RESOLUTION

1. **THAT**, the draft articles of association produced to the meeting and initialled by the Chairman be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company to take effect immediately.

ORDINARY RESOLUTIONS

2. **THAT**, conditional upon the passing of resolution 1 above, the directors be generally and unconditionally authorised pursuant to article 192 of the articles of association of the Company to capitalise from time to time a sum or sums not exceeding, at each relevant time, the aggregate amount then standing to the credit of the Company's reserves available for the purpose of making an issue of unlisted redeemable fixed rate preference shares of £1 each in the capital of the Company carrying the rights and restrictions set out in article 192 of the articles of association of the Company ("**B Shares**") in accordance with the Companies Act 2006 and the articles of association of the Company and to apply such sum or sums from time to time in paying up in full up to 43,857,133 B Shares which may be allotted from time to time pursuant to the authority given by resolution 3 below.
3. **THAT**, conditional upon resolutions 1 and 2 above being approved, pursuant to section 551 of the Companies Act 2006, to exercise all powers of the Company to allot and issue from time to time, credited as fully paid up, B Shares up to an aggregate nominal amount of £43,857,133 to the holders of ordinary shares of £1 each in the capital of the Company on a pro rata basis as determined by the Directors from time to time. Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2021 (save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require B Shares to be allotted after such expiry and the Directors may allot B Shares in pursuance of such offer or agreement as if the power conferred hereby had not expired).
4. **THAT**, the terms of the contract to be made between the Company and Amberton Asset Management Limited for the purchase by the Company of 49,999 management shares of £1 each in the capital of the Company for £49,999, laid before the meeting and initialled by the Chair for the purpose of identification be approved and the Company is authorised

to enter into the contract.

Save where the context requires otherwise, the definitions contained in the Circular shall have the same meanings where used in these Resolutions.

By order of the Board

Registered office:

Elysium Fund Management Limited
Company Secretary

Level 13 Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Dated: 26 February 2021

Notes:

1. A member entitled to attend and vote at the General Meeting may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed which, if used, must be lodged with the Company's Registrar, Link Group, 10th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL not less than 48 hours before the General Meeting (ignoring any part of a day that is not a working day). To appoint more than one proxy you may photocopy the Form of Proxy. You may appoint a person other than the Chairman as your proxy. However, please note that, in the light of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and avoiding public gatherings of more than two people, it is unlikely that your vote will be counted where a proxy other than the Chairman of the Meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. The vote "Withheld" is provided to enable you to abstain on a resolution. However, it should be noted that a "Withheld" vote is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
3. The completion and return of the Form of Proxy will not preclude a Member from attending the General Meeting and voting in person.
4. Only those Shareholders having their names entered on the Company's share register not later than 1.30 p.m. on 19 March 2021 or, if the meeting is adjourned, 1.30 p.m. on the day which is two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any Shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
5. As at 24 February 2021 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 52, 660,350 Ordinary Shares, carrying one vote each. There are no shares held in treasury. Therefore as at 24 February 2021, the total number of voting rights in the Company is 52,

660,350.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrar, Link Group (ID RA10), by no later than 1.30 p.m. on 19 March 2021. No such message 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 message by the CREST application host) from which the Company's Registrar is able to retrieve the message by inquiry 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.

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 messages. 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(s), to procure that her or 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.

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.

7. Any person to whom this notice of general meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
8. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporate member) the same powers as the corporate member could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

9. Any person holding three per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
10. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding three per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
11. Members have a right under section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the General Meeting, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or the good order of the meeting.
12. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
13. A copy of this notice of general meeting and other information required by section 311A of the Companies Act 2006, can be found at www.kkvim.com/secured-income-fund.
14. Given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association and Government guidance, including the rules on physical distancing and limitations on public gatherings in place as at the date of this Notice, attendance at the General Meeting is unlikely to be possible. If law or Government guidance so requires at the time of the meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the meeting. If the current Government guidance is in place at the time of the meeting, such attendance will be limited to two persons. Should the Government guidance change and the restrictions on public gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending the meeting.

**SHARE BUYBACK CONTRACT FOR AN OFF-MARKET SHARE BUYBACK BY A PUBLIC
LIMITED COMPANY**

between

AMBERTON ASSET MANAGEMENT LIMITED

and

SECURED INCOME FUND PLC

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THIS AGREEMENT is made on

2021

PARTIES

- (1) **AMBERTON ASSET MANAGEMENT LIMITED** a company incorporated in Guernsey with registered number 60362 whose registered office is at Block C, Hirzel Court, Hirzel Street, St Peter Port, Guernsey, GX1 2NL (the "**Seller**"), and
- (2) **SECURED INCOME FUND PLC**, a company incorporated in England and Wales with registered number 09682883, whose registered office is at Level 13 Broadgate Tower, 20 Primrose Street, London EC2A 2EW (the "**Company**").

RECITALS:

- (A) The Company has various different share classes, including 50,000 Management shares of £1 each.
- (B) The Seller is the legal and beneficial owner and sole registered holder of the Sale Shares (as defined below).
- (C) It is proposed that the Company shall purchase the Sale Shares from the Seller on the terms of this agreement in one tranche on the basis specified in this agreement.

THE PARTIES AGREE:

1. DEFINITIONS AND INTERPRETATION

1.1. In this agreement:

"**Approval Long-Stop Date**" means 1 May 2021 or such earlier time or date as the Company may notify to the Seller in writing before termination of this agreement in accordance with its terms, provided that it is before the Completion Date;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London;

"**Completion**" means, completion of the matters described in this agreement (including the sale and purchase of the Sale Shares) by the performance by the parties of their respective obligations in accordance with clause 4.3;

"**Completion Date**" means on 2 May 2021 or such earlier time or date as the Company may notify to the Seller in writing before termination of this agreement in accordance with its terms, provided that such time and date is after the satisfaction of the Conditions.

"**Conditions**" means the conditions set out in clause 2.1.

"**Consideration**" means the cash amount of £49,999 (FORTY NINE THOUSAND, NINE HUNDRED AND NINETY NINE POUNDS STERLING), being the total sum payable by the

Company to the Seller for the sale and purchase of the Sale Shares in accordance with clauses 3.1 and 4.3;

"Distributable Profits" means the profits out of which the Company could lawfully make a distribution (within the meaning given by section 830 of the Companies Act 2006);

"Encumbrance" means any mortgage, claim, charge, pledge, lien, hypothecation, guarantee, right of set-off, trust, assignment, right of first refusal, right of pre-emption, option, restriction or other encumbrance or any legal or equitable third party right or interest, including any security interest of any kind or any type of preferential arrangement (or any like agreement or arrangement creating any of the same or having similar effect);

"Sale Shares" means the 49,999 fully paid management shares of £1 each in the capital of the Company held by the Seller;

"Warranties" means the warranties and representations set out in clauses 3.2 and 3.3.

1.2. In this agreement:

1.2.1. clause headings shall not affect the interpretation of this agreement;

1.2.2. unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

1.2.3. a reference to one gender shall include a reference to each other gender;

1.2.4. a reference to the Seller shall also be a reference to a person who receives any Sale Shares by reason of the death or insolvency of the Seller or otherwise by operation of law;

1.2.5. any words that follow 'include', 'includes', 'including', 'in particular' or any similar words and expressions shall be construed as illustrative only and shall not limit the sense of any word, phrase, term, definition or description preceding those words; and

1.2.6. a reference to 'writing' or 'written' includes any method of reproducing words in a legible and non-transitory form (excluding email and telex).

2. **CONDITIONS**

2.1. Completion of the sale and purchase of the Share Sales in accordance with clause 4 is conditional upon the terms of this agreement being authorised by the shareholders of the Company by ordinary resolution no later than the Approval Long-Stop Date. If this Condition has not been satisfied by the Company by the Approval Long-Stop Date, this agreement shall terminate automatically on the Approval Long-Stop Date and the provisions of clause 6.2 shall apply.

- 2.2. Completion of the sale and purchase of the Shares in accordance with clause 4 is conditional upon there being sufficient Distributable Profits being available to be applied as Consideration on the Completion Date in accordance with applicable law
- 2.3. If the Conditions have not been satisfied by the Approval Long-Stop Date this agreement will terminate automatically.

3. SALE AND PURCHASE

- 3.1. At Completion of the Seller shall sell the Share Sells with full title guarantee to the Company for the Consideration.
- 3.2. The Seller represents and warrants to the Company as at the date of this agreement and on the Completion Date as if such Warranties had been repeated immediately before Completion of the sale and purchase of the Share Sales by reference to the facts and circumstances then existing that:
 - 3.2.1. the Seller is the sole legal and beneficial owner and the sole registered holder of the Sale Shares (other than those Sale Shares it has transferred to the Company under this agreement); and
 - 3.2.2. there are no Encumbrances or third party claims over, or in respect of, the Sale Shares.
- 3.3. Each party represents and warrants to the other as at the date of this agreement that:
 - 3.3.1. it has the necessary power and authority to enter into and perform this agreement; and
 - 3.3.2. this agreement constitutes valid, legal, binding and enforceable obligations on it in accordance with its terms.

4. COMPLETION

- 4.1. Unless the agreement has previously been terminated in accordance with its terms, Completion of the sale and purchase of the Share Sales shall take place on the Completion Date, provided the Conditions have been satisfied.
- 4.2. Completion of the sale and purchase of the Sale Shares shall take place at the offices of the Company's solicitors or such other place as the parties may agree.
- 4.3. On Completion of the sale and purchase of the Sale Shares, the Seller shall deliver the share certificate(s) (or other evidence of title) relating to the Sale Shares to the Company and the Company shall satisfy its obligation to pay the Consideration by way of telegraphic transfer for same day value to the Seller's account at [REDACTED] with account number [REDACTED] and sort code [REDACTED]. The receipt of the Consideration by the Seller shall be a good discharge of the Company's obligations under clause 4.3 in respect of the Sale Shares. The Company shall also pay out any accrued dividend in respect of the Sale Shares on the Completion Date.

5. COSTS AND EXPENSES

- 5.1. Subject to clause 5.2, each party shall pay its own costs and expenses in connection with the negotiation, preparation, signature and performance of this agreement.
- 5.2. All stamp duty and/or stamp duty reserve tax (including related fines, penalties and interest) that may be payable on, or in connection with, this agreement or the sale and purchase of any of the Sale Shares pursuant to this agreement shall be borne by the Company.

6. TERMINATION

- 6.1. In addition to any right of the Company to claim damages for breach of Warranty, the Company shall be entitled to terminate this agreement at any time between the date of this agreement and Completion immediately by notice in writing to the Seller if, between the date of this agreement and Completion, the Seller is in breach of any of the Warranties or would be in breach of any of the Warranties as at the Completion Date if the Warranties were repeated immediately before Completion by reference to the facts and circumstances then existing.
- 6.2. If this agreement terminates pursuant to clauses 2.1 and 6.1, each party's further rights and obligations under it shall cease immediately, save that clauses 1 (Definitions and interpretation), 8 (Entire agreement), 12 (Notices), 13 (Governing law) and 14 (Jurisdiction) shall remain in full force and effect and termination of this agreement shall not affect any party's accrued rights and obligations as at the date of such termination (including for breach of this agreement).

7. FURTHER ASSURANCE

The Seller shall, at the request, cost and expense of the Company, promptly perform all acts, and sign, execute and deliver all deeds and documents as may be reasonably required for the purpose of giving full effect to this agreement.

8. ENTIRE AGREEMENT

- 8.1. The parties agree that this agreement constitutes the entire agreement between them relating to the sale and purchase of the Sale Shares and supersedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.
- 8.2. Each party acknowledges that it has not entered into this agreement in reliance on, and shall have no remedies in respect of, any representation or warranty that is not expressly set out in this agreement, except in the case of fraudulent misrepresentation (for the purpose of clause 8.2, any covenants for title that are implied into this agreement by the Law of Property (Miscellaneous Provisions) Act 1994 shall be treated as expressly set out in this agreement). No party shall have any claim for innocent or negligent misrepresentation on the basis of any statement in this agreement.

9. ASSIGNMENT

No party shall (whether in whole or in part) assign, transfer, hold on trust or encumber any rights under this agreement, nor sub-contract or otherwise delegate any obligations under it.

10. VARIATION

No variation of this agreement shall be valid or effective unless it is in writing, refers to this agreement and duly signed or executed (as the case may be) by, or on behalf of, each party.

11. SURVIVAL OF COMPLETION

This agreement shall (except for any obligation fully performed prior to, or at, Completion) continue in full force and effect after Completion, notwithstanding Completion of the sale and purchase the Shares.

12. NOTICES

12.1. Any notice or other communication given by a party under this agreement shall:

12.1.1. be in writing and in English;

12.1.2. be signed by, or on behalf of, the party giving it; and

12.1.3. be sent to the relevant party at the address set out in the parties clause at the beginning of this agreement.

12.2. Notices may be given, and are deemed received:

12.2.1. by hand: on delivery;

12.2.2. by pre-paid first-class Recorded Signed For post: at 9.00 am on the second Business Day after posting;

12.2.3. by pre-paid International Standard post: at 9.00 am on the second Business Day OR after posting; and

12.2.4. All references to time are to the local time at the place of deemed receipt.

12.3. Clause 12 does not apply to notices given in legal proceedings, arbitration or other dispute resolution proceedings.

12.4. A notice given under this agreement is not validly served if sent by email.

13. GOVERNING LAW

This agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

14. JURISDICTION

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this agreement, its subject matter or formation (including non-contractual disputes or claims).

15. COUNTERPARTS

15.1. This agreement may be signed in any number of separate counterparts, each of which when signed and dated shall be an original, and such counterparts taken together shall constitute one and the same agreement.

15.2. Each party may evidence their signature of this agreement by transmitting by email a signed signature page of this agreement in PDF format together with the final version of this agreement in PDF or Word format, which shall constitute an original signed counterpart of this agreement. Each party adopting this method of signing will, following circulation by email, provide the original, hard copy signed signature page to the other parties as soon as reasonably practicable.

15.3. This agreement shall not be effective until each party has signed one counterpart.

AGREED by the parties on the date set out at the head of this agreement

SIGNED by

for and on behalf of **AMBERTON ASSET
MANAGEMENT LIMITED**

Director

SIGNED by

for and on behalf of **SECURED INCOME FUND
PLC**

Director