

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended immediately to seek your own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.

If you have disposed of all your 2017 Shares in the Company, please pass this document together with the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee.

FAIR OAKS INCOME LIMITED

(a closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 58123)

Notice of Annual General Meeting

The Company is a registered closed-ended investment scheme in accordance with Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Registered Collective Investment Schemes Rules 2008.

Notice of the Annual General Meeting to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 19 June 2019 at 10.00 a.m. is set out at the end of this document.

Shareholders are requested to complete and return the Form of Proxy accompanying this document for use at the Annual General Meeting. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to Link Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 17 June 2019.

LETTER FROM THE CHAIRMAN

FAIR OAKS INCOME LIMITED

*(a closed-ended company incorporated with limited liability under the laws of Guernsey
with registered number 58123)*

Directors:

Professor Claudio Albanese (Chairman)
Jonathan Bridel
Nigel Ward

Registered Office:

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

18 April 2019

Dear Sir or Madam

1 Introduction

I am writing to inform you that the fifth annual general meeting of Fair Oaks Income Limited (the "**Company**") will be held at 10:00 a.m. on 19 June 2019 at Sarnia House, Le Truchot, St Peter Port, Guernsey (the "**Annual General Meeting**"). The notice of the Annual General Meeting is set out on pages 5-6 of this document.

In addition to the ordinary business of the Annual General Meeting, a special resolution is being proposed to renew the Company's authority to buy back 2017 Shares. Details of the ordinary and special business to be proposed at the Annual General Meeting are set out below.

2 Annual General Meeting

The resolutions that will be put to Shareholders at the Annual General Meeting are as follows:

- (a) as to ordinary business (Resolutions 1-7):
 - (i) receive the Financial Statements and Directors' Report for the year ended 31 December 2018;
 - (ii) propose the re-election of Messrs Albanese, Bridel and Ward as directors of the Company; and
 - (iii) propose the reappointment of KPMG Channel Islands Limited as Auditors of the Company and authorise the board to determine their remuneration.
 - (iv) approve the Company's dividend policy.

Under the Articles, the Board is authorised to approve the payment of interim dividends without the need for the prior approval of the Company's shareholders. Having regard to corporate governance best practice relating to the payment of interim dividends, the board has decided to seek express approval from shareholders of its dividend policy which is to declare eleven monthly interim dividends of a minimum of 0.7 US cents per share and a larger twelfth interim dividend such that, in the opinion of the Directors, substantially all net income generated by the Company during that year is distributed to shareholders. There have been no material changes to the Company's dividend policy since the announcement made on 15 January 2015, nor does the Board currently expect to make any material changes to the Company's dividend policy. It should be noted that the dividend policy is not a profit forecast and dividends will only be paid to the extent permitted by Guernsey law and subject to the working capital and the liquidity requirements of the Company and its subsidiaries.

(b) as to special business (Resolutions 8-10):

- (i) to authorise the Company to buy back up to 14.99% of the 2017 Shares in issue as at the date of the resolution in order to facilitate its discount management policy and/or any returns of capital in relation to FOMC II LP.
- (ii) to authorise the Company to issue for cash up to 45 million 2017 Shares on a non-pre-emptive basis, representing approximately 10 per cent. of the 2017 Shares currently in issue; and
- (iii) pursuant to resolution 9 being passed, to authorise the Company to issue for cash up to 45 million 2017 Shares on a non-pre-emptive basis, (in addition to the authority sought pursuant to resolution 9) representing approximately 10 per cent. of the 2017 Shares currently in issue.

If both Resolution 9 and Resolution 10 are passed, Shareholders will be approving the disapplication of pre-emption rights in respect of a total of up to approximately 20 per cent. of the existing 2017 Shares in issue. The Board recognises that this percentage authority is beyond the standard 10 per cent. pre-emption waiver sought by investment companies, but believes that the passing of both Resolution 9 and Resolution 10 is in Shareholders' interests given that:

- the authority is intended to be used to fund specific investment opportunities sourced by the Investment Adviser, thereby mitigating the potential dilution of investment returns for existing Shareholders; and
- 2017 Shares will be issued only at prices greater than the aggregate of the relevant prevailing Net Asset Value per share and a premium to cover the commissions and expenses of the issue and should therefore not be dilutive to the Net Asset Value per existing share.

If Resolution 9 is passed but Resolution 10 is not passed, Shareholders will be approving the disapplication of pre-emption rights in respect of only up to approximately 10 per cent. of the existing 2017 Shares in issue.

The authorities conferred by Resolutions 8 to 10, if passed, will lapse 15 months from the date of passing the Resolution, or the conclusion of the annual general meeting of the Company held in 2020.

Resolutions 1 to 7 will be proposed as ordinary resolutions. Resolution 8 will be proposed as a special resolution. Resolutions 9 and 10 will be proposed as extraordinary resolutions. Resolution 10 will only be proposed conditional upon Resolution 9 being passed.

An ordinary resolution requires a simple majority of the votes cast by members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed. A special resolution requires a majority of at least 75% of the votes cast by members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed. Extraordinary resolutions require a majority of at least 75 per cent. of the votes cast by members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed.

All Shareholders are entitled to attend and vote at the Annual General Meeting. In accordance with the Articles, all Shareholders entitled to vote and present in person or by proxy at the Annual General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each 2017 Share held. In order to ensure that a quorum is present at the Annual General Meeting, it is necessary for two or more Shareholders present in person or by proxy.

The formal notice convening the Annual General Meeting is set out on pages 5 to 6 of this document.

3 Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use at the Annual General Meeting.

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registrar, Link Asset Services, or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 10:00 a.m. on 17 June 2019.

Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the Annual General Meeting. The return of a Form of Proxy will not prevent Shareholders from attending the Annual General Meeting and voting in person should they so wish.

4 Recommendation

The Board considers that the Proposals are in the best interests of the Shareholders as a whole. Accordingly the Board unanimously recommends that Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully

Professor Claudio Albanese

(Chairman)

Notice of Annual General Meeting

Fair Oaks Income Limited

(a closed-ended company incorporated in Guernsey with registration number 58123)

Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR

Tel: +44 (0) 1481 737600 Fax: +44 (0) 1481 749829

NOTICE IS HEREBY GIVEN that the fifth annual general meeting of Fair Oaks Income Limited (the "**Company**") will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on Wednesday 19 June 2019 at 10:00 a.m. for the transaction of the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions, each of which will be proposed as an ordinary resolution:

1. To receive the Financial Statements and Directors' Report for the year ended 31 December 2018.
2. THAT Mr Claudio Albanese be re-elected as a Director of the Company.
3. THAT Mr Jonathan Bridel be re-elected as a Director of the Company.
4. THAT Mr Nigel Ward be re-elected as a Director of the Company.
5. THAT KPMG Channel Islands Limited, who have indicated their willingness to continue in office, be re-appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.
6. THAT the Directors be authorised to determine the remuneration of the Auditors for their next period of office.
7. THAT the Company's dividend policy be approved.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution which will be proposed as special resolution:

8. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 315 of The Companies (Guernsey) Law, 2008 (as amended) (the "**Law**") (subject to all applicable legislation and regulations) to make market acquisitions (as defined in the Law) of its 2017 Shares in issue, provided that:-
 - a. the maximum number of 2017 Shares hereby authorised to be purchased is 14.99 per cent. per annum of the 2017 Shares in issue immediately following the passing of this resolution;
 - b. the minimum price (exclusive of expenses) which may be paid for a 2017 Share is 1 US cent;
 - c. the maximum price (exclusive of expenses) which may be paid for a 2017 Share shall be not more than the higher of (i) 5 per cent. above the average market value of the relevant class of shares for the five business days prior to the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest independent bid at the time of the purchase for any number of the relevant class of shares on the trading venues where the purchase is carried out;
 - d. the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held in 2020 or 15 months from the date of this resolution, whichever is the earlier, unless such authority is varied, revoked or renewed prior to such time;
 - e. the Company may make a contract to purchase 2017 Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of 2017 Shares pursuant to any such contract; and

- f. any 2017 Shares bought back may be held as treasury shares in accordance with the Law or be subsequently cancelled by the Company.

To consider and, if thought fit, pass the following resolutions which will be proposed as extraordinary resolutions:

9. THAT the Directors of the Company be and are hereby empowered to issue the following shares in the Company or rights to subscribe for such shares in the Company for cash as if the pre-emption provisions contained under Article 6.2 of the Company's articles of incorporation did not apply to any such issues provided that this power shall be limited to the issue of the below-mentioned shares or of rights to subscribe for the below-mentioned shares:

up to a maximum number of 45 million 2017 Shares,

and that such power shall expire on the earlier of the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this Resolution except that the Company may before such expiry make offers or agreements which would or might require 2017 Shares or rights to subscribe for such shares in the Company to be issued after such expiry and notwithstanding such expiry the Directors may issue 2017 Shares or rights to subscribe for such shares in the Company in pursuance of such offers or agreements as if the power conferred hereby had not expired.

10. ***(RESOLUTION 10 WILL ONLY BE PROPOSED CONDITIONAL UPON RESOLUTION 9 BEING PASSED.)***

THAT the Directors of the Company be and are hereby empowered to issue the following shares in the Company or rights to subscribe for such shares in the Company, in addition to that which is referred to in Resolution 9, for cash as if the pre-emption provisions contained under Article 6.2 of the Company's articles of incorporation did not apply to any such further issues provided that this power shall be limited to the issue of the below-mentioned shares or of rights to subscribe for the below-mentioned shares:

up to a maximum number of a further 45 million 2017 Shares,

and that such power shall expire on the earlier of the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this Resolution except that the Company may before such expiry make offers or agreements which would or might require 2017 Shares or rights to subscribe for such shares in the Company to be issued after such expiry and notwithstanding such expiry the Directors may issue 2017 Shares or rights to subscribe for such shares in the Company in pursuance of such offers or agreements as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

Praxis Fund Services Limited
Company Secretary

18 April 2019

Sarnia House
Le Truchot
St Peter Port
Guernsey

NOTES TO THE NOTICE OF AGM:

1. A member is entitled to attend and vote at the meeting provided that all calls due from him/her in respect of his/her shares have been paid. A member is also entitled to appoint one or more proxies to attend, speak and vote on his/her behalf at the meeting. The proxy need not be a member of the Company. A form of proxy is enclosed with this Notice of AGM. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10:00 a.m. on 17 June 2019, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
2. An ordinary resolution of the members (or of a class of members) of the Company means a resolution passed by a simple majority.
3. A special resolution of the members (or of a class of members) of the Company means a resolution passed by a majority of not less than 75%.
4. The quorum for the AGM is at least two members present in person or by proxy. **To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.**
5. Joint registered holders of shares shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of members of the Company shall alone be entitled to vote.
6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the register of members of the Company at close of business on 17 June 2019 (or in the event that the meeting is adjourned, only those members registered on the register of members of the Company as at close of business on the day which is two days prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
7. A copy of this Notice of AGM is available on the Company's website: www.fairoaksincome.com
8. The total issued share capital of the Company as at the date of this Notice of AGM is 453,348,737 2017 Shares. Pursuant to the Articles, on a show of hands every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per 2017 Share on a poll (other than the Company itself where it holds its own shares as treasury shares). As at the date of this Notice of AGM, there are no outstanding warrants and/or options to subscribe for 2017 Shares and there are no treasury shares in issue.
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by utilising the procedures described in the CREST manual. 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 made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent (ID RA10) by 10:00 am on 17 June 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to receive the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 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 service 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.