

**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 Ordinary 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 Ordinary Shares please consult the bank, stockbroker or other agent through which the sale or transfer was effected.

The Ordinary 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 to listing on the premium listed category of the Official List maintained by 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 AMENDMENT TO INVESTMENT OBJECTIVE AND POLICY**

---

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 2<sup>nd</sup> Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA **at 1.30 p.m. on 11 June 2020**. 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 2018 (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 1.30 p.m. on 9 June 2020. 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, subject to any restrictions (including with respect to travel or gatherings) relating to the Covid-19 outbreak that are in place at the time of the Extraordinary General Meeting.

**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 9 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 8 of this Circular, and to the section entitled “Risks associated with the Proposal” on page 7 of this Circular. The definitions used in this Circular are set out in Part II on pages 10 and 11.**

## CONTENTS

	Page
EXPECTED TIMETABLE OF EVENTS .....	3
PART I – LETTER FROM THE CHAIRMAN.....	4
PART II – DEFINITIONS .....	10
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	12

## EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting*	1.30 p.m. on 9 June 2020
Extraordinary General Meeting	1.30 p.m. on 11 June 2020
Announcement of the result of the Extraordinary General Meeting	11 June 2020

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  
Sylvia Coleman  
Simon Holden  
Andrew Wilkinson

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

29 May 2020

Dear Shareholders,

### EXTRAORDINARY GENERAL MEETING AND RECOMMENDED PROPOSAL FOR AN AMENDMENT TO THE COMPANY'S INVESTMENT OBJECTIVE AND POLICY

#### 1. Introduction

The Company is a closed ended investment company which launched in June 2018, with its ordinary shares of no par value in the capital of the Company (the “**Ordinary Shares**”) listed to trading on the Main Market of the London Stock Exchange and to listing on the premium listed category of the Official List maintained by the FCA. The Company's initial public offering (“**IPO**”) was completed on 11 July 2018. The Company raised over £200 million on its IPO through the issuance of 200 million Ordinary Shares and, following its IPO, has raised a subsequent £423.6 million through equity issuances. The Company invests in proven hit Songs and associated musical intellectual property rights which produce predictable and reliable cash-flows to achieve its investment objective of providing its Shareholders with an attractive and growing level of income, together with the potential for capital growth. Since its IPO, the Company has acquired 54 Catalogues comprising 13,291 Songs.

On 29 May 2020, the Company announced that, following discussions with major Shareholders, it was seeking approval from Shareholders to adopt a new borrowing policy pursuant to which the Company would be able to incur indebtedness of up to a maximum of 30 per cent. of its Net Asset Value (the “**Proposed Borrowing Limit**”), which would represent an increase from the Company's current borrowing limit of 20 per cent. of its Net Asset Value.

This proposed change to the borrowing policy is considered to constitute a material change to the Company's published investment policy. Therefore, as stated in its prospectus dated 27 September 2019, the Company is required to obtain the approval of the Company's Shareholders by way of an ordinary resolution. The Company obtained the approval of the FCA to the proposed change to the Investment Objective and Policy prior to the publication of this Circular.

The purpose of this Circular is to convene the Extraordinary General Meeting at which the Resolution will be proposed, to provide Shareholders with details of the Proposal, to explain why the Board considers the Proposal to be in the best interests of the Company as a whole and to recommend that the Shareholders vote in favour of the ordinary resolution being put forward at the Extraordinary General Meeting (the “**Resolution**”).

#### 2. Proposal

The Company is proposing to amend its Investment Objective and Policy in the manner set out in paragraph 3 of Part I of this Circular (the “**Proposal**”).

The Proposal is subject to the approval of Shareholders voting in favour of 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 Proposal, if approved, will result in the Company adopting the revised Investment Objective and Policy with effect from the conclusion of the Extraordinary General Meeting.

In the event that the Resolution to be proposed at the Extraordinary General Meeting is not passed, the Company will continue to operate under its current Investment Objective and Policy.

**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. Investment Objective and Policy**

For the reasons set out in paragraph 4 below, the Company is proposing to amend its Investment Objective and Policy to increase the limitation on the Company's borrowing powers from 20 per cent. of Net Asset Value to 30 per cent. of Net Asset Value, calculated at the time of drawdown, and taking account of all bank borrowings and other forms of indebtedness incurred by any member of the Group.

It is proposed that, if the Proposal is approved, the new Investment Objective and Policy of the Company will be as follows:

#### **"Investment Objective**

The Company's objective is to provide Shareholders with an attractive and growing level of income, together with the potential for capital growth, from investment in Songs and associated musical intellectual property rights, in accordance with its investment policy.

#### **Investment Policy**

The Company's investment policy is to diversify risk through investment in a Portfolio of Songs and associated musical intellectual property rights (including, but not limited to, master recordings and producer royalties). The Company seeks to acquire 100 per cent. of a songwriter's copyright interest in each Song, which would comprise their writer's share, their publisher's share and their performance rights. In appropriate cases, however, the Company may not acquire all three elements of the songwriter's interest. The Company acquires interests in Songs which are sole authored or co-authored. The Company may also acquire interests in Songs jointly with another purchaser. Each Song is considered by the Company to be a separate asset.

The Company, directly or indirectly via portfolio administrators, enters into licensing agreements, under which the Company receives payments attributable to the copyright interests in the Songs which it owns. Such payments may take the form of royalties, licence fees and/or advance payments, including:

- mechanical royalties – when a copy of a Song is made, whether physical (e.g. CDs, DVDs) or digital (e.g. permanent downloads, streaming, webcast);
- performance royalties – when a Song is performed live or broadcast on TV or Radio, or when a song is streamed online; and
- synchronisation fees – when a Song is used in another form of media (e.g. movie, TV show, video game, advertisement).

The Company focuses on delivering income growth and capital growth by pursuing efficiencies in the collection of payments and active management of the Songs it owns.

The Company may acquire Songs for consideration consisting of cash, Shares or a combination of cash and Shares, and payment of part of the consideration may be on deferred terms. The Company may acquire Songs or Catalogues directly, or indirectly by acquiring the entity through which such Songs or Catalogues are held.

Whilst the Company does not intend to sell the Songs it owns, it may make disposals of Songs where it considers such a disposal to be in the best interests of Shareholders.

#### *Investment restrictions*

The Company invests its assets and manages the Songs it acquires with the objective of constructing a high quality and diversified Portfolio of Songs. The Company acquires Catalogues from a number of different songwriters, which includes Songs diversified across music genres and sung by numerous recording artists. The Company is subject to the following investment restrictions:

- (a) the Company holds interests in a minimum of 300 Songs;

- (b) the value of any single Song does not, and will not, represent more than 10 per cent. of the Company's Gross Assets, calculated at the date of the acquisition of such Song (and re-calculated in the aggregate upon the acquisition of any additional interest in a Song). In the event this limit is breached at any point after the relevant investment has been made or added to (for example due to a change in valuation of any Song), there is no requirement to sell any Song, in whole or in part; and
- (c) the Company does not, and will not, invest in closed-ended investment companies or other investment funds.

#### *Cash management*

The Company's uninvested capital may be invested in cash, cash equivalents, near cash instruments and money market instruments.

#### *Hedging and derivatives*

The Company may utilise derivatives for efficient portfolio management. In particular, the Directors may engage in full or partial foreign currency hedging and interest rate hedging. The Company does not, and will not, enter into such arrangements for investment purposes.

#### *Leverage*

The Company may incur indebtedness of up to a maximum of 30 per cent. of its Net Asset Value, calculated at the time of drawdown. For these purposes all bank borrowings and other forms of indebtedness incurred by any member of the Group (as defined below), and any non-equity share capital, will be taken into account. "**Group**" means the Company and its subsidiaries (as defined in section 531 of the Companies (Guernsey) Law, 2008, as amended).

#### *Amendments to and compliance with the Investment Objective and Policy*

Any material change to the Company's Investment Objective and Policy will be made only with the prior approval of the FCA and the Shareholders by ordinary resolution.

In the event of a material breach of any of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company through an announcement made via a RIS."

### **4. Rationale for the Proposal**

The Company focuses on acquiring Catalogues built around proven hit Songs which yield predictable and reliable long term cash flows which are uncorrelated to equity markets and global economic performance. The Directors and the Investment Adviser believe, therefore, that the Company's assets and their associated income streams are well suited to supporting leverage.

Due to the quality of the Catalogues acquired, the Company has been able to obtain leverage on terms that the Directors consider to be attractive. As a result, acquiring Catalogues using leverage is expected to be earnings accretive for the Company whilst not materially impacting the risk profile of the Company.

The Board believes that utilising an appropriate level of leverage, structured in a prudent and flexible manner, should provide an attractive risk-adjusted return for Shareholders and is in the best interests of Shareholders as a whole.

### **5. The Company's proposed financing strategy**

Subject to the Proposal being approved at the Extraordinary General Meeting, the Company will adopt the financing strategy set forth in this paragraph 5 of this Part I of this Circular.

The Company intends to make prudent use of leverage to finance the acquisition (directly or indirectly) of Songs or Catalogues in accordance with the Investment Objective and Policy to enhance equity returns. The Company may also utilise borrowings for working capital and interest rate hedging purposes.

The level of leverage will be determined by the Directors, in consultation with the Investment Adviser, and will always be subject to an absolute maximum which, calculated at the time of drawdown, will be no more than 30 per cent. of the Company's Net Asset Value.

Debt is generally expected to be secured against the Company's Portfolio of Songs, and the Company may allocate specific Portfolio assets to provide security for any particular financing.

The Company expects leverage to primarily comprise revolving credit facilities, although other forms of borrowing may be used, such as term loans, overdraft facilities or private or public bond or note issuances, including the issue of debt securities by special purpose financing vehicles within the Group.

## 6. Revolving credit facility

On 2 April 2020, UK MidCo entered into an agreement with a syndicate of lenders, with JPMorgan Chase Bank and City National Bank as joint lead arrangers (the "**Revised RCF**"), to increase its original revolving credit facility entered into in August 2019 (as amended on 10 February 2020) (the "**Original RCF**") from £100 million to £150 million. Under the Revised RCF, the Company may request an increase in the revolving credit facility commitment by a further £50 million. In addition to the increase of the revolving credit facility commitment, the maturity date was extended from 29 August 2022 to 2 April 2025. The Revised RCF is secured against the Fund Entities' assets and includes two financial covenants:

- the Loan to Value, calculated as the total indebtedness of the Company divided by the value of its Catalogues, must not exceed 20 per cent. (it is expected that this covenant will be increased to 30 per cent. if the Proposal is passed); and
- the Company's cash and facility headroom must be greater than an estimate of one year's total costs.

## 7. Risks associated with the Proposal

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

### ***Risks associated with leverage***

The Company may use leverage to finance the acquisition (directly or indirectly) of Songs or Catalogues in accordance with the Investment Objective and Policy. In addition, the Company may utilise borrowings for working capital and interest rate hedging purposes. Pursuant to its Investment Objective and Policy, the Company may borrow, as at the date of this Circular, an aggregate amount equivalent to 20 per cent. of Net Asset Value, calculated at the time of drawdown. In August 2019, UK MidCo entered into the Original RCF with JPMorgan Chase Bank (as lead arranger and lender), which contained covenants relating to compliance with liquidity levels and repayment, and in connection with which security was granted over the Fund Entities' assets. The Original RCF (which was amended in February 2020) was further amended in April 2020, by way of the Revised RCF, to, *inter alia*, increase the commitments of the lenders and extend the term of the Original RCF. While such leverage provides flexibility and presents opportunities for increasing total NAV return, it can also have the opposite effect of increasing losses and, in the case of default under the Revised RCF, could result in the bank enforcing its security and selling the Fund Entities' assets to discharge its debts. If the income and returns on the Songs acquired with borrowed funds are less than the costs of the leverage, the Net Asset Value will decrease. Further, if the bank were to enforce its rights of sale in the event of a default, it is possible that the assets may need to be sold (particularly where debt is secured against specific Portfolio assets) and may be sold at a lower value than the Company considers to be their fair value, which would decrease the Net Asset Value and could have an adverse impact on returns to Shareholders.

Following the expiration of the term of any financing arrangement the Company enters into (or if an early repayment event is triggered in accordance with the terms of the relevant financing agreement), where the Company is unable to agree an extension of such term with the relevant lender, the Company will be required to repay the outstanding balance of any borrowing. If the Company cannot raise finance from alternative sources to repay its obligations under such financing agreement (which may include an equity capital raise or sourcing an alternative financing arrangement), the Company may be required to sell assets on an expedited basis (possibly at a value lower than their fair value), which would decrease the Net Asset Value and could have an adverse impact on returns to Shareholders.

If the Proposed Borrowing Limit is approved at the Extraordinary General Meeting, the Company will be able to borrow up to an aggregate amount equivalent to 30 per cent. of Net Asset Value,



calculated at the time of drawdown. For these purposes all bank borrowings and other forms of indebtedness incurred by any member of the Group, and any non-equity share capital, will be taken into account. While such increased leverage limit provides an increased level of flexibility and presents more opportunities for increasing total NAV return, it can also have the opposite effect of increasing and amplifying losses. The effect of the use of leverage, even where taken out for working capital or for interest rate hedging purposes, is to increase the Company's investment exposure. The result of this is that, in a market that moves adversely, the possible resulting loss to Shareholders' capital would be greater than if leverage was not used and could be greater still where the Company has utilised a higher level of leverage under the increased Proposed Borrowing Limit.

## **8. Extraordinary General Meeting**

An Extraordinary General Meeting of the Company will be held at 1.30 p.m. on 11 June 2020 at 2<sup>nd</sup> 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 an Ordinary Resolution and, as such, will require the approval of a majority 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 (holding at least 5 per cent. of the Company's issued share capital) 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.

### *Attendance at the Extraordinary General Meeting*

As a result of the Covid-19 outbreak, certain restrictions currently apply with respect to Shareholders' attendance at the Extraordinary General Meeting in person. Shareholders are encouraged to vote by way of proxy in advance of the Extraordinary General Meeting, in the manner set out in paragraph 9 (Action to be Taken by Shareholders) below. The current government advice relating to the Covid-19 outbreak and the related restrictions are evolving quickly, and the Company will endeavour to keep Shareholders informed of any changes to the advice contained in this Circular.

## **9. 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, subject to any restrictions (including with respect to travel or gatherings) relating to the Covid-19 outbreak that are in place at the time of the Extraordinary General Meeting.



## **10. 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 Ordinary Shares, amounting to 233,026 Ordinary Shares in aggregate (representing approximately 0.04 per cent. of the issued share capital of the Company (excluding any Shares held in treasury) as at 28 May 2020 (the latest practicable date prior to the publication of this Circular)).

Yours sincerely

Andrew Sutch  
*Chairman*

## PART II – DEFINITIONS

<b>“Articles”</b>	the articles of incorporation of the Company in force at the date of this Circular
<b>“Board” or “Directors”</b>	the board of directors of the Company whose names are set out in Part I of this Circular
<b>“C Shares”</b>	an ordinary share of no par value in the capital of the Company issued as a “C Share” of such class as the Directors may determine in accordance with the Articles
<b>“Catalogue”</b>	one or more Songs acquired from a single songwriter or recording artist
<b>“Circular”</b>	this document
<b>“Companies Law”</b>	the Companies (Guernsey) Law, 2008, as amended
<b>“Company”</b>	Hipgnosis Songs Fund Limited
<b>“Covid-19”</b>	the disease caused by a new strain of coronavirus, first detected in 2019
<b>“CREST”</b>	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
<b>“CREST Guernsey Requirements”</b>	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
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements, as amended from time to time
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company convened for 11 June 2020 at 1.30 p.m..
<b>“Form of Proxy”</b>	the form of proxy for use at the Extraordinary General Meeting
<b>“Fund Entities”</b>	the Company, the UK MidCo, the UK SubCo and any subsidiaries of the Company or the UK MidCo as may be incorporated from time to time
<b>“GFSC”</b>	the Guernsey Financial Services Commission
<b>“Gross Assets”</b>	the total value of the assets of the Company as 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 such as Songs, as determined by the Directors and the Company’s independent valuer from time to time
<b>“Group”</b>	the Company and its subsidiaries (as defined in section 531 of the Companies Law)
<b>“Investment Company Act”</b>	the US Investment Company Act of 1940, as amended
<b>“Investment Objective and Policy”</b>	the Company’s current investment objective and policy, which is proposed to be amended as set out in this Circular
<b>“NAV” or “Net Asset Value”</b>	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
<b>“Notice of Extraordinary General Meeting”</b>	the notice convening the Extraordinary General Meeting, as set out at the end of this Circular
<b>“Ordinary Resolution”</b>	an ordinary resolution set out in the Notice of Extraordinary General Meeting and to be proposed at the Extraordinary General Meeting, which requires a majority of the Shareholders present in person or by proxy and entitled to vote and voting in favour of the resolution at the appropriate meeting
<b>“Ordinary Shares”</b>	an ordinary share of no par value in the capital of the Company issued as “Ordinary Shares”
<b>“Original RCF”</b>	the revolving credit facility entered into in August 2019 between UK MidCo and JPMorgan Chase Bank (as amended on 10 February 2020)
<b>“Portfolio”</b>	at any time, the portfolio of investments in which the assets of the Company are invested, comprising the entire collection of Songs acquired by the Company
<b>“Proposal”</b>	has the meaning given at paragraph 2 of Part I of this Circular
<b>“Proposed Borrowing Limit”</b>	has the meaning given at paragraph 1 of Part I of this Circular
<b>“Registrar”</b>	Computershare Investor Services (Guernsey) Limited
<b>“Resolution”</b>	has the meaning given at paragraph 1 of Part I of this Circular
<b>“Revised RCF”</b>	the revolving credit facility agreement entered into on 2 April 2020, between with a syndicate of lenders, with JPMorgan Chase Bank and City National Bank as joint lead arrangers
<b>“RIS”</b>	a regulatory information service
<b>“Rules”</b>	the Registered Collective Investment Scheme Rules 2018
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“Shareholders”</b>	holders of Shares
<b>“Shares”</b>	the Ordinary Shares and/or the C Shares (as the context may require)
<b>“Song”</b>	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
<b>“UK MidCo”</b>	Hipgnosis Holdings UK Limited, a company incorporated under the laws of England and Wales on 25 July 2019 with registration number 12123246
<b>“UK SubCo”</b>	Hipgnosis SFH I Limited (formerly known as Hipgnosis Songs Holdings UK Limited), a company incorporated under the laws of England and Wales on 8 June 2017 with registration number 10809693
<b>“US Persons”</b>	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 2<sup>nd</sup> Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA at 1.30 p.m. on 11 June 2020 to consider and, if thought fit, to pass the following resolution by way of Ordinary Resolution

**THAT** the Company modify its Investment Objective and Policy in the manner described in the Circular sent by the Company to its Shareholders on 29 May 2020

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*

Ocorian Administration (Guernsey) Limited  
Secretary

*Registered office:*

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

Date: 29 May 2020

**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 an Ordinary 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 Ordinary Share or Ordinary 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 Ordinary Shares, such persons shall not have the right of voting individually in respect of such Ordinary 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 9 June 2020 shall be entitled to attend or vote at the aforesaid meeting in respect of the number of Ordinary 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 Ordinary Shares in relation to which they are authorised to act as your proxy (which, in the aggregate, should not exceed the number of Ordinary 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, subject to any restrictions (including with respect to travel or gatherings) relating to the Covid-19 outbreak that are in place at the time of the Extraordinary General Meeting.
14. Any alterations made to the Form of Proxy should be initialled.

