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If you have sold or otherwise transferred all of your ordinary shares of 1p each in the capital of UK Mortgages Limited (“Ordinary Shares”), please send this document and Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

UK MORTGAGES LIMITED

(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law 2008, as amended (the “Companies Law”), with registered number 60440 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)

(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands on 07 December 2020 at 9.30am. (the “Meeting”).

Resolution on Form of Proxy	Agenda
Ordinary Resolution 1	1. If no Directors are present at the Meeting, pursuant to Article 19.3.5 of the Articles of Incorporation of the Company (the “Articles”), to elect an authorised representative of the Corporate Secretary to act as Chairman of the Meeting in accordance with Article 19.3.5 of the Articles.
Ordinary Resolution 2	2. To receive and consider the Annual Report and Audited Financial Statements of the Company for the year ended 30 June 2020.
Ordinary Resolution 3	3. To receive and adopt the Directors’ Remuneration Policy.
Ordinary Resolution 4	4. To re-appoint Deloitte LLP as Auditor of the Company until the conclusion of the next Annual General Meeting
Ordinary Resolution 5	5. To authorise the board of Directors (the “Board”) to determine the Auditor’s remuneration.
Ordinary Resolution 6	6. To re-elect Richard Burrows as a Director of the Company
Ordinary Resolution 7	7. To re-elect Helen Green as a Director of the Company
Ordinary Resolution 8	8. To re-elect Paul Le Page as a Director of the Company
Ordinary Resolution 9	9. To re-elect Christopher Waldron as a Director of the Company
Ordinary Resolution 10	10. To renew the authority of the Company, in accordance with section 315 of the Companies Law to make market acquisitions (as defined in Companies Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future re-issue,

resale or transfer provided that:

- a) The maximum aggregate number of Ordinary Shares authorised to be purchased shall be a number up to 14.99 per cent. of the aggregate number of Ordinary Shares (excluding treasury shares) in issue as at the latest practicable date prior to the publication of this notice;
- b) The minimum price exclusive of expenses which may be paid for an Ordinary Share shall be £0.01 per Ordinary Share;
- c) The maximum price exclusive of expenses which may be paid for an Ordinary Share shall be an amount equal to the higher of (i) 5 per cent. above the average mid-market values of the Ordinary Shares as derived from the Specialist Fund Segment of the London Stock Exchange for the five business days before the acquisition is made and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares on the Specialist Fund Segment of the London Stock Exchange; and
- d) Such authority shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2021 or the date 15 months after the date on which this resolution is passed (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make contracts to acquire Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Ordinary Shares pursuant to such a contract.

Ordinary Resolution 11 **11.** To, in substitution for all existing authorities, authorise the directors of the Company in accordance with Article 4 of the Articles, generally and unconditionally to issue and allot shares of each class in the Company, provided that the maximum number of shares authorised to be issued shall not exceed 10 per cent. of the total number of shares in issue in the Company at the date of the passing of this ordinary resolution, which authority shall expire at the earlier of the conclusion of the annual general meeting of the Company to be held in 2021 or the date 15 months after the date on which this resolution is passed (unless previously renewed, revoked or varied by the Company in general meeting) save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted and issued after such expiry and the Directors may allot and issue shares in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Ordinary Resolution 12 **12.** To, conditional on Ordinary Resolution 11 above having been passed, in substitution for all existing authorities (but in addition to and without prejudice to the power granted by Ordinary Resolution 11 above), authorise the directors of the Company in accordance

with Article 4 of the Articles, generally and unconditionally to issue and allot an additional number of shares of each class in the Company, provided that the maximum number of shares authorised to be issued shall not exceed 10 per cent. of the total number of shares in issue in the Company at the date of the passing of this ordinary resolution, which authority shall expire at the earlier of the conclusion of the annual general meeting of the Company to be held in 2021 or the date 15 months after the date on which this resolution is passed (unless previously renewed, revoked or varied by the Company in general meeting) save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or issued after such expiry and the Directors may allot and issue shares in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Ordinary Resolution 13 **13.** That, in substitution of all existing powers (but in addition to any power conferred on them by Extraordinary Resolutions 14 and 15 below) the Directors be and are hereby generally empowered pursuant to Article 4 of the Articles, generally and unconditionally to sell shares in the Company if, immediately before the sale, such shares are held by the Company as treasury shares, for cash, provided that:

- a) where any treasury shares are sold pursuant to this power such sale shall only take place at a premium to the then prevailing net asset value of Ordinary Shares; and
- b) this power shall be limited to the sale of treasury shares having an aggregate nominal value equal to 10 per cent. of the total number of shares in issue in the Company at the date of the passing of this ordinary resolution, and provided further that the number of shares to which this power applies shall be reduced from time to time by the number of shares which are issued for cash as if the members' pre-emption rights contained in the Articles did not apply pursuant to the power conferred on the Directors by Extraordinary Resolutions 14 and 15 below,

such power shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2021 or the date 15 months after the date on which this resolution is passed (unless previously renewed, revoked or varied by the Company in general meeting) save that the Company may before such expiry make offers or agreements which would or might otherwise require treasury shares to be sold after such expiry and the Directors may sell treasury shares pursuant to such offers or agreements as if the authority conferred hereby had not expired.

Extraordinary Resolution 14 **14.** That, in substitution of all existing powers, (but in addition to any power conferred on them by Ordinary Resolutions 11 and 12 above), the Directors be and are authorised generally and unconditionally in accordance with Article 6.7 of the Articles to exercise all powers of the Company to issue equity securities (as

defined in Article 6.1.1 of the Articles) for cash as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue pursuant to the general authority conferred on them by the Ordinary Resolutions numbered 11 and 12 above (as varied from time to time by the Company in general meeting):

- a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities up to an aggregate nominal value equal to 10 per cent. of the total number of shares in issue in the Company at the date of the passing of this Extraordinary Resolution, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by Ordinary Resolution 13 above and (ii) no issue of equity securities shall be made under this power which would result in Ordinary Shares being issued at a price which is less than the net asset value per Ordinary Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion,

and such power hereby conferred shall expire on whichever is the earlier of: (i) the conclusion of the annual general meeting of the Company to be held in 2021; or (ii) the date 15 months after the date on which this Extraordinary Resolution is passed (unless renewed, varied or revoked by the Company prior to that date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.

Extraordinary
Resolution 15

- 15.** That, conditional on Extraordinary Resolution 14 above having been passed, in substitution of all existing powers (but in addition to any power conferred on them by Ordinary Resolutions 11 and 12 above and in addition to and without prejudice to the power granted by Extraordinary Resolution 14 above), the Directors be and are authorised generally and unconditionally in accordance with Article 6.7 of the Articles to exercise all powers of the Company to issue equity securities (as defined in Article 6.1.1 of the Articles) for cash as if the members' pre-emption rights

contained in Article 6.2 of the Articles did not apply to any such issue pursuant to the general authority conferred on them by the Ordinary Resolutions numbered 11 and 12 above (as varied from time to time by the Company in general meeting):

- a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of an additional number of equity securities up to an aggregate nominal value equal to 10 per cent. of the total number of shares in issue in the Company at the date of the passing of this Extraordinary Resolution, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by Ordinary Resolution 13 above and (ii) no issue of equity securities shall be made under this power which would result in Ordinary Shares being issued at a price which is less than the net asset value per Ordinary Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion,

and such power hereby conferred shall expire on whichever is the earlier of: (i) the conclusion of the annual general meeting of the Company to be held in 2021; or (ii) the date 15 months after the date on which this Extraordinary Resolution is passed (unless renewed, varied or revoked by the Company prior to that date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.

16. Any Other Business

By Order of the Board

For and on behalf of
**Northern Trust International Fund Administration
Services (Guernsey) Limited**
As Secretary

6 November 2020

Notes

ALL SHAREHOLDERS ARE RECOMMENDED TO COMPLETE AND RETURN THEIR FORMS OF PROXY TO INDICATE HOW THEY WISH TO VOTE IN RELATION TO THE PROPOSALS. COMPLETION AND RETURN OF THE FORMS OF PROXY WILL NOT AFFECT A SHAREHOLDER'S RIGHT TO ATTEND AND VOTE AT THE AGM.

A member of a company is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the company. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them. A proxy need not also be a member of the company. Details of how to appoint the Chairman of the Meeting or another person as proxy using the Proxy Form are set out in the notes to the Proxy Form. The requisite form is attached hereto and must be lodged with the Company's Registrars at: The Pavilions, Bridgewater Road, Bristol BS99 6ZY at least 48 hours before the time of the Meeting.

The quorum for the AGM is two (2) Shareholders present in person or represented by proxy. If, within thirty minutes after the time appointed for the AGM, a quorum is not present, then the AGM will stand adjourned for five Business Days at the same time and place.

The Board notes that due to the impact of COVID-19, it may be challenging to hold the AGM in the format typically expected by Shareholders. The location of the AGM may need to be reconsidered closer to the time and the Company will update Shareholders of any changes.

With effect from 20 June 2020, the States of Guernsey implemented Phase 5 of its transitional plan to ease the stay at home and travel restrictions originally introduced on 25 March 2020 in light of COVID-19. Whilst restrictions have been eased, any persons arriving into the Bailiwick of Guernsey are presently required to self-isolate for at least 7 days or 14 days depending on the country from and/or through which they have travelled. On 28 October 2020, phase 5c of the transitional plan was announced with the effect that, everyone arriving into the Bailiwick of Guernsey from Wednesday 28 October will need to register their journey on a Travel Tracker (available at: <https://traveltracker.gov.gg/>).

Shareholders from the UK who travel to Guernsey are currently required to self-isolate for 14 days from their arrival in the Bailiwick. In light of the travel restrictions in place as at the date of this document, **Shareholders resident outside of the Bailiwick of Guernsey are asked not to attempt to attend the AGM in person and instead are urged to submit proxy forms in respect of the AGM and are encouraged to appoint the chairman of the AGM as their proxy as third party proxies may not be permitted to attend the AGM and cast a vote on the Shareholder's behalf.**

Notes to the resolutions proposed at the annual general meeting:

1. Election of Chairman

Resolution 1, which is an Ordinary Resolution, approves to elect an authorised representative of the Corporate Secretary to Chair the Meeting should there be no Directors present at the Annual General Meeting to be held at 9.30am on 7 December 2020 in accordance with Article 19.3.5 of the Articles of Incorporation.

2. Annual Report and Audited Financial Statements

Pursuant to Resolution 2, which is an Ordinary Resolution, members are to receive the Annual Report and Audited Consolidated Annual Financial Statements of the Company for the year ended 30 June 2020. The Annual Report provides a detailed overview of the Company's performance over the financial year ended 30 June 2020 and a projected outlook for the present financial year. Members will be given the opportunity to ask questions about the Annual Report at the Annual General Meeting before being invited to receive and consider the Annual Report.

3. Director Remuneration Policy

Resolution 3, which is an Ordinary Resolution, seeks to receive and adopt the Directors Remuneration Policy. The Company's policy is to ensure that the Company maintains a competitive fee structure in order to recruit, retain and motivate non-executive Directors of excellent quality, which is in the overall interests of members. The Directors do not consider it necessary for the Company to establish a separate Remuneration Committee. All of the matters recommended by the AIC Code that would be delegated to such a committee are considered by the Board as a whole. It is the responsibility of the Board as a whole to determine and approve the Directors' fees, following a recommendation from the Chairman who will have given the matter proper consideration, having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs. The Chairman's remuneration is decided and approved separately by the Board as a whole. No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long term incentive plans from the Company.

4. Appointment and remuneration of the Auditor

Resolutions 4 and 5, which are Ordinary Resolutions, seek to re-appoint Deloitte LLP as the Company's auditor and to authorise the Directors to determine the auditor's remuneration. In accordance with Article 39.5 of the Articles and sections 257 and 259 of the Companies Law, members may appoint or re-elect an auditor of the Company during a period for appointing auditors and are required to give Directors the authority to determine the auditor's remuneration. Deloitte LLP has expressed their willingness to be appointed as auditor to the Company.

5. Re-election of Directors

Resolutions 6 to 9, which are Ordinary Resolutions, are to propose the re-election of all the Directors in accordance with the Articles. Biographical details for each of the Directors are available below:

Richard Burrows - Independent Non-Executive Director – UK resident

Mr Burrows works as Treasurer of British Arab Commercial Bank plc in London. He has previously held senior Treasury related roles at Bank of China, London Branch (2015-2018), Co-operative Bank (2012-2015), Northern Rock (2009-2010) and Citi Alternative Investments (1994-2008). From 2010 to 2012, Mr Burrows worked in the Prudential Risk Division of the Financial Services Authority as the UK regulator rolled out its post-crisis requirements with specific focus on the liquidity regime.

Helen Green - Independent Non-Executive Director - Guernsey resident

Mrs Green is a chartered accountant and has been employed by Saffery Champness, a top 20 firm of chartered accountants, since 1984. She qualified as a chartered accountant in 1987 and became a partner in the London office in 1998. Since 2000 she has been based in the Guernsey office where she is client liaison director responsible for trust and company administration. Mrs Green serves as a Non-Executive Director on the boards of a number of companies in various jurisdictions, including Aberdeen Emerging Markets Investment Company Limited, Landore Resources Limited, CQS Natural Resources Growth and Income plc and JPMorgan Global Core Assets Limited.

Paul Le Page (Audit Committee Chairman) - Independent Non-Executive Director – Guernsey resident

Mr Le Page is a former executive director of Man Group's Guernsey subsidiaries, which included FRM Investment Management Limited ("FRM") where he was responsible for oversight of investment management activities. Mr Le Page is currently the Audit Committee Chairman for Bluefield Solar Income Fund Limited and RTW Venture Fund Limited, and was formerly the Audit Committee Chairman for Cazenove Absolute Equity Limited and Thames River Multi Hedge PCC Limited and has extensive knowledge of, and experience in, the fund management and the Alternative investment industry. Prior to joining FRM, he was responsible for managing the firm's hedge fund portfolios and reviewing fund managers at Collins Stewart Asset Management which is now part of Canaccord Genuity. He joined Collins Stewart in January 1999 where he completed his MBA in July 1999.

Christopher Waldron (Chairman) - Independent Non-Executive Director – Guernsey resident

Mr Waldron is the Chairman of Crystal Amber Fund Limited and a director of a number of unlisted companies. He has over 30 years' experience as an investment manager, specialising in fixed income, hedging strategies and alternative investment mandates and until 2013 was Chief Executive of the Edmond de Rothschild Group in the Channel Islands. Prior to joining the Edmond de Rothschild Group in 1999, Mr Waldron held investment management positions with Bank of Bermuda, the Jardine Matheson Group and Fortis. From 2014 to 2020, Mr Waldron was a member of the States of Guernsey's Investment and Bond Sub Committee. He is a Fellow of the Chartered Institute of Securities and Investment.

The Board currently consists of four non-executive Directors, all of whom are independent of the investment manager. The Board believe that the current Directors should continue to be Directors as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

6. Purchase of own shares

Resolution 10, which is an Ordinary Resolution, is part of the Company's discount management arrangements, the Directors are seeking to renew the authority to purchase Ordinary Shares in the market up to 14.99 per cent. of the aggregate number of Ordinary Shares from time to time either for cancellation or to hold as treasury shares for future resale or transfer. The Board will consider whether the Company should purchase Ordinary Shares where such Ordinary Shares are quoted in the market at a discount in excess of 5 per cent. to net asset value per Ordinary Share. The making and timing of any buyback of Ordinary Shares is at the absolute discretion of the Board and is expressly subject to the Board determining that the Company has sufficient surplus cash resources available (excluding borrowed monies). Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board and only in accordance with the Companies Law and the Disclosure Guidance and Transparency Rules made by the UK Financial Conduct Authority under section 72 of the Financial Services and Markets Act 2000 as amended ("FSMA"). Any purchase of Ordinary Shares would be made out of the available cash or cash equivalent resources of the Company or from borrowings.

7. Board authority to allot and issue shares

Resolution 11, which is an Ordinary Resolution, seeks members' approval to authorise the Board to exercise all powers of the Company to allot and issue, grant rights to subscribe for, or to convert any securities into, up to 10 per cent. of the total number of shares in issue of the Company at the date of passing Resolution 11 which authority shall expire at the conclusion of the next Annual General Meeting of the Company.

Resolution 12, which is an Ordinary Resolution, is conditional on Resolution 11 being passed and applies in addition to Resolution 11. Resolution 12 seeks members' approval to authorise the Board to exercise all powers of the Company to allot and issue, grant rights to subscribe for, or to convert any securities into, up to an additional

10 per cent. of the total number of shares in issue of the Company at the date of passing Resolution 12 which authority shall expire at the conclusion of the next Annual General Meeting of the Company.

If both Resolution 11 and Resolution 12 are passed, members will be authorising the Board to exercise all powers of the Company to allot and issue up to a total of 20 per cent. of the total number of shares in issue of the Company at the date of passing Resolutions 11 and 12. The Board believes that it is appropriate to increase the Company's authority to 20 per cent. as it enables the Company to issue a larger number of new Ordinary Shares without issuing a prospectus as permitted under the prospectus rules made by the UK Financial Conduct Authority under section 73A of FSMA provided that such new Ordinary Shares represent, over a period of 12 months, less than 20 per cent. of the number of Ordinary Shares already admitted to trading on the London Stock Exchange.

If Resolution 11 is passed but Resolution 12 is not passed members will only be authorising the Board to exercise all powers of the Company to allot and issue up to a total of 10 per cent. of the total number of shares in issue of the Company at the date of Resolution 11 is passed and Resolution 12 is not passed.

8. Board authority to sell shares

Resolution 13, which is an Ordinary Resolution, seeks members' approval to authorise the Board to exercise all powers (but in addition to any power conferred on them by extraordinary resolution as defined below) of the Company to sell shares in the Company if, immediately before the sale such shares are held by the Company as treasury shares, for cash up to 10 per cent. of the total number of shares in issue in the Company at the date of passing this ordinary resolution which authority shall expire at the conclusion of the next Annual General Meeting of the Company.

9. Disapplication of pre-emptive rights

Resolution 14 which is an Extraordinary Resolution, disapplies the pre-emption rights contained in the Articles so that the Board has authority to allot and issue (or sell from treasury) Ordinary Shares for cash on a non-pre-emptive basis in respect of Ordinary Shares (equivalent to 10 per cent. of the Ordinary Shares in issue at the date of passing of the resolution, excluding shares held in treasury). The disapplication expires on the date falling fifteen months after the date of passing of Resolution 14 or the conclusion of the next annual general meeting of the Company, whichever is the earlier and permits the Board to allot and issue Ordinary Shares (or sell shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand. Ordinary Shares issued (or sold from treasury) pursuant to the disapplication would not be issued at a price that is less than the prevailing net asset value per Ordinary Share.

Resolution 15 is conditional on Resolution 14 being passed and applies in addition to Resolution 14. Resolution 15 which is an Extraordinary Resolution, disapplies the pre-emption rights contained in the Articles so that the Board has authority to allot and issue (or sell from treasury) Ordinary Shares for cash on a non-pre-emptive basis in respect of an additional number of Ordinary Shares (equivalent to 10 per cent. of the Ordinary Shares in issue at the date of passing of the resolution). The disapplication expires on the date falling fifteen months after the date of passing of Resolution 15 or the conclusion of the next annual general meeting of the Company, whichever is the earlier and permits the Board to allot and issue Ordinary Shares (or sell shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand. Ordinary Shares issued (or sold from treasury) pursuant to the disapplication would not be issued at a price that is less than the prevailing net asset value per Ordinary Share.

If both Resolution 14 and Resolution 15 are passed, members will be approving the disapplication of pre-emption rights in respect of a total of 20 per cent. of the existing Ordinary Shares in issue. As the issue (or sale from treasury) by the Company on a non-pre-emptive basis will only be made at a premium to the prevailing net asset value, the Board believes that the existing authority to issue new shares equal to 20 per cent. of the existing shares in issue in the Company (excluding treasury shares) is appropriate.

If Resolution 14 is passed but Resolution 15 is not passed members will be approving the disapplication of pre-emption rights in respect of only 10 per cent. of the existing Ordinary Shares in issue.