

**Hipgnosis Songs Fund Limited**  
**(the "Company")**



**ESG Oversight Committee (the "Committee")**  
**Terms of Reference**

**1. Establishment and Purpose**

- 1.1. Albeit that the Company is a self-managed investment trust, its Board is comprised wholly of non-executive directors. The Board has convened an ESG Oversight Committee (the "SONG ESG Committee"), the principal function of which is to ensure the Company meets its ESG obligations. In order to do this, it works with Hipgnosis Song Management Limited ("HSM") in defining Environmental, Social and Governance ("ESG") policies and processes and how they integrate with the corporate strategies. The SONG ESG Committee is adopting HSM's ESG policies for these purposes.

**2. Membership and Quorum**

- 2.1. The Committee shall be appointed by the Board from amongst the directors who are independent of the Investment Adviser and shall consist of not less than three members. A quorum shall be two members. Members may attend meetings of the Committee by telephone or video conference.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the Committee. This will be reviewed on an annual basis by the Board of the Company.
- 2.4. The members of the Committee for the time being shall be:
- Sylvia Coleman (Committee Chair)
  - Paul Burger
  - Simon Holden
  - Andrew Sutch
  - Andrew Wilkinson
- 2.5. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.
- 2.6. Any member who is determined by the Board to no longer be independent shall cease to be a member of the Committee, if this would result in a majority of the Committee not being independent.
- 2.7. The membership of the Committee may be amended from time to time by the Board.

**3. Meetings**

- 3.1. The Committee shall meet not less than once a year and at such other times as required by the Board. Any Committee member or the Secretary may call a meeting.
- 3.2. The Company Secretary shall be the secretary of the Committee (the "**Secretary**").

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- 3.3. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, at least five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **4. Minutes of Meetings**

- 4.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 4.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

#### **5. Authority**

- 5.1. The Committee is authorised by the Board, to investigate and review any matter within its terms of reference and to consider any matter the Committee deems relevant to the discharge of its duties.
- 5.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference. However, prior to doing this the Committee should consult with the Chair of the Board to agree fee levels.

#### **6. Duties**

- 6.1. The Committee will review and make recommendations to the Board with respect to the Company's ESG vision, objectives and how they tie into the Company's corporate strategy. Specifically, the Committee will:
- (a) oversee the implementation of the ESG strategy;
  - (b) set targets to measure the attainment of ESG initiatives;
  - (c) monitor key ESG metrics and ensure, where thresholds have been reached, an appropriate mitigation plan has been proposed and agreed;
  - (d) review and approve budgets (and any material changes thereto) in relation to relevant ESG management related activities/resources;
  - (e) assist with the identification and evaluation of material ESG risks and ESG opportunities;
  - (f) assist with the development and establishment of ESG policies and procedures;
  - (g) periodically review ESG policies and procedures to ensure that they remain valid and fit for purpose;
  - (h) assist with the monitoring of compliance with ESG policies and procedures, as well as applicable laws and regulations and international standards;

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- (i) ensure sufficient and adequate training on ESG issues is provided to the relevant directors;
- (j) determine the reporting standard to be adopted for any sustainability disclosure;
- (k) determine which ESG disclosures should be completed;
- (l) regularly review the relevant rating results of external ESG agencies and standards regarding ESG performance; and
- (m) monitor upcoming ESG reporting requirements and ensure appropriate actions have been proposed and agreed.

6.2. Amendments may be made to the duties of the Committee by the Board from time to time.

**7. Reporting Procedures**

- 7.1. The Committee Chair will report formally to the Board on its proceedings after each meeting and how it has discharged its responsibilities.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3. The Committee shall produce a report to be included in the Company's annual report summarising the Company's ESG policies and initiatives.

**8. Other Matters**

The Committee Shall:

- 8.1. have access to sufficient resources in order to carry out its duties, including access to the Secretary and Administrator for assistance as required;
- 8.2. arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness.

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