

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

If you have sold or otherwise transferred all your Shares in Hipgnosis Songs Fund Limited (the “**Company**”), please send this Circular, but not the accompanying 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 delivery to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into 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.

The Shares are, and following the Extraordinary General Meeting will continue to be, admitted to trading on the Main Market of the London Stock Exchange and admitted to listing on the Official List of the UK Financial Conduct Authority (the “**FCA**”).

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, into or within the United States, or to or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act) (“**US Persons**”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act.

HIPGNOSIS SONGS FUND LIMITED

(an investment company limited by shares incorporated under the laws of Guernsey with registered number 65158)

NOTICE OF EXTRAORDINARY GENERAL MEETING DISAPPLICATION OF PRE-EMPTION RIGHTS

The Proposal described in this Circular is conditional on approval from Shareholders, which is being sought at an Extraordinary General Meeting of the Company to be held at 2nd Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA **at 10:00 a.m. on 17 October 2019**. Notice of the Extraordinary General Meeting is set out at the end of this Circular.

The Company is registered with the Guernsey Financial Services Commission (“**GFSC**”) under the Registered Collective Investment Scheme Rules 2015 (the “**Rules**”) and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Notification of the Proposal has been given to the GFSC in accordance with the Rules. Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Shareholders are requested to return the Form of Proxy enclosed with this Circular. Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon, by one of the following means: (i) in hard copy form by post, by courier, or by hand to the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavillions, Bridgwater Road, Bristol, BS99 6ZY; or (ii) in the case of CREST members, by utilising the CREST system service (details of which are contained in this Circular), in each case as soon as possible and, in any event, not later than 10:00 a.m. on 15 October 2019. The lodging of a Form of Proxy will not prevent a Shareholder from attending the Extraordinary General Meeting and voting in person if they so wish.

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 6 of this Circular and which recommends that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting. Your attention is drawn to the section entitled “Action to be Taken by Shareholders” on page 5 of this Circular, and to the section entitled “Risks associated with the Proposal” on page 5 of this Circular. The definitions used in this Circular are set out in Part II on pages 7 to 8.

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EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting*	10:00 a.m. on 15 October 2019
Extraordinary General Meeting	10:00 a.m. on 17 October 2019
Announcement of the result of the Extraordinary General Meeting	17 October 2019

Each of the times and dates in the expected timetable of events may be extended or brought forward without further notice. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a RIS provider. All references to times are to London times.

* Please note that the latest time for receipt of the Forms of Proxy in respect of the Extraordinary General Meeting is forty-eight hours (excluding weekends) prior to the time allotted for the meeting.

PART I – LETTER FROM THE CHAIRMAN

HIPGNOSIS SONGS FUND LIMITED

(an investment company limited by shares incorporated under the laws of Guernsey with registered number 65158)

Directors

Andrew Sutch (Chairman)
Paul Burger
Simon Holden
Andrew Wilkinson

Registered Office
P.O. Box 286, 2nd Floor
Trafalgar Court, Les Banques
St Peter Port
Guernsey
GY1 4LY

27 September 2019

Dear Shareholders,

EXTRAORDINARY GENERAL MEETING AND RECOMMENDED PROPOSAL FOR THE DISAPPLICATION OF PRE-EMPTION RIGHTS

1. Introduction

On 27 September 2019 the Company published a prospectus relating to an initial issue of up to 500 million C shares (the “**Initial Issue**”) and placing programmes (the “**Placing Programmes**”) of up to 1 billion new ordinary shares or C shares (together, the “**Issue Shares**”).

By way of a written special resolution dated 25 June 2018, the Board was granted the authority to allot and issue up to 1 billion Shares on a non-pre-emptive basis, such authority being expressed to expire immediately prior to the AGM of the Company to be held in 2023 (or, if earlier, five years from the date of the passing of such resolution). Out of this authority, the Company has issued 389,356,341 Shares as at the date of the Prospectus. Accordingly, the Company has authority to allot and issue a further 610,643,659 Shares over such period as stated above. The maximum number of Issue Shares that can be issued pursuant to the Initial Issue and the Placing Programmes, in aggregate, is 1.5 billion, which exceeds the current authority of the Board to allot Shares.

In order for all of the Issue Shares that are capable of being issued under the Placing Programmes to be capable of being allotted and issued in a timely and cost efficient manner, the Board is proposing to table, at the Extraordinary General Meeting, a special resolution to disapply pre-emption rights in respect of the issue (or sale out of treasury) to any person or persons of up to one billion Issue Shares. Further details of the proposed disapplication of pre-emption rights are set out in paragraph 3 of this Part I of this Circular.

2. Proposal

The proposed disapplication of pre-emption rights (the “**Proposal**”) is subject to the approval of Shareholders by way of a special resolution (the “**Resolution**”), and this Circular contains a notice of the Extraordinary General Meeting at which the Resolution to approve the Proposal will be considered.

The Board considers that the Proposal is in the best interests of Shareholders as a whole and accordingly recommends that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

3. Rationale for the Proposal

The Board believes that the issuance of Issue Shares pursuant to the Placing Programmes will have the following benefits for the Company:

- the Placing Programmes provide additional opportunities for the Company to acquire attractive Songs or Catalogues that are identified by the Investment Adviser, which should create further value for Shareholders;

- the Placing Programmes are expected to broaden the Company's asset base which will increase the diversity of the Portfolio;
- the Placing Programmes are expected to broaden the Company's investor base and enhance the size and liquidity of the Company's share capital; and
- growing the Company through the Issue will spread the fixed operating costs over a larger capital base, thereby reducing the Company's ongoing charges ratio.

4. Disapplication of pre-emption rights

The Board is proposing to table the Resolution to disapply pre-emption rights in respect of the issue (or sale out of treasury) to any person or persons of up to one billion Issue Shares.

The disapplication of pre-emption rights is restricted to use only in connection with the Placing Programmes. As such, the Resolution has been expressed so as to ensure that the authority to issue and allot such Issue Shares on a non-pre-emptive basis shall expire on 25 September 2020, being the latest date on which Issue Shares can be issued pursuant to the Placing Programmes.

The Board will not issue any Issue Shares at a discount to the latest published NAV per Share as at the relevant time without the consent of the Shareholders.

5. Risks associated with the Proposal

In considering your decision in relation to the Proposal, you are referred to the risks set out below.

- If the proposed disapplication of pre-emption rights is approved by Shareholders, it may not be possible for existing Shareholders to participate in future issuances of Shares, which may dilute the existing Shareholders' voting interests in the Company.
- Any additional issuances of Issue Shares by the Company, or the related costs of such issue, may cause the market price of the existing Shares to decline.

6. Extraordinary General Meeting

An Extraordinary General Meeting of the Company will be held at 10:00 a.m. on 17 October 2019 at 2nd Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA for the purpose of approving the Proposal. The business to be considered at the Extraordinary General Meeting is contained in the Notice of Extraordinary General Meeting set out at the end of this Circular.

At the Extraordinary General Meeting, the Resolution will be proposed as a special resolution and, as such, will require the approval of 75 per cent. of members present by a show of hands or, if a poll is demanded, the total voting rights held by Shareholders cast at the Extraordinary General Meeting (in each case, whether voted by Shareholders in person or by proxy).

The quorum for the Extraordinary General Meeting will be two or more members present in person or by proxy. If within half an hour after the time appointed for the Extraordinary General Meeting a quorum is not present, the Extraordinary General Meeting shall stand adjourned to the same day in the next week at the same time and place (or such other day, time and place as the Chairman may determine) and no notice of adjournment is required. If at such adjourned meeting a quorum is not present within five minutes from the time appointed for the holding of the meeting, those members present in person or by proxy shall be a quorum.

7. Action to be Taken by Shareholders

If you are a Shareholder, you will find enclosed with this Circular the Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return the Form of Proxy to the Company's Registrar, Computershare Investor Services (Guernsey) Limited, by one of the following means:

- in hard copy form by post, by courier or by hand to The Pavillions, Bridgwater Road, Bristol, BS99 6ZY; or
- in the case of CREST members, by utilising the CREST system service in accordance with the procedures set out in the notes to the Notice of Extraordinary General Meeting.

In each case, the Form of Proxy must arrive by the time and date specified within. To be valid, the relevant Form of Proxy should be completed in accordance with the instructions accompanying it and lodged with the Company's Registrars by the relevant time.

The completion and return of the Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

8. Recommendation

The Board considers that the Proposal described in this Circular is in the best interests of Shareholders as a whole and accordingly recommends that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

The Directors intend to vote in favour of the Resolution in respect of their holdings of Shares, amounting to 92,590 Shares in aggregate (representing approximately 0.02 per cent. of the issued share capital of the Company (excluding any Shares held in treasury) as at 26 September 2019 (the latest practicable date prior to the publication of this Circular)).

Yours sincerely

Andrew Sutch
Chairman

PART II – DEFINITIONS

“Articles”	the articles of incorporation of the Company in force at the date of this Circular
“Board” or “Directors”	the board of directors of the Company whose names are set out in Part I of this Circular
“Catalogue”	one or more Songs and/or associated musical intellectual property acquired from a single songwriter, producer or recording artist
“Circular”	this document
“Company”	Hipgnosis Songs Fund Limited
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations, in accordance with which Shares may be held in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements, as amended from time to time
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST manual
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 17 October 2019 at 10:00 a.m.
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting
“GFSC”	the Guernsey Financial Services Commission
“Investment Company Act”	the US Investment Company Act of 1940, as amended
“NAV”	the value of the gross assets of the Company less its liabilities (including accrued but unpaid fees) determined by the Directors in their absolute discretion in accordance with the accounting policies adopted by the Directors, from time to time, to be adjusted so as to reflect the fair value of intangible assets held at the relevant reporting date
“Notice of Extraordinary General Meeting”	the notice convening the Extraordinary General Meeting, as set out at the end of this Circular
“Proposal”	has the meaning given at paragraph 2 of Part I of this Circular
“Registrar”	Computershare Investor Services (Guernsey) Limited
“Resolution”	has the meaning given at paragraph 2 of Part I of this Circular
“RIS”	a regulatory information service
“Rules”	the Guernsey Authorised Closed-Ended Investment Schemes Rules 2015
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders”	holders of Shares
“Shares”	ordinary shares or C shares, each of no par value in the capital of the Company, as the context may require
“Song”	a songwriter's copyright interest (which would comprise their writer's share, their publisher's share and their performance rights) in a song, being a musical composition of words and/or music and the songwriter's proportion of the publishing rights of a single

piece of music and, when construction permits, the collection of words and/or music as purchased by consumers

“Special Resolution”

a special resolution set out in the Notice of Extraordinary General Meeting and to be proposed at the Extraordinary General Meeting, which requires a majority of 75 per cent. of the Shareholders present in person or by proxy and entitled to vote and voting at the appropriate meeting

“US Persons”

as defined in Regulation S under the Securities Act

HIPGNOSIS SONGS FUND LIMITED

(an investment company limited by shares incorporated under the laws of Guernsey with registered number 65158)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 2nd Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA at 10:00 a.m. on 17 October 2019 to consider and, if thought fit, to pass the following resolution by way of Special Resolution

THAT the pre-emption rights granted to Shareholders pursuant to article 5.8 of the Articles shall not apply in respect of the issuance of Shares in connection with the Placing Programmes to any person or persons of equity securities (as defined in the Articles) up to a number not exceeding 1 billion Shares AND that this dis-application of such pre-emption rights shall expire on 25 September 2020, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued pursuant to any such offer or agreement as if the power hereby conferred had not expired.

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

By order of the Board

Estera International Fund Managers (Guernsey) Limited
Secretary

Registered office:

P.O. Box 286, 2nd Floor
Trafalgar Court, Les Banques
St Peter Port
Guernsey
GY1 4LY

Date: 27 September 2019

Explanatory notes to the Notice of Extraordinary General Meeting:

1. The approval of a simple majority of the total number of votes cast by Shareholders being entitled to vote is required to pass a Special Resolution.
2. A member of a company is entitled to appoint another person as his proxy to exercise all or any of his 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 him.
3. Please indicate with an 'X' in the appropriate box how you wish your vote to be cast in respect of each Resolution. If you do not insert an 'X' in the appropriate box your proxy will vote or abstain at his discretion.
4. Any instrument appointing a proxy shall be in any usual common form, or as approved by the directors (including electronic form), and shall be executed by or on behalf of the appointor or in either case otherwise authenticated in such manner as the directors may determine, including by electronic means..
5. All joint holders should be named but the signature of any one is sufficient. In all cases, names must be entered as they appear on the Company's register.
6. Where there are joint registered holders of any Shares, such persons 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 Company's register of members shall alone be entitled to vote.
7. Any corporate which is a member of the Company may by resolution of its directors or other governing body or officers authorised by such body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same power on behalf of the corporation which he represents as that corporate could exercise if it were an individual member of the Company.
8. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be delivered to the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavillions, Bridgwater Road, Bristol, BS99 6ZY not less than forty-eight hours (excluding weekends) before the time appointed for holding the meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll and in default, unless the Board directs otherwise, the instrument of proxy shall not be treated as valid.
9. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (3RA50) not later than 48 hours before the time appointed for holding the meeting (excluding weekends). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in the CREST Regulations.
10. Only Shareholders registered in the register of members of the Company at the close of business on 15 October 2019 shall be entitled to attend or vote at the aforesaid meeting in respect of the number of Shares registered in their name at the time, or in the event that the meeting is adjourned in accordance with the provisions contained in the Company's Articles, in the register of members at close of business two days before the time of any adjourned meeting. Changes to entries on the register of members after such time or, in the event that the meeting is adjourned, to entries in the register of members after close of business before the time of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

11. To change your proxy instructions, simply submit a new proxy appointment using the method set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. Please note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
12. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in the aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
13. Completion of the Form of Proxy will not prevent a member from attending the meeting and voting in person should the member so wish.
14. Any alterations made to the Form of Proxy should be initialled.

