

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO BLACKSTONE / GSO LOAN FINANCING LIMITED (THE "COMPANY") ON WHICH YOU ARE BEING ASKED TO VOTE.

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 advisor authorised under the UK Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares in the Company (the "**Shares**"), please send this Circular, together with the accompanying proxy appointment form (the "**Proxy Appointment Form**"), at once to the purchaser or transferee of such Shares, or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdiction. If you have sold or transferred only part of your holding of Shares, please consult the bank, stockbroker or other agent through which the sale or transfer was effected.

BLACKSTONE / GSO LOAN FINANCING LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Jersey with registered number 115628)

NOTICE OF EXTRAORDINARY GENERAL MEETING

ADOPTION OF NEW ARTICLES OF ASSOCIATION

DISAPPLICATION OF PRE-EMPTION RIGHTS

The Proposals described in this Circular are conditional on approval from Shareholders, which is being sought at the extraordinary general meeting of the Company to be held at 10.00 a.m. on 12 December 2018 at the offices of BNP Paribas Securities Services, IFC 1, The Esplanade, St Helier, Jersey JE1 4BP (the "**Extraordinary General Meeting**"). The notice ("**Notice**") and Proxy Appointment Form in respect of the Extraordinary General Meeting are set out at the end of this Circular.

The Proxy Appointment Form must be lodged at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU at least 48 hours (excluding non-business days) at least 48 hours (excluding non-business days) before the commencement of the meeting. Completion of a Proxy Appointment Form will not preclude a Shareholder from attending, speaking and voting in person at the Extraordinary General Meeting.

This Circular should be read as a whole. Your attention is drawn in particular to the letter from the Chair of the Company which is set out on pages 4 to 8 of this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. Your attention is also drawn to the section entitled "Action to be Taken" on page 8 of this Circular.

Fidante Partners Europe Limited (trading as Fidante Capital) ("**Fidante**") and Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which are authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company and no one else in connection with the Rollover and the Placing Programme. Neither Fidante nor N+1 Singer will regard any person (whether or not a recipient of this Circular) as its client in relation to the Rollover or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Rollover or the Placing Programme, or any other transaction or arrangement referred to herein.

23 November 2018

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS*

Date of the Notice	23 November 2018
Record Date	10.00 a.m. on 10 December 2018
Latest time and date for receipt of Proxy Appointment Forms	10.00 a.m. on 10 December 2018
Extraordinary General Meeting	10.00 a.m. on 12 December 2018

* The dates and times specified are subject to change without further notice. References to times in this Circular are to Jersey times unless otherwise stated.

PART 1 – LETTER FROM THE CHAIR
BLACKSTONE / GSO LOAN FINANCING LIMITED

Charlotte Valeur (*Chair*)
Gary Clark
Heather MacCallum
Steven Wilderspin

Registered Office:
IFC 1,
The Esplanade
St Helier
Jersey
JE1 4BP

23 November 2018

Dear Shareholder

NOTICE OF EXTRAORDINARY GENERAL MEETING
ADOPTION OF NEW ARTICLES OF ASSOCIATION
DISAPPLICATION OF PRE-EMPTION RIGHTS AND APPROVAL OF THE ISSUE OF SHARES

1. INTRODUCTION

Further to the Company's announcement on 28 August 2018, I am pleased to confirm that the Company now proposes to make available to Carador Shareholders the opportunity to roll over their holding of Carador Shares into new C Shares ("**Rollover Shares**") to be issued to such Carador Shareholders by the Company (the "**Rollover Opportunity**"). The implementation of the Rollover Opportunity and the subsequent Placing Programme requires, and is conditional on, the approval of the Company's existing Shareholders.

Accordingly, I am writing to provide you with details of an Extraordinary General Meeting of the Company which will be held at the offices of BNP Paribas Securities Services, IFC 1, The Esplanade, St Helier, Jersey JE1 4BP at 10.00 a.m. on 12 December 2018, to seek your approval for: (i) the amendment of the Existing Articles to provide for the issue of Rollover Shares, by replacing the Existing Articles in their entirety with the New Articles; and (ii) the disapplication of pre-emption rights in respect of any Shares to be issued pursuant to the Rollover and the Placing Programme (together, the "**Proposals**"). Notice of the Extraordinary General Meeting is set out at the end of this Circular.

The Proposals are intended to benefit existing Shareholders in several ways. The issue of C Shares pursuant to the Rollover would have the effect of spreading the Company's fixed costs over a wider shareholder base, thereby reducing the total expense ratio. By way of illustration, if the holders of 40 per cent. of Carador U.S. Dollar Shares in issue as at 31 October 2018 elect to participate in the Rollover, following the Rollover and based on the net asset values of each of Carador and the Company as at 31 October 2018, approximately 11 per cent. of the Company's ongoing fixed costs would be borne by such holders of the Rollover Shares.

Further, since the issue of new Ordinary Shares under the proposed Placing Programme can only take place at issue prices equal to or above the then prevailing NAV per Ordinary Share, the issue of new Ordinary Shares pursuant to the Placing Programme could potentially enhance the NAV per Ordinary Share, thereby benefitting all Ordinary Shareholders. Additionally, as outlined in paragraph 6 below, some of the costs incurred by the Company in connection with the Issue could also be borne by the new Ordinary Shares issued pursuant to the Placing Programme, thereby reducing the costs borne by existing Shareholders.

Finally, increasing the Company's size also has the potential benefits of improving diversification of the Company's enlarged portfolio and improving liquidity in the secondary market trading.

Further details of the Proposals and the relevant corresponding Resolutions which will be put to Shareholders at the Extraordinary General Meeting are set out below and are also contained in the prospectus published by the Company on 23 November 2018.

2. THE ROLLOVER AND THE PLACING PROGRAMME

In respect of any Carador Shareholder that validly elects to participate in the Rollover Opportunity, the Carador U.S. Dollar Shares or Carador Repurchase Shares (as the case may be) held by such Carador Shareholder will be converted into a new class of shares in Carador (the "**Carador Rollover Shares**"). The Carador Rollover Shares shall not be transferable and will be created by allocating to such class a pro rata amount of Carador's assets and liabilities attributable to each of the Carador U.S. Dollar Shares and Carador Repurchase Shares (based on Carador's latest published NAV as at the Rollover Date).

Each Carador Share in respect of which a Carador Shareholder elects to participate in the Rollover Opportunity will be converted into Carador Rollover Shares on the following basis:

- each Carador U.S. Dollar Share will be converted into one Carador Rollover Share; and
- each Carador Repurchase Share will be converted into such proportion of Carador Rollover Shares as is pro rata to the respective NAV per Carador U.S. Dollar Share compared with the NAV per Carador Repurchase Share (based, in each case, on Carador's latest published NAV as at the Rollover Date).

The Company intends that, immediately after the conversion of the relevant Carador Shares into Carador Rollover Shares as set out above on the Rollover Date, Carador will repurchase all of the Rollover Class Shares and transfer the assets attributable to the Carador Rollover Shares (the "**Rollover Assets**") to the Company in consideration for the Company issuing Rollover Shares to the holders of the Carador Rollover Shares. Each holder of Carador Rollover Shares will receive one Rollover Share in respect of each Carador Rollover Share it holds as at the Rollover Date. Following the Rollover, the Rollover Assets will be held by the Company in a separate portfolio attributable only to the Rollover Shares. For the avoidance of doubt, the Company will not acquire any Carador Shares or Carador Rollover Shares pursuant to the Rollover.

An application will be made to the London Stock Exchange for the Rollover Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange ("**Rollover Admission**"). It is expected that the Rollover Admission will become effective and dealings in respect of the Rollover Shares will commence on or around 4 January 2019 (the "**Rollover Admission Date**"). However, the Company may, at its discretion, proceed with the Rollover even if Rollover Admission cannot be achieved for any reason.

The Company will delegate portfolio management of the Rollover Assets to GSO / Blackstone Debt Funds Management LLC (the "**Rollover Portfolio Manager**"). The Rollover Portfolio Manager will have responsibility for realising the Rollover Assets and re-investing the proceeds of such realisations into cash settlement warrants issued by Blackstone / GSO Loan Financing (Luxembourg) S.à.r.l. ("**LuxCo**"), thereby providing the holders of the Rollover Shares with exposure to Profit Participating Notes issued by Blackstone / GSO Corporate Funding Designated Activity Company ("**BGCF**") to LuxCo. Once a substantial majority of the Rollover Assets have been realised and the proceeds invested in Profit Participating Notes issued by BGCF to LuxCo, the Board shall convert the Rollover Shares into Ordinary Shares on a NAV for NAV basis in accordance with the New Articles.

The Company also intends, with a view to satisfying ongoing investor demand for Ordinary Shares, and in line with the Company's growth strategy, to seek to raise additional funding. It is therefore also seeking shareholder approval to issue up to 400 million Ordinary Shares pursuant to a Placing Programme (the Rollover and the Placing Programme, together, being the "**Issue**") (based on Carador's latest published NAV as at the Rollover Date).

The Placing Programme will open on or around 4 January 2019 and will close on 22 November 2019 (or any earlier date the Company may determine, in its sole discretion, and announce by an RIS announcement). The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Placing Shares as and when it deems appropriate over a period of time. The issue and allotment of Placing Shares under the Placing Programme is at the discretion of the Directors, and may take place at any time prior to 22 November 2019.

The net proceeds of the Placing Programme will be invested in accordance with the Company's investment objective and policy.

3. ADOPTION OF NEW ARTICLES

The Company is seeking Shareholder approval to replace the Existing Articles in their entirety with the New Articles.

The New Articles will (amongst other things the Directors may deem appropriate for the creation and utilisation of the Rollover Share class): (i) allow for the creation of a Rollover Share class and set out the rights attaching to such Rollover Shares; (ii) enable the Company to issue Rollover Shares; and (iii) set out the mechanics by which such Rollover Shares will convert to Ordinary Shares. The rights which will attach to the Rollover Shares are set out in full in Part 2 (*The Rollover Shares and the New Articles of Association*) of this Circular. These amendments are all necessary in order to enable the Company to implement the Rollover.

In addition, the Company also proposes to make certain additional changes to its Existing Articles to ensure compliance with the Listing Rules requirements relating to the disapplication of pre-emption rights, and to conform the notice provisions with the minimum requirements of the Law.

If Resolution 1 is passed by Shareholders, the New Articles will replace the Existing Articles with immediate effect.

4. DISAPPLICATION OF PRE-EMPTION RIGHTS AND APPROVAL OF THE ISSUE OF SHARES

Pursuant to Article 2.16 of the New Articles, in order to issue additional Shares pursuant to the Placing Programme without first offering them to existing Shareholders in proportion to their holdings, the Directors require specific authority from Shareholders. Therefore, in connection with the proposed Issue, the Company is seeking Shareholder authority to disapply the pre-emption rights contained in the New Articles for 400 million Ordinary Shares pursuant to the Placing Programme (to be denominated in Euros), representing 100 per cent. of the Company's issued share capital as at the date of this Circular (excluding any Ordinary Shares held in treasury as at the date of this Circular).

The Directors believe that the disapplication of pre-emption rights for, and approval of the issue of, Shares in connection with the Issue should yield the following principal benefits: (i) provide additional capital which will enable the Company to benefit from the continued investment opportunities in the market in line with its investment objective and investment policy; (ii) potential to enhance the NAV per Share through new share issuance at a premium to NAV per Share, after the related costs have been deducted; (iii) grow the Company, thereby spreading operating costs over a larger capital base, which should reduce the total expense ratio; and (iv) increase the number of Shares in issue, which may provide the Shares with additional liquidity. Accordingly, the Directors are recommending that Shareholders vote in favour of the disapplication of pre-emption rights and approval of the issue of Shares.

The Placing Price in respect of any Ordinary Shares issued pursuant to the Placing Programme will be calculated by reference to the last published Net Asset Value per Ordinary Share of the relevant class as at the date of issue. Shares will only be issued at a premium to the latest published NAV per Share. The premium to NAV at which Ordinary Shares of any class are issued pursuant to any specific Placing will be determined by the Directors at the relevant time and announced via an RIS.

If Resolution 2 is passed by Shareholders, the Company's authority to issue Shares on a non-pre-emptive basis will expire upon the expiry of the Placing Programme unless previously renewed, varied or revoked by the Shareholders in a general meeting. Further, if Resolution 2 is passed, it will replace any existing shareholder approval in relation to the disapplication of pre-emption rights or approval of issue of Shares.

5. ROLLOVER PORTFOLIO MANAGEMENT AGREEMENT

The Company operates as a self-managed Alternative Investment Fund ("**AIF**") under the Alternative Investment Fund Managers Directive ("**AIFMD**") and currently obtains exposure to CLO Securities and CLO Income Notes through BGCF. Since the Company will hold the Rollover Assets directly following the Rollover, it is proposing to delegate the portfolio management of the Rollover Assets to the Rollover Portfolio Manager by way of a Rollover Portfolio Management Agreement. For the avoidance of doubt, the Company intends to remain a self-managed AIF in respect of its entire portfolio notwithstanding such delegation of portfolio management activities to the Portfolio Manager.

The Rollover Portfolio Manager will have responsibility for realising the Rollover Assets and re-investing the proceeds of such realisations into cash settlement warrants issued by LuxCo, thereby providing the holders of the Rollover Shares with exposure to Profit Participating Notes issued by BGCF.

6. COSTS ASSOCIATED WITH THE PROPOSALS

The proportion of the total costs of the Issue (the "**Issue Expenses**") to be borne by the Ordinary Shareholders is expected to be as follows:

- if the Rollover occurs, the costs to be borne by the Ordinary Shareholders are not expected to exceed 0.5 per cent. of the value of the Rollover Assets. For the avoidance of doubt, this number does not include any Ordinary Shares arising on the conversion of Rollover Shares into Ordinary Shares in due course; and
- if the Rollover does not occur, the Company has agreed abort fee arrangements with certain advisers and service providers such that the costs borne by the Company are not expected to exceed £383,333.

Existing Shareholders should note that even if the Rollover does not occur, the Company nevertheless intends to proceed with the Placing Programme (subject to receiving the requisite Shareholder approvals at the Extraordinary General Meeting). It is expected that the Placing Price in respect of any Ordinary Shares issued pursuant to the Placing Programme will, subject to the prevailing market conditions, factor in the proportion of the Issue Expenses borne by the Ordinary Shareholders on the completion of the Rollover (such that some or all of the Issue costs so borne by the Ordinary Shareholders on the completion of the Rollover may be recouped through the cumulative premium at which new Ordinary Shares are issued during the life of the Placing Programme). However, as the total number of new Ordinary Shares which will be issued pursuant to the Placing Programme will not be known until the Placing Programme closes, there can be no guarantee that the costs will be so covered in full, or at all.

7. RESOLUTIONS AND EXTRAORDINARY GENERAL MEETING

In order to effect the Proposals, Shareholders will need to pass each Resolution described below. The Resolutions are set out in the Notice at the end of this Circular.

Resolution 1 will be proposed as a Special Resolution under the Existing Articles, and will require not less than two-thirds of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting. If Resolution 1 is passed, the New Articles will replace the Existing Articles with immediate effect.

Resolution 2 will then be proposed as a Special Resolution under the New Articles and, as it relates to the disapplication of pre-emption rights under Article 2.16 of the New Articles, will require not less than seventy-five per cent. of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting.

Resolution 1: Adoption of the New Articles

A Special Resolution will be required to adopt the New Articles in substitution for the Existing Articles.

Details of the proposed changes to the Existing Articles are set out in paragraph 3 above.

Resolution 2: Disapplication of pre-emption rights and approval of issue of Shares

A Special Resolution will be required to grant authority to the Company to allot and issue up to 400 million Ordinary Shares pursuant to the Placing Programme, without having previously offered such Ordinary Shares to Shareholders on a pre-emptive basis.

Details relating to the disapplication of pre-emption rights and the proposed Issue are set out in paragraph 4 above.

The quorum for the Extraordinary General Meeting will be two Shareholders present and entitled to vote in person or by proxy. If a quorum is not present within twenty minutes (or such longer time as the Chair

decides to wait) after the time fixed for the start of the meeting, or if there is no longer a quorum present at any time during the meeting, the Extraordinary General Meeting will stand adjourned to such other day (being not less than 14 nor more than 28 days later) and at such other time and/or place as the Chair (or, in default, the Board) decides.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents will be available for inspection (by Shareholders or an authorised representative) at the Company's registered office during normal business hours on any Business Day from the date of this Circular until the conclusion of the Extraordinary General Meeting, as well as at the venue of the Extraordinary General Meeting on the day of the Extraordinary General Meeting:

1. this Circular; and
2. the proposed New Articles, along with a comparison of the proposed New Articles against the Existing Articles.

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM. This Circular will also be available on the Company's page on the following website: <https://www.blackstone.com/BGLF>.

9. ACTION TO BE TAKEN

Whether or not you intend to attend the Extraordinary General Meeting, you should ensure that your Proxy Appointment Form is returned to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU at least 48 hours (excluding non-business days) before the commencement of the meeting. Completion of a Proxy Appointment Form will not preclude a Shareholder from attending, speaking and voting in person at the Extraordinary General Meeting.

CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the Extraordinary General Meeting (and any adjournment thereof) by following 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) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order to be valid, the CREST message must be transmitted so as to be received by Capita Asset Services (whose CREST ID is RA10) by 10.00 a.m. (Jersey time) on 10 December 2018.

10. RECOMMENDATION

The Board considers that the proposed Resolutions are in the best interests of the Company and its Shareholders as a whole. The Board accordingly recommends that all Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as the Directors intend to do in respect of their entire beneficial shareholding of 105,200 Ordinary Shares, representing 0.026 per cent. of the Company's issued share capital as at the date of this Circular (excluding any Ordinary Shares held in treasury).

Yours faithfully,

Charlotte Valeur

Chair

PART 2 – THE C SHARES AND THE ARTICLES OF ASSOCIATION

The rights which will attach to the Rollover Shares are set out in full in below:

C Shares

(A) **Definitions**

"C Share" means a share of no par value in the capital of the Company, designated as a "C share", denominated in Euro and having such rights and being subject to such restrictions as are contained in the Articles;

"C Share Issue Date" means, in relation to any class of C Shares, the date on which such C Shares are issued to the relevant Shareholders;

"C Shareholder" means a holder of C Shares;

"C Share Calculation Date" means, in relation to any class of C Shares, the earlier of:

- (i) the close of business on such date as the Directors may determine, following the Directors resolving, in their discretion, that substantially all of the C Share Assets have been invested in an Underlying Company and the relevant class of C shares shall be converted into New Ordinary Shares; or
- (ii) the opening of business on the first day on which the Directors resolve that Force Majeure Circumstances in relation to any class of C Shares have arisen or are imminent;

"Calculation Date" means any date determined by the Directors by reference to which calculations will be carried out for the purposes of conversions in accordance with the Articles, being the last Business Day of any month;

"Conversion Date" means the date on which a Conversion takes effect;

"Conversion Ratio" means in relation to each tranche of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C-D}{E}$$

and

$$B = \frac{F-G}{H}$$

and where:

"C" is the aggregate value of all C Share Assets (as determined by the Directors) as at the relevant C Share Calculation Date calculated in accordance with the accounting principles adopted by the Directors from time to time;

"D" is the amount which (to the extent not otherwise deducted in calculation of "C") in the Directors' opinion fairly reflects, as at the relevant C Share Calculation Date, the amount of liabilities and expenses of the Company attributable to the C Shares of the relevant class;

"E" is the number of C Shares of the relevant class in issue as at the relevant C Share Calculation Date;

"F" is the aggregate value of all assets and investments attributable to the relevant class of Ordinary Shares (as determined by the Directors) as at the relevant C Share Calculation Date calculated in accordance with the accounting principles adopted by the Directors from time to time;

"G" is the amount which (to the extent not otherwise deducted in the calculation of "F"), in the Directors' opinion fairly reflects, as at the relevant C Share Calculation Date the amount of the liabilities and expenses of the Company attributable to the relevant class of Ordinary Shares; and

"H" is the number of Ordinary Shares of the relevant class in issue as at the relevant C Share Calculation Date,

save that:

- (i) the Directors shall be entitled to make such adjustments to the value or amount of "A" and/or "B" as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the C Share Issue Date or the C Share Calculation Date and the reasons for the issue of the C Shares of the relevant class; and
- (ii) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class;

"Force Majeure Circumstance" means, in relation to any class of C Shares:

- (a) any political and/or economic circumstances and/or actual or anticipated changes in tax or other legislation which, in the reasonable opinion of the Directors, renders C Share Conversion necessary or desirable;
- (b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares of that class with the rights proposed to be attached to them or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or
- (c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company; and

"New Ordinary Shares" means the new Ordinary Shares arising on C Share Conversion.

(B) **Dividends**

Subject to the provisions of the Companies Law, the Company may by a C Share Ordinary Resolution declare dividends in accordance with the rights of the C Shareholders, but no such dividend shall exceed the amount recommended by the Directors.

Subject to the provisions of the Companies Law, the Directors may pay fixed rate and interim dividends on C Shares. If different classes of C Shares have been issued, the Directors may pay interim dividends on C Shares which confer deferred or non-preferred rights with regard to dividends as well as on C Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on C Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate in accordance with the Companies Law. If the Directors act in good faith, they shall not incur any liability to the holders of any C Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any C Shares having deferred or non-preferred rights.

Except as otherwise provided by the rights attaching to C Shares, all dividends shall be declared and paid according to the amounts paid up on the C Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the C Shares during any portion or portions of the period in respect of which the dividend is paid but, if any C Share is issued on terms providing that it shall rank for dividend as from a particular date, that C Share shall rank for dividend accordingly.

No dividend or other moneys payable in respect of a C Share shall bear interest against the Company, unless otherwise provided by the rights attached to the C Share.

The Directors may deduct from any dividend or other moneys payable to a C Shareholder all sums of money (if any) presently payable by the holder to the Company on account of calls or otherwise in relation to such C Shares.

Any dividend or other moneys payable in respect of a C Share may be paid by cheque sent by post to the registered address of the holder or the person recognised by the Directors as entitled to the C Share or, if two or more persons are the holders or are recognised by the Directors as jointly entitled to the C Share, to the registered address of the first holder named in the register or to such person or persons entitled and to such address as the Directors shall in their absolute discretion determine.

Any dividend unclaimed after a period of 10 years from the date on which it became payable shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

(C) ***Rights as to capital***

On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payment of its liabilities shall be divided among the classes of Shares then in issue and shall be applied respectively to the holders of each class of Shares pro rata to their holdings of Shares.

(D) ***Class consents and variation of rights***

The special rights attached to the C Shares may be varied or abrogated either with the written consent of the holders of not less than two thirds in number of the issued C Shares or the sanction of a C Share Special Resolution passed at a separate meeting of the holders of the C Shares.

(E) ***Undertakings***

Until C Share Conversion, the Company undertakes in relation to each class of C Shares to:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts, and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;
- (b) allocate to the assets attributable to the relevant class the proceeds of issue of the C Shares of that class and such proportion of the income, expenses or liabilities of the Company incurred or accrued between the C Share Issue Date and the C Share Calculation Date (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant class assets including, without prejudice to the generality of the foregoing, those liabilities, if any, specifically identified in the definition of Conversion Ratio; and
- (c) give appropriate instructions to the Administrator to manage the Company's assets so that such undertakings can be complied with by the Company.

(F) ***The Conversion process***

The Directors shall procure that:

- (a) the Administrator shall be requested to calculate, within 16 Business Days after the C share Calculation Date, the Conversion Ratio as at the C Share Calculation Date and the number of New Ordinary Shares to which each holder of C Shares of the relevant class shall be entitled on C Share Conversion; and
- (b) the auditors, or failing that an independent accountant selected for the purpose by the Directors, shall be requested to report, within 2 Business Days after the date on which the Conversion Ratio has been calculated, that such calculations:
 - (A) have been performed in accordance with the Articles of the Company; and
 - (B) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company, all holders of New Ordinary Shares and all holders of C Shares of the relevant C Share class.

The Directors shall further procure that, as soon as practicable following such certification, an RIS announcement is made advising holders of C Shares of that class of the C Share Conversion Date,

the Conversion Ratio and the aggregate number of New Ordinary Shares to which holders of C Shares of that class are entitled on C Share Conversion.

On a C Share Conversion, such number of C Shares as shall be necessary to ensure that, upon the C Share Conversion being completed, the aggregate number of New Ordinary Shares into which those C Shares are converted equals the number of C Shares in issue on the C Share Calculation Date multiplied by the Conversion Ratio and rounded down to the nearest whole Ordinary Share, shall automatically convert into an equal number of New Ordinary Shares. The New Ordinary Shares arising upon C Share Conversion shall be divided amongst the former Shareholders of the C Shares of the relevant class pro rata according to their respective former holdings of C Shares of the relevant class (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares arising upon a C Share Conversion, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company provided that such proceeds are less than US\$5.00 per former Shareholder of the relevant C Shares) and for such purposes, any Director is hereby authorised as agent on behalf of the former Shareholders of C Shares, in the case of a share in certificated form, to execute any stock transfer and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former Shareholder of the relevant C Shares, who shall be bound by them.

In the event that the number of C Shares of any class required to be converted into New Ordinary Shares exceeds the number of C Shares of such class in issue, the Directors shall be authorised (without the need for any further authorisation pursuant to the Articles or otherwise) to take such additional steps, including issuing additional innominate shares by way of a bonus issue to C Shareholders, as shall be necessary to ensure the proper operation of the C Share Conversion process. Each issued C Share which does not convert into a New Ordinary Share in accordance with the Articles shall, immediately upon C Share Conversion, be redeemed by the Company for an aggregate consideration of €0.01 for all of the C Shares to be so redeemed and the RIS announcement referred to above shall be deemed to constitute notice to each C Shareholder (and any person or persons having the right to acquire or acquiring C Shares on or after the C Share Calculation Date) that such C Shares shall be so redeemed. The Company shall not be obliged to account to any C Shareholder for the redemption monies in respect of the C Shares so redeemed.

Forthwith upon C Share Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Share holder new certificates in respect of the New Ordinary Shares which have arisen upon C Share Conversion unless such former C Share holder elects to hold their New Ordinary Shares in uncertificated form.

The Company shall use its reasonable endeavours to procure that, upon C Share Conversion, the New Ordinary Shares are admitted to the Official List and/or any other applicable list if such class of New Ordinary Shares are listed on any other stock exchange.

DEFINITIONS

BGCF	Blackstone / GSO Corporate Funding Designated Activity Company, a company incorporated in Ireland on 16 April 2014 under the Companies Acts 1963 to 2013 with registration number 542626, which is, for the avoidance of doubt, an Underlying Company
Business Day	a day on which the London Stock Exchange and banks in Jersey, the United Kingdom and Ireland are normally open for business
C Share	a share of no par value in the capital of the Company, designated as a "C share", denominated in Euros and having such rights and being subject to such restrictions as are contained in the New Articles
Carador	Carador Income Fund plc
Carador Repurchase Shares	the Shares in Carador designated as repurchase shares
Carador Rollover Shares	the non-transferable Shares in Carador designated as "rollover class shares"
Carador Shares	the Carador U.S. Dollar Shares and the Carador Repurchase Shares
Carador U.S. Dollar Shares	the U.S. Dollar denominated Shares of no par value in the capital of Carador
Circular	this shareholder circular containing the notice of the Extraordinary General Meeting
CLO	an entity which issues notes backed by a pool of collateral consisting primarily of loans
Company	Blackstone / GSO Loan Financing Limited, a closed-ended investment company incorporated in Jersey under the Law on 30 April 2014 with registration number 115628
Directors or Board	the directors of the Company
Euro or €	the lawful currency of the European Union
Existing Articles	the articles of association of the Company in force as at the date of this Circular
Extraordinary General Meeting	the extraordinary general meeting of the Company to be held at 10.00 a.m. on 12 December 2018
Law	the Companies (Jersey) Law 1991, as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000 of the United Kingdom, as amended
LuxCo	Blackstone / GSO Loan Financing (Luxembourg) S.à r.l., a private limited liability company ("société à responsabilité limitée") which was incorporated under the laws of the Grand-Duchy of Luxembourg on 23 July 2015, having its registered office at

L-2310 Luxembourg, 16, Avenue Pasteur, and registered with the Luxembourg register of commerce and companies under number B 199.065

Net Asset Value or NAV	gross assets less liabilities (including accrued but unpaid fees) calculated in accordance with the Company's valuation methodology
Net Asset Value per Share or NAV per Share	the Net Asset Value divided by the number of Shares in issue at the relevant time
New Articles	the regulations contained in the document entitled "Articles of Association of Blackstone / GSO Loan Financing Limited" and, for the purposes of identification, initialled by the Chair
Notice	the notice of the Extraordinary General Meeting, as set out at the end of this Circular
Ordinary Resolution	a resolution of the Company approved by more than 50 per cent. of votes cast by the Shareholders present at the relevant Shareholder meeting in person or by proxy
Ordinary Share	an ordinary share of no par value in the capital of the Company, denominated in such currency as the Directors may determine in accordance with the Existing Articles, and having such rights and being subject to such restrictions as are contained in the Existing Articles
Placing Price	the prices at which Placing Shares will be issued pursuant to the Placing Programme to a person subscribing for Ordinary Shares under Placing Programme
Placing Programme	the proposed programme of placings of up to 400 million Placing Shares
Placing Shares	the Ordinary Shares to be issued by the Company pursuant to the Placing Programme, denominated in Euro
Profit Participating Notes	profit participating notes to be issued by BGCF pursuant to a Note Purchasing Agreement entered into between, amongst others: (i) the Company; (ii) BGCF and (iii) LuxCo on 1 July 2014 (as amended on 23 July 2014, 23 February 2015, 6 May 2015, 20 January 2016, 3 February 2016, 11 May 2016 and 25 October 2016 and as may be further amended, supplemented or modified from time to time)
Proposals	has the meaning given in Part 1 of this Circular
Proxy Appointment Form	the proxy appointment form set out at the end of this Circular for use in relation to the Extraordinary General Meeting
Resolutions	the resolutions to be voted on by Shareholders at the Extraordinary General Meeting and any adjournment thereof
RIS	a regulatory information service, being any of the regulatory information services set out in Appendix 2 of the Listing Rules
Rollover	has the meaning given in Part 1 of this Circular
Rollover Admission	has the meaning given in Part 1 of this Circular

Rollover Admission Date	has the meaning given in Part 1 of this Circular
Rollover Assets	has the meaning given in Part 1 of this Circular
Rollover Date	the date on which the relevant Carador Shares are converted into Carador Rollover Shares, which are then repurchased by Carador in consideration for the issue of Rollover Shares by the Company to the holders of Carador Rollover Shares
Rollover Opportunity	has the meaning given in Part 1 of this Circular
Rollover Shares	has the meaning given in Part 1 of this Circular
Shareholder	a holder of Shares
Shares	refers to Ordinary Shares and/or Rollover Shares, as the context requires
Special Resolution	as defined in Article 90 of the Companies (Jersey) Law 1991 save where used in relation to Article 2.16 of the New Articles in which case special resolution will mean a resolution of Shareholders passed as a special resolution, in accordance with the Law, by a majority of not less than seventy-five per cent. of the votes of Shareholders entitled to vote and voting in person or by attorney or by proxy at the Extraordinary General Meeting or as a resolution in writing passed by Shareholders representing a majority of not less than seventy-five per cent of the votes eligible to be cast in respect of such resolution
Underlying Company	a company or entity to which the Company has a direct or indirect exposure for the purpose of achieving its investment objective, which is established to, among other things, directly or indirectly, purchase, hold and/or provide funding for the purchase of all tranches of debt issued by a CLO

BLACKSTONE / GSO LOAN FINANCING LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Extraordinary General Meeting**") of the members of the Company, will be held at the offices of BNP Paribas Securities Services, IFC 1, The Esplanade, St Helier, Jersey JE1 4BP at 10.00 a.m. (Jersey time) on 12 December 2018 to consider, and if thought fit, to pass the following Resolutions.

Resolution 1 will be proposed as a Special Resolution under the Existing Articles, and will require not less than two-thirds of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting. If Resolution 1 is passed, the New Articles will replace the Existing Articles with immediate effect.

Resolution 2 will then be proposed as a Special Resolution under the New Articles and, as it relates to the disapplication of pre-emption rights under Article 2.16 of the New Articles, will require not less than seventy-five per cent. of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting.

	Resolution
1.	SPECIAL RESOLUTION: To adopt the New Articles in substitution for, and to the exclusion of, the Existing Articles, with immediate effect.
2.	SPECIAL RESOLUTION: Conditional on the passing of Resolution 1, to grant authority to the Company to allot and issue up to 400 million Ordinary Shares pursuant to the Placing Programme, without having previously offered such Ordinary Shares to Shareholders on a pre-emptive basis.

Capitalised terms shall have the meanings given to them in the shareholder circular published by the Company on 23 November 2018.

Enclosed with this Notice is a Proxy Appointment Form in order for you to cast your votes on the matters to be voted on at the Extraordinary General Meeting. Only those members registered as members of the Company shall have the right to participate and vote in the Extraordinary General Meeting.

By order of the Board

For and on behalf of
BNP Paribas Securities Services
Secretary

Registered Office:

IFC 1, The Esplanade, St Helier, Jersey JE1 4BP
Date: 23 November 2018

Notes:

1. Resolution 1 will be proposed as a Special Resolution under the Existing Articles, and will require not less than two-thirds of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting. If Resolution 1 is passed then the New Articles will replace the Existing Articles with immediate effect.
2. Resolution 2 will then be proposed as a Special Resolution under the New Articles and, as it relates to the disapplication of pre-emption rights under Article 2.16 of the New Articles, will require not less than seventy-five per cent. of the votes of Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting.
3. Every member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A body corporate may appoint an authorised person to attend, speak and vote on its behalf. The instrument appointing a proxy must be lodged at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU at least 48 hours (excluding non-business days) before the commencement of the meeting.
4. All Shareholders have equal voting rights based on the number of Shares held. The total number of Shares (and, accordingly, voting rights) in the Company is 404,700,446.
5. Where there are joint registered holders of any Share, the vote of the first-named of the joint holders who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority should be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. A member may terminate a proxy's authority at any time before the commencement of the meeting, provided that the revocation notice is received by Link Asset Services no later than 10.00 a.m on 10 December 2018. In order to revoke a proxy instruction, you will need to inform Link Asset Services by sending a signed notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or other authority under which the revocation notice is signed (or a duly certified copy of such power of authority) must be included with the revocation notice. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
7. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
8. The quorum for the Extraordinary General Meeting will be two Shareholders present and entitled to vote in person or by proxy. If a quorum is not present within twenty minutes (or such longer time as the Chair decides to wait) after the time fixed for the start of the meeting, or if there is no longer a quorum present at any time during the meeting, the Extraordinary General Meeting will stand adjourned to such other day and at such other time and/or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been specified, the meeting stands adjourned to such other day and at such other time and/or place as the chairman (or, in default, the Board) decides.
9. A copy of the proposed New Articles, along with a comparison of the proposed New Articles against the Existing Articles will be available for inspection (by Shareholders or an authorised representative) at the Company's registered office during normal business hours on any Business Day from the date of this Circular until the conclusion of the Extraordinary General Meeting, as well as at the venue of the Extraordinary General Meeting on the day of the Extraordinary General Meeting.
10. A CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the meeting (and any adjournment thereof) by following 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) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction 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 ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Capita Asset Services (whose CREST ID is RA10) by 10.00 a.m. on 10 December 2018. 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 Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear 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, to procure that his CREST sponsor or voting service provider takes) 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 (available at www.euroclear.com/CREST) concerning practical limitations of the CREST system and timings.
11. 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 (as amended) and Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended.

12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended, only those members registered in the register of members of the Company by 10.00 a.m. on 10 December 2018 (or if the meeting is adjourned, close of business 48 hours (excluding non-business days) before the time fixed for 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. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

