

angloscientific

# AMBERSIDE SCIENTIFIC

EIS FUND  
INFORMATION MEMORANDUM



This Information Memorandum is approved by Amberside Capital Ltd as a financial promotion pursuant to s.21 of the Financial Services and Markets Act 2000.





## IMPORTANT INFORMATION

This information memorandum ("Information Memorandum") dated 12th February 2019 relating to the Amberside Scientific EIS Fund (the "Fund") constitutes a financial promotion pursuant to section 21 of the Financial Services and Markets Act 2000 ("FSMA") and has been issued and approved by Amberside Capital Ltd ("Amberside"), which is authorised and regulated by the Financial Conduct Authority ("FCA") (FCA number: 706218) and whose registered office is at Amberside House, Wood Lane, Hemel Hempstead, Herts HP2 4TP.

The Fund will comprise investments by individual Investors in a selection of EIS Qualifying Companies and uninvested cash. Each Investor, for legal and tax purposes, will be the beneficial owner of a specific number of shares in each Investee Company. All shares and cash will be managed on a collective basis in accordance with the investment objectives and restrictions set out in Schedule 1 of the Investor's Agreement. The Fund is neither an unregulated collective investment scheme nor a non-mainstream pooled investment and therefore it is not subject to the marketing restrictions introduced by the FCA in respect of "non-mainstream pooled investments" and can be marketed to retail clients, though the investment opportunity described in the Information Memorandum is not suitable for all Investors.

Key risks are explained on pages 27 to 30 of the Information Memorandum and should be carefully considered. The value of any investment may go down as well as up and an Investor may not get back all or any of the amounts originally invested. Reliance on this Information Memorandum for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. Past performance is not necessarily a guide to future performance and may not necessarily be repeated. You should be aware that share values and income from them may go down as well as up and you may not get back the amount you originally invested. Changes in legislation in respect of the EIS in general, and qualifying investments and qualifying trades in particular, may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable. Amounts invested through the Fund on behalf of the Investors will be committed to investments which may be of a long term and illiquid nature. Neither the Fund nor the companies in which it invests will be quoted on any recognised or designated investment exchange and, accordingly, there will not be an established or ready market for participation in the Fund nor the underlying investments. Investments made through the Fund will not therefore be easily realisable. It is the responsibility of the Investor, and their adviser where appropriate, to ensure that this opportunity is a suitable investment in light of the contents of this Information Memorandum and their individual circumstances.

If you wish to invest in the Fund please complete all sections of the application form and send to your intermediary. The Application Forms are on pages 47 – 49 of this Information Memorandum and may also be downloaded from: [www.Amberside.com/scientific](http://www.Amberside.com/scientific). Amberside reserves the right not to accept any Application Form as it deems appropriate for any reason in its absolute discretion and will not provide a reason.

Acceptances of applications to subscribe to the Fund will be restricted to investors who complete the Application Form whose financial intermediary is able to provide an appropriateness assessment certificate. Accordingly, as any acceptance of an application is subject to a prior assessment of the investor by their financial intermediary this Information Memorandum does not constitute a direct offer financial promotion, that is, an offer by Amberside which is capable of being accepted or an invitation to invest in the Fund which will be accepted by Amberside, in either case on an unconditional basis, under FCA rules.

Applications may only be made, and will only be accepted, subject to the terms and conditions of this Information Memorandum, the Investor's Agreement and Application Form.

The contents of this Information Memorandum are not to be taken as constituting advice relating to legal, taxation or investment matters and should not be relied upon for the purposes of making an investment or other decision, and your attention is drawn to the section headed Risk Factors on pages 27.

All statements of opinion or belief contained in this Information Memorandum and all views expressed and statements made represent Amberside's own assessment and interpretation of information available to it as at the date of this Information Memorandum.

No representation is made, or assurance given, that any statements, views or forecasts are correct or that the objectives of the Fund will be achieved. Prospective Investors must determine for themselves what reliance (if any) they should place on such statements, views or forecasts and no responsibility or liability (whether direct, indirect, consequential loss or other) is accepted by Amberside or its members and employees in respect thereof.

The information contained in this Information Memorandum makes reference to the current laws concerning EIS Relief, Business Relief and Capital Gains Tax ("CGT") deferral and disposal relief. Such information may be subject to change and is not guaranteed. Such information may be subject to change and is not guaranteed. The tax reliefs referred to in this Information Memorandum are those available at the date

of this Information Memorandum and their value depends on individual circumstances.

This Information Memorandum does not constitute, and should not be considered as, an offer to buy or sell, or solicitation of an offer to buy or sell, any security or share. It does not constitute a public offering in the United Kingdom. In addition, this Information Memorandum does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. It is the responsibility of each recipient (including those located outside the UK) to satisfy himself or herself as to full compliance with the Applicable Laws and regulations of any relevant territory in connection with any application to participate in the Fund, including obtaining any requisite governmental or other consent and observing any other formality presented in such territory.

This Information Memorandum includes statements that are (or may be deemed to be) “forward-looking statements”. These “forward-looking statements” can be identified by the use

of forward-looking terminology including the terms “believes”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should” or, in each case, their negative or other variations or comparable terminology. These “forward-looking statements” include all matters that are not historical facts. “Forward-looking statements” involve risk and uncertainty because they relate to future events and circumstances. “Forward-looking statements” contained in this Information Memorandum based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Subject to any requirement under Applicable Laws and regulations, Amberside does not undertake to update or revise any “forward-looking statements”, whether as a result of new information, future events or otherwise.

Investors should not place undue reliance on “forward-looking statements”, which speak only as at the date of this Information Memorandum.

Save as mentioned below, references to “Amberside”, the “Manager”, “we” and “our” are to Amberside Capital Ltd.

## CONTACT US

If you have any questions or require any further information on this product, please contact Amberside Capital Ltd on 01442 910 069 or alternatively via email on [info@amberside.com](mailto:info@amberside.com) or by post at Amberside House, Wood Lane, Hemel Hempstead, HP2 4TP.

Amberside Capital Ltd is authorised and regulated by the Financial Conduct Authority (FRN 706218).



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# WELCOME LETTER

Dear Investor,

I am delighted to bring you this investment opportunity that I am personally very excited about. We have teamed up with Anglo Scientific who have an enviable track record of building knowledge intensive companies from inception to significant scale.

I co-founded Amberside Capital Ltd with David Lomas, an experienced institutional fund manager who brings the rigour and best practice of institutional fund management to private investors. I started out as an Accountant and Corporate Financier before setting up several successful businesses, including a retail investment broker, a financial modelling and advisory business and a renewable energy consultancy. This experience enables us to quickly identify the right characteristics in management teams and interrogate the commercial drivers of potential investee companies. Anglo Scientific's team are able to undertake the deep technical due diligence required for knowledge intensive companies and their extensive network means they can bring in the right expertise to help our decision-making process.

All investment opportunities must be approved as being in the best interests of all investors by an investment committee that comprises representatives from Amberside Capital, Anglo Scientific and an independent chair, Mark Brownridge. Accordingly, Amberside Capital, as the manager of the Fund will not make an investment without the consent of a majority of the Investment Committee.

Amberside Capital and other companies under common ownership employ over 30 financial analysts and numerous administrators who can be used at short notice, giving Amberside Capital the back-office support of a larger fund manager combined with the agility of a boutique firm. This ability to scale at short notice, and our institutional rigour, was a key factor in Anglo Scientific's decision to partner with us.

We are launching this fund with Anglo Scientific as we think they have an attractive pipeline of investment opportunities, experience in building technology-based businesses and assessing investment opportunities as well as a wide network of relevant contacts around the world. Anglo Scientific have a business model which focusses on securing defensible intellectual property rights for technological innovation in large markets and then bringing the right management resource into companies at an appropriate stage. They are able to take executive roles early in a company's evolution (often as CEO and or CFO) before appointing a permanent team at the appropriate time. This approach is relatively rare, and they have proven it to be successful time and again. The combined valuation of the companies they have built exceeds £200m to date.

We hope you can join us and Anglo Scientific in building a portfolio of exciting companies that use technological innovation to address large markets and solve important global problems.

Yours sincerely,



David Scrivens

Director & Co-founder of Amberside Capital Ltd

## ABOUT US

The Amberside Scientific EIS Fund focuses on selected businesses that use technological innovation to disrupt their large target markets, have high revenue growth potential and qualify for Enterprise Investment Scheme (EIS) tax relief. The Fund is managed by Amberside Capital which is advised by Anglo Scientific Investments Ltd.

### About Amberside Capital

Amberside Capital aims to bring the highest standards of institutional investment rigour to the retail investment market. This investment rigour covers all activities from the comprehensive due diligence undertaken in making investments, the detailed risk management which governs our management of investments, and the transparency we bring to investor reporting.

Amberside was founded by David Lomas, previously a Director at Barclays Private Equity and David Scrivens, a successful entrepreneur in financial services. Amberside is part of an affiliated network of companies, which includes a financial modelling and consultancy business with over 30 employees who can be called upon by our team to provide additional resource as and when needed.

### About Anglo Scientific

Anglo Scientific's business model is to build high-potential technology-driven companies. They aim to identify groundbreaking science that can solve globally challenging problems in three main areas of expertise: communications, security and healthcare, and to build scalable international businesses underpinned by solid intellectual property.

The companies Anglo Scientific build target significant market needs that can be solved through groundbreaking technological innovation. Their team share an entrepreneurial mindset and have worked together for over ten years. The Anglo Scientific principals have developed a portfolio that currently stands at nine companies which they value collectively at over £200 million.

Anglo Scientific co-founder, Douglas Dundonald, an experienced angel investor who was previously a board director of the Anglo Pacific Group plc and sat on the Parliamentary Information Technology committee (PiTCOM).

Anglo Scientific and Amberside together bring a wide network of entrepreneurs, investors and advisers from which to source investment opportunities and a deep pool of resources with the expertise and capacity to undertake rigorous due diligence and provide experienced management support to Investee Companies.

### About Mark Brownridge

Mark will chair the Fund's Investment Committee, providing his own independent commercial judgement and governance oversight in the selection of investments. Mark has over twenty years' experience in Financial Services and prior to his current position, he was Head of Research and Development at Mazars, a leading UK financial planning firm.



# INTRODUCING THE AMBERSIDE SCIENTIFIC EIS FUND

Amberside and Anglo Scientific are raising an Enterprise Investment Scheme fund, the Amberside Scientific EIS Fund, which will be making investments in companies that have the potential to disrupt their markets and that we believe have significant growth potential and a credible exit strategy for investors.

The Enterprise Investment Scheme offers a series of tax reliefs to UK tax payers. It is designed to encourage investment in small Unquoted companies carrying on an EIS qualifying trade in the United Kingdom.

As well as taking measures to identify Investee Companies that are expected to fall within the strict definitions of the EIS rules, we also step back and consider whether the investments are also in line with the 'spirit of the rules'. We believe that by making investments that are in line with the essence of the legislation there will be less challenge for investors if political attitudes or interpretations of the rules change in the future.

## WHAT ARE THE EIS BENEFITS

### Income Tax relief

- Individuals may obtain income tax relief at a rate of up to 30% of the total investment in qualifying shares up to a maximum of £2,000,000 per tax payer per tax year (amounts over £1m in the same tax year must be in HMRC defined knowledge-intensive companies).
- Relief cannot exceed the amount which reduces an investor's income tax liability to nil.
- In addition, investments of up to a further £1 million may be carried back to the preceding tax year to the extent the investor did not fully use their EIS annual investment limit in that tax year.

### Capital Gains Tax (CGT) deferral

- Facility to defer paying CGT on all, or part, of a chargeable gain by investing an amount equivalent to the gain into EIS qualifying shares.
- The gain may have arisen on the disposal of any asset, or it may be a previously deferred gain coming back into charge.

- Investors can defer CGT by investing in EIS qualifying shares up to 12 months before crystallising gains or up to 36 months afterwards.

### Inheritance Tax (IHT) relief

- Shares in EIS Qualifying Companies should qualify for up to 100% Business Relief (BR) from Inheritance Tax.
- As long as shares have been held for a period of two years and remain BR qualifying, at the point of death or chargeable lifetime transfer, the value of the EIS investment will count as part of an investor's estate but will obtain relief from IHT.

### Tax-free growth

- All growth on EIS qualifying shares on which EIS income tax relief has been given and not withdrawn are CGT free, subject to the Minimum Holding Period.

### Loss relief

- Relief to provide protection against investments that perform below expectations, helping to further reduce risk on investment.
- Investors can offset any losses realised on the disposal of EIS qualifying shares (net of initial income tax relief retained) against income tax in the year of loss or income tax in the previous tax year on making a claim. Alternatively, as with all capital losses, they can be offset against capital gains of the same year or carried forward indefinitely.

Please note that to qualify for (and retain) some of the tax reliefs detailed above you must hold your Investment for at least three years for EIS relief or at least two years for IHT relief.

### Investing in Amberside Scientific EIS Fund

The Amberside Scientific EIS Fund will support management teams seeking further capital to grow businesses. These companies will typically need capital to develop their products, secure their intellectual property internationally and accelerate growth.

The investment teams of Amberside and Anglo Scientific Investments will primarily source opportunities to invest in the stable of companies Anglo Scientific are building and from a small number of trusted Independent Co-Investors, with whom Amberside or Anglo Scientific have worked with in the past.

The Fund aims to deliver high returns for investors by investing in a range of companies at different stages of development. For

example, the Fund would expect early-stage companies to have the potential to deliver returns of over 10 times the amounts invested, while more mature, later-stage companies might have a lower upside potential, though typically still at least three times.

You will find more information on the investment strategy on page 13.

## KEY BENEFITS

## KEY RISKS

**Capital growth potential:** We are targeting high returns on investment.

**Diversification:** The Fund is expecting to make investments in several Investee Companies each year. It should be noted that Investors in the Fund may not have allocations in all Investee Companies. There may be investment rounds available to earlier Investors, which are closed before an Investor subscribes to the Fund, or that open after an Investor's subscription has been fully allocated.

Investing in early stage enterprises has the potential to produce large returns, however the majority of investments may not return all of the capital invested. Investing in a fund of companies aims to reduce risk through diversification. For investors who make an annual investment in the Fund, we expect diversification across at least 20 Investee Companies over a four-year period.

**Capital is at risk:** Investors' capital is at risk and Investors may not get back the full amount invested. Early stage enterprises are high risk investments and a high proportion may not return the capital invested.

**Capital Growth:** Although there is an expectation of high returns on successful investments, not all companies we invest in will be successful, and it is expected that a number will not return the capital invested.

**Tax Legislation:** Amongst other qualifying criteria, tax reliefs depend on an individual's personal circumstances, are subject to minimum holding period requirements and are based on current legislation and known HMRC practice which can change in the future.

**Liquidity:** Shares of the Investee Companies will be Unquoted and are not readily realisable. This could affect their value and the time it takes to find a buyer, and therefore return capital to Investors.

**EIS Qualification:** We invest in Investee Companies that we believe qualify for EIS, but we can give no commitment that any such investment will remain qualifying at all times. As a result, tax reliefs may be withdrawn or reduced in certain circumstances.

**See** "The risks explained" section on page 27.

# ENTERPRISE INVESTMENT SCHEME EXPLAINED

The summary below gives a brief outline of the tax advantages currently available through the EIS. It does not set out all the rules that must be met and is intended only as a general guide. The information within this summary is not advice nor should it be considered so as neither the Fund Manager nor the Custodian provide advice directly to investors. Even if an investment is considered suitable for you, it does not mean you should invest. We strongly recommend that you seek advice from a Financial Adviser before investing.

The taxation levels, bases and reliefs described in this Information Memorandum are based on existing law and what is understood to be current HMRC practice, but this may be subject to change in the future and may adversely affect the performance of the Fund and the return to the Investor.

## Claiming EIS Income Tax Relief

Upon receipt of an EIS 3 Certificate, the Investor may claim EIS Relief in respect of the tax year in which an investment in a company is made, not when money is invested into the Fund. An investor can choose to carry back the relief to the previous tax year, to the extent the investor did not fully use their EIS annual investment limit in that tax year. The Fund intends to invest the investors' money within 12 months of receipt, however, if you have particular time constraints please contact Amberside Capital prior to investing. Investors will be sent an EIS 3 certificate for each Investee Company once provided by HMRC, which can take a considerable time.

## Tax Advantages

The expected tax advantages for Investors include the following:

### INCOME TAX RELIEF

Individuals can obtain 30% income tax relief on EIS investments up to £2,000,000 in the current tax year, providing that at least £1,000,000 is in HMRC defined knowledge-intensive company. Investors cannot claim back more income tax than they have paid in the relevant tax year.

Following investment (and once a company has been trading or carrying out research and development for four months), investee companies will apply to HMRC for EIS 3 certificates. An Investor cannot obtain EIS Relief without an EIS 3 certificate. The latest date on which an Investor can claim EIS Relief is five years after 31 January following the tax year to which the claim relates.

EIS Relief will be withdrawn if your Investment is not held for three years from the date of investment (or from the date of

commencement of the Investee Company's trade if later), or if the Investor is or becomes connected with any EIS Qualifying Company in which an Investment is made either within two years before, or three years after the date on which the shares are issued by in the EIS Qualifying Company.

If they wish to claim EIS income tax relief, husbands and wives (and civil partners) can each make Investments up to £2,000,000 (for knowledge-intensive companies) in respect of claims for the 2018/19 tax year onwards. However, investors cannot qualify if they have more than 30% of the votes of the company, or its ordinary shares, or its issued shares, or if they have an entitlement to more than 30% of its assets available for distribution, or if they are employees or can control how the company is run. The holding of an associate is aggregated with the investors holding for these purposes. You must inform Amberside Capital on application if you know you are associated with an existing investor in this Fund, so we can avoid an inadvertent breach of these rules with our Investee Companies. Note, we may co-invest alongside other fund managers acting on behalf of other investors who are associated with investors in the Fund. Any such association is unlikely to be apparent to us and accordingly we cannot be held responsible for a transgression of the EIS rules in these circumstances.

The income tax relief is currently given at the rate of 30% and is given against (but cannot exceed) the individual's income tax liability for the tax year of the claim. Some or all of the income tax relief obtained may be withdrawn and fall to be repaid if, inter alia, during the Minimum Holding Period, the shares are sold or otherwise disposed of, or the investee company breaches the EIS conditions.

Example (£50,000 initial investment)	£
Initial Investment	50,000
Less EIS Relief at 30%	(15,000)
Net cost of Investment	35,000

### EXEMPTION FROM CAPITAL GAINS TAX (CGT)

No CGT is payable on gains realised on the disposal of the Investments provided they have been held for at least three years from the date of investment (or from the date of commencement of the Investee Company's trade if later) and are Investments in respect of which EIS Relief has been given and not withdrawn.

<b>Example (£50,000 initial investment)</b>	<b>£</b>
Realised value of Investment after 3 years	100,000
Less initial cost	(50,000)
Tax free gain	50,000

## CAPITAL GAINS DEFERRAL

Individuals can defer CGT on chargeable gains by making an investment of an amount equivalent to the chargeable gain. The investment must be made in the period beginning 12 months before and ending three years after the date of the disposal giving rise to the capital gains to be deferred. There is no limit on the amount of chargeable gains which may be deferred in this way.

Investors should note that the Capital Gains Deferral is only a deferral of the original liability to CGT (unless there is a further Capital Gains Deferral). The gain is deferred until there is a chargeable event, such as a disposal of shares or a breach of the EIS conditions.

<b>Example (£50,000 initial investment)</b>	<b>£</b>
Capital Gain to be deferred	50,000
EIS Relief at 30%	(15,000)
CGT Deferral (20%* on £50,000)	(10,000)
Net cost of Investment	25,000

\*assumes higher or additional rate tax payer

## LOSS RELIEF

Capital losses realised from an investment in EIS qualifying shares may qualify for share loss relief (net of income tax relief). The loss may be set against the individual's taxable income arising in the tax year in which the disposal occurs, or the previous tax year, or both (if sufficient relief is available). Alternatively, the loss may be offset against capital gains in the tax year of disposal. Any excess losses may be carried forward for relief against future capital gains.

Below is an example of where the Investment disposed of for no proceeds and an Investor claims loss relief against income subject to income tax at 45%.

<b>Example - Total Loss of initial £50,000 investment</b>	<b>£</b>
Initial Investment	50,000
Less EIS Relief at 30%	(15,000)
Value of Investment at Exit	0
Net loss on Investment	35,000
Loss relief (45% on £35,000)	(15,750)
Net loss on Investment post EIS and Loss relief	19,250 or 38.5% of the initial investment

<b>Example - 50% Loss</b>	<b>£</b>
Initial Investment	50,000
Less EIS Relief at 30%	(15,000)
Net cost of investment	35,000
Value of Investment at Exit	25,000
Net loss on Investment	10,000
Loss relief (45% on £10,000)	(4,500)
Net loss on Investment post EIS and Loss relief	5,500 or 11% of the initial investment

## BUSINESS PROPERTY RELIEF 'BPR' (INHERITANCE TAX RELIEF)

The value of the shares in the Investee Companies should in most cases qualify for 100% relief from IHT as long as the Investment has been held for two years from the date of Investment and is held at the time of death or other chargeable lifetime transfer.

## TRUSTEES

Trustees of a trust, where, in certain conditions, the beneficiaries are individuals, will usually qualify for unlimited Capital Gains Deferral, Loss Relief (limited to capital gains) and BPR (IHT) Relief. However, it must be remembered that neither EIS Relief nor exemption from CGT on disposal is available to trustees.



# INVESTMENT STRATEGY

## Key Investment Criteria

In considering investment opportunities, we will seek companies that, in the opinion of the Investment Committee, meet or have the potential to meet many of the following criteria:

- **Disrupt a large market:** Is the company seeking to disrupt a multi-billion pound market and are they operating in an industry where we think this disruption is appropriate;
- **Driven by world class technology:** Can the innovative technology provide a radical difference in the market in terms of product performance and/or costs;
- **Knowledge Intensive:** Is the company rich in defensible intellectual property;
- **High potential growth:** If successful, does a company have the capacity to deliver over £100 million annually in revenues;
- **Influence:** Would the Fund have sufficient strategic influence on the direction of the company, either directly or via its Independent Co-Investors;
- **Limited Future Capital Requirement:** Is the level of likely dilution from expected future investment rounds acceptable;
- **Feasibility and Execution:** Do we believe the company's (current or proposed) Board and management team will be able to develop its technology into a marketable product, successfully enter the market and achieve rapid revenue growth; and
- **EIS:** Is the company EIS qualifying?

## Sourcing Investments

The manager will source investment opportunities in the stable of companies being developed by Anglo Scientific, Amberside, and a small number of trusted Independent Co-Investors. The initial Independent Co-Investor is Percitus LLP. Independent Co-Investors are organisations that Anglo Scientific or Amberside have previously invested with and we expect the Independent Co-Investors to typically co-invest alongside the Fund for new investments they introduce. The Independent Co-Investors appreciate the value of the co-investment model, which allows deeper scrutiny of investments and wider input into the management of companies.

## PERCITUS LLP

Percitus is an independent, London based investment consultant that advises a single Family Office. It provides services to a multi-asset portfolio with a particular focus on direct private equity and venture capital investments across a range of sectors and stages. The direct investment portfolio consists of more than 100 companies. Percitus appreciates the value of co-investing with organisations like Amberside and Anglo Scientific, who share a similar investment ideology.

The Family Office was a founding investor in Anglo Scientific in 2001 and is a shareholder in several Anglo Scientific companies.

Percitus and the Fund will share opportunities in disruptive, technology led companies.

## Investment Sectors

The Amberside Scientific EIS Fund is sector agnostic and will aim to invest in companies that provide the opportunity for capital growth through the use of technology to disrupt their chosen sector.

Anglo Scientific has specific experience in the communications, security and life sciences sectors. Many of the target Independent Co-Investors will also have specific sectorial strength.

## Investment Committee

The Investment Committee will be made up of Douglas Dundonald, Vito Levi D'Ancona, Fred Edenius, David Lomas, David Scrivens and will be chaired by Mark Brownridge. Investment committee approval will be required before capital is invested in a company and to sanction an exit. Amberside are able to veto any opportunities at Investment Committee, otherwise investment decisions will be made by majority vote.

## Investment Management

The Fund, or their Independent Co-Investors, will typically expect to have a Board seat to represent shareholders' interests. Investee Companies will be obliged to share board papers with directors on a regular basis and to report to the Fund quarterly. This hands-on approach will ensure the Investee Companies are managed with a view to maximising value for our Investors.

We will ensure Articles of Association and Shareholders' Agreements (where appropriate) for each Investee Company contain fair and reasonable protections for shareholders.

# TRACK RECORD

## Anglo Scientific

The team at Anglo Scientific have a strong track record building innovative, disruptive, knowledge intensive businesses. Case studies of four of their businesses are included below. Since 2006, the Anglo Scientific portfolio of companies have between them raised investment of £88.5m and these investments are currently valued at £132.4m by Anglo Scientific on the basis indicated in Table 2 below. Table 1 below sets out all companies launched by Anglo Scientific since the current team came together in 2006. Not all of these have been successful to date.

Table 1: All companies launched by Anglo Scientific since the current team came together in 2006

Company	Year of First Inv. Round	Total Inv. to Date (£m)	Status
Phasor	2006 / 2010	33.2	Announced contracts in excess of \$300m. Significant valuation increases in recent funding rounds and further significant increases expected by Board and investors.
Radio Physics	2009	9.3	Secured first \$1m of product revenues, with a number of customers re-ordering. Strong interest in the US led by largest security company in the world through their partnering program. Launching C round at significant valuation increase in Q1 2019.
Solus Solutions	2009	3.1	Profitable and cash flow positive with strong growth; in 2018 launched "next generation" product line and entered US; has turned down multiple unsolicited acquisition approaches to date as current growth is expected to add significant further value to potential shareholder returns.
Phagenesis	2010	12.4	Announced structured acquisition by Nestlé Health Science; Anglo Scientific expects its investors to make an average return of approximately 3-5x, depending on the stage of investment, various earn-outs being met and exchange rate variation
Microtest	2010	11.8	Put into administration in 2018; zero return to equity investors.
On-Sun Systems	2010	1.7	Put into administration in 2014; zero return to equity investors.
Apta Biosciences	2013	5.7	Currently under restructuring due to disappointing technical progress to date.
SeeQuestor	2014	10.4	Achieved first \$1m+ order in 2018; rapidly scaling revenues and expecting significant valuation increase.
Tharos	2016	0.7	First product revenues secured from early adopting customers in the flat racing industry in the UK. Significant technical progress made on laminitis diagnostic assay.
Ateria Health	2017	0.2	Early-stage; minimal initial investment to generate clinical data that would justify further investment and significant valuation increase.
XPCI	2018/2019	0	To date funded by grants - first funding round expected in Q4/18 or 2019.
<b>TOTAL</b>		<b>£88.5m</b>	Aggregate current value of the companies is potentially in excess of £200 million and these investments are valued at £132.4m; Anglo Scientific expects this to increase significantly as the companies grow and some exit

**NOTES:**

Includes all companies either founded or restructured by Anglo Scientific since 2006. "Date of first investment round" is the date of the first investment round with Anglo Scientific principals taking executive positions in the company and some of their number committing capital. Phagenesis and Microtest were founded earlier by academics but effectively re-launched on the dates shown with Anglo Scientific taking key board and executive positions; in other cases, the company was sometimes legally founded by Anglo Scientific the prior year but did not start operating until the date shown. "Total Investment to date" is as of October 1st, 2018 and includes all equity investment and convertible loans where applicable.

The valuation of the portfolio has been undertaken using British Venture Capital Association guidance whenever possible. The table below sets out the valuation methods used. Note we have not been able to provide details of valuations of individual companies for reasons of confidentiality.

*Table 2 : Anglo Scientific Basis of Valuation*

Company	Valuation Methodology
Phagenesis	Based on sale to Nestle with payments not yet made discounted based on assumptions provided by Anglo Scientific
Phasor	BVCA guidelines: based on last funding round
Radio Physics	BVCA guidelines: based on last funding round
Solus Scientific	Based on revenue multiples provided by Anglo Scientific (last funding round in 2013 so not judged to be a sensible basis for current value)
SeeQuestor	Based on last funding round; AS expecting increase in Q4/Q1
Apta Biosciences	Discounted by 90% from last round
Tharos	BVCA guidelines: based on last funding round
Ateria Health	BVCA guidelines: based on last funding round
XPCI	No external equity funding yet, therefore value assigned is nil.

## Anglo Scientific Case Studies

The case studies below cover four companies which have been built by Anglo Scientific. The Fund is likely to consider investing in two of these, Phasor and Radio Physics.

### PHAGENESIS

Dysphagia (swallowing dysfunction) affects millions of people, including 29% to 55% of stroke patients. Dysphagia has a significant impact on a patient's health (3x higher mortality risk), quality of life, and cost of care. Before Phagenesis, there was no clinically proven treatment.

Phagenesis' solution is to use Pharyngeal Electrical Stimulation (PES) to create neuro-sensory input that "kick starts" a functional reorganisation of the swallowing control centres in the brain.

The Phagenesis treatment is based on over 20 years of ground-breaking research by Professor Hamdy of Manchester University. In 2007 he set up Phagenesis with a co-founder to commercialise their findings, but progress over the following two years was slow with only seed investment. Anglo Scientific were introduced to the company in 2009 and carried out extensive due diligence, which found:

- ▶ Clear market need – patients, doctors and health economics;
- ▶ Ground breaking technology with little effective competition;
- ▶ Base unit plus consumable business model with high gross margins;
- ▶ Estimated revenue potential of £300-500 million per annum; and
- ▶ Strong exit potential: acquisitive industry for unique technologies.

Anglo Scientific joined the two founders in "re-launching" the company, developed the business plan and built an experienced founding team that included two directors from Anglo Scientific (including Chairman). With Anglo Scientific's support, over the following five years the company grew to a team of 18, secured CE Marking, and raised £10m+ of further investment.

In 2016, it was announced that Nestle Health Science had agreed a staged acquisition of Phagenesis. Anglo Scientific expects its investors to make an average return of approximately 3-6x, depending on the stage of investment, various earn-outs being met and exchange rate variation.

## PHASOR

Phasor provides enterprise-grade mobile connectivity antennas, designed to meet the growing mobile broadband market requirements.

By applying its unique innovations to standard microchip technologies, Phasor has radically rethought the very idea of an antenna, transforming traditional parabolic satellite antennas into "1 inch" flat or conformal electronically-steerable-antennas to provide broadband connectivity to aircraft, ships, or land vehicles. The approach also enables communications to emerging Low Earth Orbit satellite constellations.

Phasor was founded by Anglo Scientific to solve the challenges of providing broadband Internet services to high-speed passenger trains with very low-profile antennas. Since then, Phasor has developed its unique antenna technology to be suited to land-mobile, aeronautical and maritime satellite communication applications.

Phasor, grown and chaired by a representative from Anglo Scientific, has achieved considerable milestones including:

- ▶ Recruited experienced management team;
- ▶ Recognised as opinion leader in the provision of enterprise-grade electronically-steerable-antennas for mobile broadband communications;
- ▶ Secured contracts worth over \$300 million with multiple leading industry players;

## RADIO PHYSICS

Radio Physics has fundamentally reworked the idea of a security perimeter, extending it well away from protected sites. This technological leap in surveillance is designed to provide threat alerts well before conventional security checks.

Radio Physics' detection cameras screen for concealed threats at a distance, aiming to, for example, pre-empt shooters in schools, suicide bombers, and other criminal or terrorist activity.

In partnership with leading security companies, including Johnson Controls, Radio Physics offers the opportunity to extend protection to a large number of vulnerable individuals and facilities across the world in the \$110 billion critical infrastructure protection market.

Radio Physics was founded by Anglo Scientific, which secured IP from Manchester Metropolitan University and the Home Office, to develop a system to detect concealed threats such as bombs and guns at a distance.

Radio Physics, grown and chaired by a representative from Anglo Scientific, has achieved considerable milestones including:

- ▶ Recruited experienced management team;
- ▶ Released its first product in November 2017; and
- ▶ Now selling products to multiple customers across multiple territories;

## SOLUS SCIENTIFIC

Foodborne pathogen testing (e.g. Salmonella & Listeria) is a \$1.5-2 billion market growing at 5.5% p.a. However, Solus believes that existing testing solutions do not satisfactorily address key market needs, such as scalability, work flow flexibility, ease of use (especially across different categories of food), cost efficiency and timely results.

Solus has developed a proprietary range of testing solutions that for the first time addresses all of these key market requirements. Solus' solution is easily scaled and requires minimal training and expertise, providing dependable results faster and at a lower cost.

Solus was founded in 2009 by Anglo Scientific. Today it is a profitable, cash-flow positive business with strong revenue growth. It is a leader for cost effective, high throughput, easy-to-use food pathogen testing in the UK, and in 2017/18 began successful expansion into US and Asian markets. Solus manufactures and supplies over 4 million pathogen tests per year and has existing capacity to scale to 15 million tests per year.

There has recently been significant interest from a number of parties to acquire Solus, but to date these have been rejected as current growth is expected to add significant further value to shareholder returns.

## Amberside Capital

Amberside's primary track record stems from David Scrivens' personal entrepreneurial track record (including a successful sale of Clubfinance Ltd) and David Lomas' experience at Barclays Private Equity ("BPE"), a manager of institutional investment funds focussed on the UK and Europe. David Lomas



joined BPE in 2003 and was promoted to Investment Director in 2005 and Director in 2007. During his time at BPE, the manager was making, managing and, in some cases, exiting investments made by the following funds:

- **Barclays European Infrastructure Fund II** (£289m) - Capital growth fund focusing on Primary and Secondary PPP;
- **Infrastructure Investors** (£475m) - Capital growth fund focusing on Secondary PPP;
- **Barclays European Infrastructure Fund** (£178m) - Capital growth fund focusing on Primary PPP;
- **Barclays Alma Mater** (£81m) - Capital growth fund focusing on student accommodation projects; and
- **Barclays Integrated Infrastructure Fund** (£680m) - Buy and hold yield-based fund focusing on equity/subordinated debt investments in PPP and other infrastructure.

**BPE** (and 3i which has since purchased these funds) do not publish returns made in non-listed funds and do not issue validation statements for an employee's track record.

Amberside has raised £4.8m from private investors and has board representation for the EIS qualifying hydroponics greenhouse company, Sterling Suffolk Ltd. Amberside also promotes and jointly manages with CH1 Investment Partners LLP the debt lending vehicle, Amberside ALP Plc.

Amberside is part of a group of associated companies including: Amberside Advisers Ltd, Amberside Accounting Ltd, Amberside Energy Ltd and Amberside Valuations Ltd. Collectively having undertaken consultancy, accounting services, debt raising, due diligence and forecasting for companies and fund managers.

### Mark Brownridge

Mark sits on a number of executive committees within the venture capital and private equity industry. In particular, Mark has significant experience with investment committees where he is actively involved in helping to provide independent governance and to ensure robust processes are in place for the sanctioning of investment decisions. Using his experience of working with investors at Mazars Financial Planning, Mark is a champion of investors' interests. Over his various roles, Mark has overseen the investment of over £80m of venture capital investment.



## INVESTMENT PROCESS

The Fund Manager and the Investment Adviser (Anglo Scientific Investments Ltd) expect to have a focused, deep, due diligence process because they will be working with a small number of Independent Co-Investors and will have access to the companies being built by Anglo Scientific.

For each opportunity, the team will conduct initial due diligence with a strong focus on the people, the technology, market size, competition and expected profitability. In this process we will often make use of appropriate experts, sourced through our extensive network. At the end of the initial due diligence, the opportunity will be taken to the Investment Committee. On occasion independent experts may be asked to attend meetings of the Investment Committee. Where the Investment Committee is in favour of an opportunity, approval will be given and valuation parameters set, subject to more detailed due diligence. Should areas of concern arise during detailed due diligence, the Investment Committee will reconvene to discuss the opportunity further.

Detailed due diligence would involve a careful analysis of the material risk areas for the company. These could include current

competition for the product, key individuals on the management team, the company's balance sheet, or the level of intellectual property protection they have in place.

Concurrently with the detailed due diligence would be the negotiation of the investment documentation and the valuation. The shareholders' agreement or articles of association will contain provisions designed to represent the interests of investors.

Following an investment, we would expect to appoint a director to the board of the Investee Company (or jointly appoint a director with our Independent Co Investor) to provide advice and strategic direction to the Investee Company. Together with the other members of the board we seek to mentor the performance and capabilities of the management team as the business evolves and effect change where desirable and possible.

We firmly believe the key to optimising value on the sale of an investment is early preparation and a clear focus on the likely exit route and potential buyers. This allows the management team to shape the company so that, if possible, competitive bids can be attracted from a number of potential buyers.



## INVESTMENT PIPELINE

Anglo Scientific has a number of companies with imminent investment opportunities. Those set out below are a snapshot of the pipeline at a point in time. The Fund has yet to undertake detailed due diligence on these companies and they have yet to be discussed at Investment Committee. They are set out here to illustrate the types of investment opportunities we will be considering for the Fund. As set out in the Conflicts of Interest Section on page 28, Anglo Scientific's representatives on the Investment Committee would not be part of any vote on investments in these companies.

### PHASOR

Phasor provides enterprise-grade mobile connectivity antennas, designed to meet the growing mobile broadband market requirements. Phasor aims to transform the traditional parabolic satellite antenna into a "1 inch" flat or conformal electronically steerable antenna to provide broadband connectivity to aircraft, ships and land vehicles. In August 2018, Phasor announced that it has secured commercial contracts valued at over \$300 million. These multi-year product contracts are tied to exclusivity with key customers in defined target markets.

Phasor expects to launch a £12m funding round in 2019.

### RADIO PHYSICS

Radio Physics develops, manufactures and sells patent-protected products that can provide early warnings of person-borne concealed threats, in order to prevent violent crime and mass casualty events such as school shooters and suicide bombers.

Radio Physics answers the need for detecting concealed person-borne threats well before existing security infrastructure, thereby enabling early intervention by security operators to protect the public before threats are unleashed.

Radio Physics expects to launch an £8m equity round.

### SEEQUESTOR

SeeQuestor supports individuals and teams of analysts looking through large quantities of CCTV and other video data. SeeQuestor's powerful video analytics finds movement, faces and people, and indexes each video to allow for fast review and search, significantly enhancing the speed at which analysts can locate people of interest or find incriminating evidence in thousands of hours of video.

Based on cutting-edge research, the SeeQuestor platform has been designed in consultation with leading British police teams who review video data 24/7. SeeQuestor is rolling out its solutions to police & intelligence teams worldwide, with both SaaS and large system sales already achieved.

SeeQuestor expects to raise £7m to £10m in 2019.

### THAROS

Tharos is an evidence-led animal health company focusing on digestive health, the gut microbiome and colonic malfermentation. Tharos is committed to the promotion of animal health and increased wellbeing through leading edge research, discovery and innovation, harnessing the potential of both science and nature.

2018 saw the launch of Tharos's first product, EquiNectar® horse food supplement – the culmination of years of research and development. Contributing to a four-fold increase in prize money during in-feed trials at one leading race yard, EquiNectar® has been described as "a game-changer" by a leading figure in the sector. The original product is being followed up with the development of alternative formats, and with further potential applications in the equine sector and other animals.

Tharos expects to raise ca. £1.5m in 2019 and additional funds in 2020.

### ATERIA HEALTH

Ateria is developing medical foods to address the symptoms and underlying mechanisms of enterometabolic disorders (EMDs). EMDs include irritable bowel syndrome (IBS), obesity and diabetes - common, highly problematic, and difficult to treat conditions with markets projected to exceed \$70 billion by 2025.

Ateria's first product is a proprietary, natural, enzyme-rich malt extract for the dietary management of irritable bowel syndrome and related conditions. The product has been successfully formulated, has been tested scientifically for mechanisms of action, and produced promising results in pilot studies. Further clinical trials are planned before market launch.

Ateria expects to raise ca. £4m between 2019 and early 2020.



## INVESTING IN AMBERSIDE SCIENTIFIC EIS FUND

If you wish to invest in the Fund you and your financial intermediary should both complete the Application Form.

Please ensure you complete the Application Form appropriateness information required by your intermediary and send this to your intermediary. Your intermediary will then undertake an appropriateness assessment and complete any necessary anti-money laundering checks, provide us an "Individual Verification Certificate" and place their details on the Intermediary Application Form.

Bank transfers should come from an account in your name; if coming from a partner or other connected party this may still be accepted but your intermediary must also undertake an anti-money laundering process on them and we must understand why their account is being used instead of your own.

The Application Forms are on pages 47–49 of this Information Memorandum and may also be downloaded from: [www.amberside.com/scientific](http://www.amberside.com/scientific). Amberside Capital reserves the right not to accept any Application Form as it deems appropriate for any reason in its absolute discretion without providing a reason.

Acceptances of applications to subscribe to the Fund will be restricted to investors whose financial intermediary is able to provide the appropriateness assessment certificate within the Intermediary Application Form. Accordingly, as any acceptance of an application is subject to a prior assessment of the investor, either by their financial intermediary or by Amberside, this Information Memorandum does not constitute a direct offer financial promotion, that is, an offer by Amberside which is capable of being accepted or an invitation to invest in the Fund which will be accepted by Amberside, in either case on an unconditional basis, under FCA rules.





# PEOPLE AND PARTIES INVOLVED

## Investment Committee Chair

MARK BROWNRIDGE

Mark has over twenty years' experience in Financial Services and, prior to commencement of his current position, he was Head of Research and Development at Mazars, a leading UK financial planning firm. Mark is highly qualified, being a Certified Financial Planner, Chartered Financial Planner, Chartered Wealth Manager and Fellow of the Personal Finance Society and previously sat on the Chartered Institute of Securities and Investments Accredited firms committee and TISA's Distribution Policy Council. Mark also acts as a Non-Executive Director for a number of venture capital investment firms.

## Investment Adviser – Anglo Scientific Investments

DOUGLAS DUNDONALD

Douglas has over 25 years' experience founding, building and investing in technology companies. Douglas is a founder and director of Anglo Scientific and currently chairs Radio Physics, Tharos and Ateria Health.

Prior to co-founding Anglo Scientific, Douglas made a number of successful investments in software development companies and since founding Anglo Scientific has co-founded 6 companies including Radio Physics. Previously, Douglas served as an executive main board director of Anglo Pacific, a quoted (London and Toronto) public company. When an active member of the House of Lords, he held a position on the council of the Parliamentary Information Technology Committee.

He has been the honorary consul for Chile in Scotland for over 25 years and has excellent government connections both in the UK and overseas.

VITO LEVI D'ANCONA:

Vito has board and operating experience in fast growing technology companies. Currently chairman of Phasor Inc and Phasor Solutions Limited, and director of Anglo Scientific Ltd and Radio Physics Solutions Limited. He was CEO of Phasor before recruiting the current management.

Before joining Anglo Scientific, Vito held C-level roles in a number of high growth technology companies such as Parpas (in Italy, China), Auton (acquired by Esprit) and Zimiti (acquired by Digital Barriers).

Vito graduated in Mechanical Engineering in Florence, Italy and holds an MBA from the London Business School.

FRED EDENIUS

Fred is a director of Apta Biosciences, Ateria Health, Phagenesis, Phasor and Solus Scientific, several of which he co-founded. He is also a director of Anglo Scientific.

Previously, Fred worked in technology mergers & acquisitions with UBS Warburg in San Francisco. He has a wide variety of experience across different technology sectors and geographies, having worked with and advised public and private companies in the US, Europe and Asia.

Fred graduated from Harvard University with a degree in Computer Science and holds an MBA with a concentration in Entrepreneurial Management from London Business School.

## Fund Manager - Amberside Capital

DAVID LOMAS

David founded Amberside Capital with David Scrivens with whom he has worked closely since 2007. Prior to founding Amberside Capital, David gained valuable investment experience at Oxford Capital, Big Society Capital and Barclays Private Equity. David gained important insights into the dynamics, risks and success factors of early stage investing as the founder of tech start-up which created a buyer lead platform in residential property. David has been a director on over 23 investee companies. He has an MA in Economics from Edinburgh University.

DAVID SCRIVENS

David founded Amberside Capital with David Lomas. David co-founded execution only brokerage firm Clubfinance in 2002 which he sold to Wealth Club in 2018. Clubfinance was the agent for over £200 million of client assets and at the time of sale was one of the largest VCT brokerages in the UK. David co-founded the advisory and financial modelling boutique, Amberside Advisors in 2004. Amberside Advisors employs over 30 people and delivers over 200 advisory and financial modelling mandates a year. David has an MSc in Management Science and Operational Research and a BSc in Economics, both from Warwick University. He is also a Fellow of the Institute of Chartered Accountants for England & Wales and a London Liveryman.

# FEES AND CHARGES

## Fees and expenses in respect of the Fund

The Fund Manager will charge Investee Companies the Initial Charges and where possible Annual Administration Fees, so that Investors should be able to obtain tax relief on the full amount of their Subscription (subject to their personal tax position). All fees payable to the Fund Manager are disclosed below.

## Initial charges, Administrator and Custodian costs and Financial Adviser Charges

### INITIAL CHARGE

The Fund Manager will pay all costs of establishing the Fund, including all legal, custody and taxation costs, the preparation and issue of this document and any other direct expenses. In return, the Fund Manager will receive an Initial Charge of 6.5% (plus VAT, if applicable) of the amounts invested in each Investee Company through the Fund. The Fund Manager will charge the Investee Companies the Initial Charge.

### ADMINISTRATOR AND CUSTODIAN COSTS

The Fund Manager will bear the costs of the provision of custody, and administration services from its Initial Charges and ongoing Annual Administration Fees.

### COMMISSION AND FEES

Where an investor has been introduced by a financial intermediary a commission may be payable. The commission will be payable by the Fund Manager and will come out of the Annual Administration Fees payable from the Investee Companies and therefore will not affect EIS relief.

### ANNUAL ADMINISTRATION FEE

The Annual Administration Fee is 2.00%. In the first instance the Fund Manager would expect this to be paid by the Investee Company. In cases where an Investee Company is unable to facilitate this ongoing Annual Administration Fee, the Fund Manager will seek alternative methods for this fee, which could include a payment upfront from the Investee Company or net any unpaid Annual Administration Fees from Distributions made from the Investee Company to the Investors. This ensures that this fee is not taken from Investor subscriptions and therefore does not reduce upfront tax relief.

### PERFORMANCE INCENTIVE FEE

In order to further align interests between the Fund Manager, Investment Adviser and Investors, a Performance Incentive Fee is payable of 20% of the Distributions an Investor receives from an Investee Company in excess of their initial investment. This Performance Incentive Fee will not be payable until Investors receive cash proceeds equal to 150% of the amount invested in that Investee Company.

### VAT

Value Added Tax will be charged where applicable.

### ABORT FEES

The cost of all deals that abort will be borne by the Fund Manager. The Fund Manager retains the right to charge upfront arrangement fees (in addition to the Annual Administration Fee), monitoring fees and, where there is board representation, directors' fees to companies in which the Fund invests. Like the abort fees, the level of these fees cannot be determined at the outset.

# ADMINISTRATION AND OPERATION OF THE FUND

The minimum investment for an individual Investor in the Fund is £25,000. There is no maximum investment although, for the 2018/19 tax year onwards, the maximum amount on which an Investor can obtain EIS Relief on all EIS investments is £2,000,000 per tax year (where any amount invested above £1 million is invested in Knowledge Intensive Companies) A maximum investment of up to £1 million may also be carried back from the 2018/19 tax year to the 2017/18 tax year. Each spouse has their own limit and they are not aggregated. The limits do not apply to capital gains tax deferral or IHT relief which are unlimited.

The Fund Manager is aiming to raise £25 million in the Fund in 2019, but will accept up to £50 million, which could be extended at the discretion of the Fund Manager. Investors' Subscriptions will normally be invested in a minimum four Investee Companies depending on when an Investor invests during the tax year, the amount of Subscriptions at the disposal of the Fund Manager, and the existing opportunities available to the Fund Manager. The Manager may invest all of your Subscription in a single company where you have expressed a preference for investment in a particular company in your Application Form.

## Withdrawals

Investors are entitled under the terms of the Investor's Agreement, to withdraw their portfolio from the Fund as follows:

- Cash: at any time;
- Ordinary shares which qualify for EIS relief: at any time after the expiry of seven years following the issue of the shares;
- Any Ordinary shares which can be dealt in on a recognised investment exchange: at any time after the expiry of three years following the issue of the shares; and
- Ordinary shares which do not qualify for EIS relief: at any time after the expiry of six months following the date on which they ceased to be EIS qualifying.

If an Investor terminates their Investor Agreement, this will lead to their investment in the Investee Companies being certificated into their own name. Investors may be permitted to continue to use the Custodian service at a cost agreed between them and the Custodian.

The Fund Manager will have a lien on all Investments being transferred into the Investor's name and shall be entitled to take

or dispose of some or all of the investments and apply the proceeds in discharging an Investor's liability to the Fund Manager in respect of charges or accrued but unpaid fees.

## Custody and Client Money Account

Your investments will be registered in the name of Amberside Nominees Ltd which will provide nominee services to Investors in a fiduciary capacity. Amberside Nominees Ltd is a wholly owned subsidiary of Amberside Capital Ltd. Each time an investment is to be made by the Fund, the Fund Manager will direct Amberside Nominees Ltd to purchase and hold a specific number of Investee Company shares on behalf of each Investor and all such investments and the rights attaching to them will be exercisable only on the instructions of the Fund Manager or the Investor pursuant to the terms of the Investor's Agreement. Accordingly, Amberside Nominees Ltd will be the registered owner of investments but for legal and tax purposes individual investors will be the beneficial owners of such shares and, pursuant to schedule 6 of the Companies Act 2006, Investee Companies will never be subsidiaries of Amberside Nominees Ltd. The Fund Manager will maintain records of Investors' beneficial interests in the Fund's investments and of their respective entitlements to any dividends, returns of capital or the proceeds of any exits.

Your Subscription and all proceeds from the realisation of the Investments before being distributed to the Investors will be deposited by the Manager in a client account in the name of Amberside Nominees Ltd with such custodians or bankers of whom the Investment Committee shall approve from time to time. This client account will have trust status so that all monies in it and all interest earned shall belong to investors. The Fund Manager may make withdrawals from this account to pay for fees but withdrawals for investment purposes or to return funds to investors which exceed £100,000 will require the joint signature of two members of the Investment Committee one of whom is not an officer or employee of the Fund Manager. The Fund Manager will not be liable to any investor in the event of insolvency of any custodian or bank with whom and investor's cash is held.

## Allocations

The Fund Manager will maintain accounts for each Investee Company, which will be open to inspection by each Investor, showing the amount contributed by that Investor and the amounts invested or to be invested on that Investor's behalf. The number of shares in each Investee Company allocated to a particular Investor shall, so far as possible, be calculated by

reference to the proportion which the Investor's Subscription bears to the total uninvested Subscriptions by all Investors in the Fund at the time the Investment is made. It is intended that monies received from each Investor will be invested on a pro-rata basis to his or her Subscription through the Fund, as investment opportunities arise. Variations to this standard procedure will occur to avoid the Investee Companies issuing fractions of shares, or if an Investor is subject to professional rules preventing them from making an investment in a particular Investee Company.

## Timing of investment

The Fund Manager intends to invest Subscriptions within 12 months of investment. There is, however, no guarantee that this will be achieved and indeed investors should expect a longer time frame. Should an Investor die before their Subscription is fully invested, all un-invested Subscriptions will be returned by the Fund Manager upon receipt of death certification and instructions from the Investor's personal representatives. Where the Investor has a preference to have their funds invested within a particular tax year, they should contact the Fund Manager.

## Investment in selected Investee Companies

When the Investment Committee has selected a suitable Investee Company and appropriate terms and conditions have been negotiated, the Fund Manager will instruct the Custodian to subscribe for new Ordinary Shares in the Investee Company on behalf of Investors. Share certificates will be issued in the name of the Custodian for each Investor. Any dividends received by the Fund Manager or the Custodian from Investee Companies will be credited to the Investor's account. The Fund Manager does not, however, anticipate any dividends being paid by the Investee Companies.

## Investee Company monitoring and reporting

The Fund, or their Independent Co-Investors, will typically expect to have a board seat to represent shareholders' interests. Investee Companies will be obliged to share board papers with directors on a regular basis and to report to the Fund quarterly.

Until an Exit is achieved, the Fund Manager will seek to ensure that Investee Companies comply with the EIS rules and are appraised of the consequences should EIS Reliefs be withdrawn. Tax relief may be withdrawn in certain circumstances and the Fund Manager does not accept any liability for any loss or damage suffered by any Investor or other person in consequence of such EIS Reliefs being withdrawn or reduced. In this regard, Investors are strongly advised to read "The risks explained" section on pages 27 to 30.

## Investor communication

Each Investor will receive from the Fund Manager a report detailing each new Investment made on their behalf as and when Investments are made. The Fund Manager will also send each Investor annual reports containing details of all Investments made by the Fund Manager, together with a commentary on the progress of each of those Investments. Following investment (and once a company has been trading or carrying out research and development for four months), Investee Companies will apply to HMRC for EIS 3 certificates, which may be used to claim tax reliefs, subject to each Investor's personal circumstances. For investment made before 31 March 2019 it is anticipated that Form EIS 3 will be sent to investors in respect of each Investee Company by 31 January 2020 (although this timeline cannot be guaranteed).

Investors will be provided with a cloud-based reporting platform which will enable access to information on the composition and performance of their investment. Paper or e-mail based reporting will also be available.

## The Custodian

By completing the Application Form, prospective Investors will, subject to right of cancellation, be deemed to have irrevocably agreed to the Fund Manager appointing the Custodian to exercise the powers, and to carry out duties, on behalf of the Investors in accordance with the provision of the Investor Agreement.

## Qualifying criteria for EIS Qualifying Companies

At the time of issue of the shares by an Investee Company and throughout the Minimum Holding Period, both the investor and that Investee Company must meet certain conditions in order for an issue of shares to qualify under the EIS. Amongst these conditions, to be eligible for EIS investment, a company:

- Must carry on a qualifying trade (most trades qualify but some don't – see HMRC's website for a full list of excluded activities);
- Must have no more than £15 million in gross assets at the time of the investment;
- Must not be listed on a recognised stock exchange;
- Must have no arrangements in place for any shares in the company to become listed;
- Must not be controlled by another company;



- Must have no arrangements in place to be controlled by another company; and
- Must have a permanent establishment in the UK and exist to carry on a qualifying trade.

EIS Qualifying Companies are limited as to size with the maximum number of full-time equivalent employees in the EIS Qualifying Company at the time of fund raising being 499 (249 if the company is not a Knowledge Intensive Company).

The above rules qualify if the company is part of a larger group.

The qualifying business activity, for which the money is raised by the share subscription, must be a trade carried on by the EIS Qualifying Company or via its subsidiaries and the trade must be conducted on a commercial basis and with a view to the realisation of growth and profit. Generally, the trade of EIS

Qualifying Companies must not be more than seven years old at the time of the first EIS investment (ten years for a Knowledge Intensive Company). The maximum fund raising for each EIS Qualifying Company is restricted to £10 million per year (£5 million if the Company is not a Knowledge Intensive Company) and the monies raised by the share subscription must be utilised for the qualifying trade within two years of the share issue. Additionally, a company must not raise more than a total of £20 million (£12 million if the company is not a Knowledge Intensive Company) through any combination of EIS, Venture Capital Trust investment and certain other publicly funded support.

All EIS investments made on or after 15 March 2018 must meet the 'risk to capital' condition.

Shares issued under EIS must be ordinary non-redeemable shares, with no preferential rights to assets in a winding up and limitations on preferential rights to income.



## STRUCTURE AND TAX STATUS

The Fund is an EIS venture capital fund where the Fund Manager, acts on behalf of all Investors in common by making and managing investments which fall within the common investment policy for the Fund described in this Information Memorandum.

In accordance with current FCA policy, the Fund is the regulatory client of the Manager for the purposes of determining which provisions of the FCA Conduct of Business Rules will regulate the obligations owed by the Manager to Investors in common. Accordingly, Investors will not be treated on an individual basis as clients of the Manager for regulatory purposes. The Fund will be a per se professional client of the Manager.

The Fund is an EIS Fund for the purposes of FCA regulations. It is a Complying Fund and is therefore not a collective investment scheme within the meaning of section 235 of the Financial Services and Markets Act 2000 ('FSMA') nor a 'non-mainstream pooled investment' as defined in the FCA's Conduct of Business Sourcebook.

The Fund will comprise of Investments in a selection of EIS Qualifying Companies, which a minimum of 50% are expected to fall under the HMRC definition of a Knowledge Intensive Company (note, this may not be the case if an Investor chooses their own portfolio). For legal and tax purposes, each Investor will be the beneficial owner of a specific number of shares in each Investee Company. All Investments and cash within the Fund will be managed together on behalf of all Investors and in accordance with the Investor Agreement.

Following investment (and once a company has been trading or carrying out research and development for four months), investee companies will apply to HMRC for EIS 3 certificates which, upon receipt, will be distributed to Investors by the Fund Manager, setting out that Investor's entitlement to any EIS tax relief.

Subscriptions may be invested in one or more Investee Companies depending on when Subscriptions are received, the amount of Subscriptions at the disposal of the Fund Manager, and the existing opportunities available to the Fund Manager. Investors should note that they may only be invested in four Investee Companies, or fewer if they choose a single company portfolio.

The Minimum Subscription is £25,000, which is payable upon submitting an Application Form. This minimum may be lowered at the discretion of the Fund Manager if the investor is choosing to invest in a single company only. Capital may be returned to Investors as realisations from Investee Companies are made. All Fund Manager fees and charges will be levied against Investee Companies and Investors should therefore benefit from EIS relief on the full amount invested in the Fund.

Initial commission may be payable to an Intermediary if agreed, which will be paid by the Fund Manager with no additional fees payable by the Investor.

All fees and charges stated in this Brochure are net of any VAT which will be added if applicable. Further details of fees and charges are set out in the Investor Agreement.



## RISKS EXPLAINED

*Making an investment of any kind, whether it's buying a house, investing in a pension, even depositing monies in a bank involves an element of risk. The Amberside Scientific EIS Fund will invest in Unquoted companies which involves a higher investment risk than, for example, investing in companies quoted on the London Stock Exchange. So before investing you need to be aware of the following:*

### Loss of capital

Although we target companies which we consider to have the potential to deliver high returns, these returns are not guaranteed, and you may lose your money. Returns will depend on the value of the Investee Companies that the Fund will invest your money into, plus any income that is derived from them. Your returns will also be affected by any charges that the Investee Companies will pay the Fund Manager, and/or Investment Advisor. As with all investments, your capital is at risk; their value can fall as well as rise and you may get back less than you originally invested, if anything at all.

### Past performance

The past performance of Investments made by the Fund Manager must not be regarded as an indication of future performance.

### Forward looking statements

This Investment Memorandum contains forward-looking financial statements and illustrations about the Fund. Such forward-looking financial statements and illustrations, by their nature, are not guarantees of future performance and involve risks and uncertainties, and the actual results may differ materially as a result of various factors, and therefore the Investor should not place reliance upon them.

### Liquidity risk

Investments in Unquoted companies can be difficult to sell, especially when compared against quoted companies where there is normally a liquid market between buyers and sellers.

Redemptions via share buy backs would be expected to take longer, and in exceptional circumstances (such as a change in tax rules) where the liquidity in the Investee Companies might be insufficient to arrange a share buyback, the process could be much longer as the underlying businesses would need to be sold.

The Fund Manager will always be focused on maximising the proceeds that are generated should they need to undertake this process.

Investors should be aware that a winding-down/sale process could take in excess of a year and this should be considered before any investment in the Fund is made.

### Long term investment

In order to qualify for EIS Reliefs you will need to hold your investment in each investee company for the Minimum Holding Period. EIS Relief will be withdrawn if an investment is not held for three years from the date of investment (or from the date of commencement of the Investee Company's trade if later), or if the Investor (or someone closely associated with the Investor) is or becomes connected with any EIS Qualifying Company in which an investment is made either within two years before or three years after the date of Investment in the Investee Company.

### Minimum fund raising

If the Minimum Fund Size is not reached within six months of the date of this Information Memorandum the Fund will not proceed (subject to the discretion of the Fund Manager) and Subscriptions will be returned (net of any Adviser Charges that may have already been paid).

### Concentration risk

The Fund may only invest in a small number of Investee Companies and furthermore there could be a significant sector bias. Diversification of the Fund could therefore be limited, which could increase the level of risk you are undertaking.

Investors should note they may only be invested in four Investee Companies.

### Cessation of Fund Manager

The Fund Manager reserves the right to cease to manage the Fund in certain circumstances as set out in the Investor Agreement, in which event it will try to transfer the Investments to another fund manager or to terminate the strategy in an expeditious way, but there is a possibility that the EIS Reliefs may be lost.

### Legal and regulatory

There may be changes in the future to the legal framework and regulatory status surrounding the strategy, its Investee Companies and their assets.

## Conflicts of interest

The interest of the Fund Manager may from time to time conflict with those of the Investor. The Fund Manager has strict controls and procedures in place to deal with any conflict as and when it may arise. The Fund Manager refers to their "Conflicts of Interest" policy in clause 13 of the Investor Agreement, which forms part of this Information Memorandum.

During your investment, conflicts of interest may arise between you and us, or our employees, partners, associated companies or representatives. To ensure we treat Investors consistently and fairly, we are required to have a policy on how to identify and manage these conflicts.

A summary of our policy is detailed on this page. A copy of the full policy is available on request.

We will:

- I. consider the interests of all our investors and treat them fairly;
- II. manage conflicts of interest fairly to ensure that all investors are treated consistently and to prevent any conflict of interest giving rise to a material risk of damage to the interests of our customers;
- III. have in place procedures to ensure that staff identify and report any new conflicts;
- IV. keep a written record of any conflicts or potential conflicts;
- V. if appropriate, disclose any relevant conflict to a customer before undertaking business with them; and
- VI. ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom we delegate any of our responsibilities.

In relation to the Fund, Amberside's interests should generally be aligned with the interests of Investors as its role as Fund Manager is to manage the Investee Companies within the Fund successfully so as to maintain and increase value for Investors. However, there are specific circumstances where conflicts may arise, in particular where the Investee Company enters into transactions with other entities either managed or owned (either partially or fully) by Amberside, Anglo Scientific, or its related parties.

In addition, there will be conflicts of interests where the Fund invests in companies which the Investment Adviser (Anglo Scientific) have been involved with (and been an investor in) for some time.

Where such circumstances arise, we will manage the potential conflicts of interest as follows.

- For each entity where Anglo Scientific has been involved and/or been an investor in for some time, Anglo Scientific will be excluded from decision making on the Investment Committee or for related party contracts;
- Where companies with common ownership to Amberside are seeking to provide services to Investee Companies, Amberside will not be involved in the Investee Company's decision making in relation to such contracts.

In this way any potential or actual conflicts of interest will be managed in such that they do not have a detrimental effect on the interests of Investors.

## Financial Services Compensation Scheme (FSCS)

Whilst the Fund Manager is authorised and regulated by the Financial Conduct Authority, the Fund is categorised as an Alternative Investment Fund, therefore participation into the Fund is not covered by the FSCS.

## Deal Flow

Investors should be aware that there is a risk that the Fund Manager and Asset Manager may be unable to find a sufficient number of investment opportunities that meet its investment criteria. It may, therefore, be the case that not all Subscriptions are fully invested in a timely manner.

Any delay in making Investments by the Fund Manager will delay the commencement of tax reliefs for the Investor and the receipt of their Form EIS 3. The level of returns from Investments may be less than expected if there is such a delay insofar as all or part of the Fund is held in cash or near cash investments for longer than expected, or, if invested at all, the returns obtained on Investments are less than planned, or if Investments cannot be realised at the expected time and values. There can be no guarantee that suitable Investment opportunities will be identified in order to meet the Fund's objectives.

## The team

The performance of the Fund will depend in part upon the skill and expertise of the members of the Fund Manager and the Investment Adviser, the departure of any of whom could have a significant effect on this performance.



## Valuation

The Fund Manager will value the Investments, on a basis consistent with the valuation principles issued by the British Private Equity and Venture Capital Association. These principles may vary from time to time but normally will be based on either cost, the valuation achieved at the most recent fund raising or net realisable value. Investors should be aware that the value of shares in an Unquoted company can fluctuate.

## Operational risk

The Investee Companies will be subject to operational risks which could reduce the performance of the Investee Companies. Examples of such risks could be a delay in product development; delays and increased costs of finding customers, technology not developing as expected, increased competition in market place, inability to raise future funding required, changes to the regulatory environment or the loss of key staff.

## Tax risks - Investor

Rates of tax, tax benefits and allowances described in this Information Memorandum are based on current legislation and HMRC practice. These may change from time to time, are not guaranteed and may depend on the Investor's personal circumstances.

The Fund has been designed with UK resident taxpayers in mind. It may not be advantageous for persons not resident or ordinarily resident in the UK to invest in the Fund.

Income tax relief available is subject to Investors making the proper filing of returns with HMRC within the required timeframe and reliefs may be lost if the necessary steps are not taken.

There are circumstances in which an Investor could cease to qualify for the taxation advantages offered by the EIS. For example, if an Investor receives value one of the Investee Companies during the period beginning one year before the shares in the Investee Companies are issued and ending on the conclusion of the Minimum Holding Period. Payment of a normal dividend would not typically be regarded as a receipt of value.

## Tax Risks - Investee Company

Whilst it is the intention of the Fund Manager to invest in companies that qualify for EIS tax relief, the Fund Manager cannot guarantee that all Investments will qualify and, if they do so initially, that their status will be maintained. A failure to meet

the qualifying criteria could result in adverse tax consequences for Investors.

Following an investment in an EIS Qualifying Company, the continued availability of EIS Reliefs to the Investor depends on compliance with the requirements of the EIS legislation by both the Investor and Investee Company.

Although advance assurance may be sought from HMRC that the Investee Companies are expected to be EIS Qualifying Companies and their activities should qualify under the EIS prior to making an investment, there is no guarantee that the formal EIS claims will be agreed or that such agreement will not be subsequently withdrawn.

In those circumstances, Subscription monies will not be returned to Investors. If an Investee Company fails to obtain EIS3 tax certificates for investors, or if EIS Relief is subsequently withdrawn, capital gains tax deferral relief would not be available to Investors or could be withdrawn.

The dates on which initial income tax relief, capital gains tax deferral relief and inheritance tax relief relating to investment in EIS Qualifying Companies are expected to be available will vary depending on the date on which the Fund Manager makes qualifying investments, and when the Investment is ultimately realised.

The Fund Manager intends to invest Subscriptions in Investee Companies in the 2018/19 and 2019/2020 tax years. As already noted under "Deal Flow" in the "Risks Explained", there can be no guarantee that suitable investment opportunities will be identified by the Fund Manager, which may lead to Investors' Subscriptions not being invested in the 2018/19 or 2019/2020 tax years and therefore EIS tax relief being deferred to later tax years or not at all. If a UK individual wishes to take advantage of the capital gains tax deferral relief, shares must be issued within one year before and three years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. Capital gains tax deferral relief will not, therefore, be available for individuals with gains that fall outside this period.

Where an Investor or an EIS Qualifying Company ceases to maintain EIS qualifying status in relation to the investment, this could result in a requirement to repay the income tax relief received together with interest, a potential liability to tax on capital gains on a disposal of the Investment, and any deferred capital gain crystallising.

Following the admission of an Investee Company to the main market of the London Stock Exchange, (but not to trading on AIM) or certain overseas stock markets, many of the previously available tax reliefs may cease.



A sale of shares in the Investee Companies within the Minimum Holding Period will result in some or all of the 30% income tax relief available for those shares becoming repayable to HMRC and any capital gains on such shares and any deferred gain being subject to CGT. It is possible for Investors to lose their EIS Reliefs and/or capital gains tax deferral relief and/or Business Relief by taking or not taking certain steps. Investors are advised to take appropriate independent professional advice on the tax aspects of their investment.

The levels and bases of reliefs from taxation may change or such reliefs may be withdrawn. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Investors.



# INVESTOR'S AGREEMENT

This Agreement sets out the terms and conditions for the Amberside Scientific EIS Fund.

## 1. Definitions, Construction and Interpretation

- 1.1 In this Agreement the definitions set out at page 44 to 46 of this Information Memorandum issued by the Manager shall apply.
- 1.2 Words and expressions defined in the FCA Rules which are not otherwise defined in this Agreement shall, unless the context otherwise requires, have the same meaning in this Agreement.
- 1.3 Any reference to a statute, statutory instrument or to rules or regulations shall be references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 1.4 References to "you" or "your" are references to the Investor who enters into this Agreement with the Manager. References to the singular only shall include the plural and vice versa.
- 1.5 Unless otherwise indicated, references to Clauses shall be to Clauses in this Agreement.
- 1.6 Headings to Clauses are for convenience only and shall not affect the interpretation of this Agreement.

## 2. Investing in the Fund

- 2.1 This Agreement between you, as an Investor and the Manager comes into force on the date on which the Manager accepts your Application Form. The Manager will notify you by email (if you have provided an email address) if your Application Form is accepted. No notification will be provided if you have not provided a valid email address.
- 2.2 This Agreement enables you to appoint the Manager as a discretionary investment fund manager to act on your behalf to make venture capital investments in EIS Qualifying Companies and to manage those investments in common on behalf of all Investors in accordance with the Investment Objective. The Fund will be a Complying Fund.
- 2.3 You, as an Investor, hereby appoint the Manager, on the terms set out in this Agreement, to manage your Portfolio as one of a series of similar Portfolios, which together constitute the Fund. The Manager accepts its appointment and obligations on the terms set out in this Agreement. You, as the Investor, grant the Manager full authority, at the Manager's sole discretion and without reference to you, to enter the kind of transactions or arrangements for your account and to invest, on your behalf, in the type of investments or assets set out in the Information Memorandum. Any Investments made on your behalf will be made on a restricted basis and limited to the types of investments detailed in the Information Memorandum.
- 2.4 You, as an Investor, acknowledge that the Manager has the authority to carry out administration and receiving agent services on your behalf but may appoint third parties to do so which the Manager considers suitable.
- 2.5 The Manager is authorised and regulated by the FCA for the conduct of UK business.
- 2.6 This Agreement is entered into by the Manager on behalf of itself and, to the extent that it is relevant, on behalf of Amberside Nominees Limited, the Custodian.
- 2.7 In consideration of the Manager's appointment, the Manager shall be entitled to the fees expressed to be payable under this Agreement.
- 2.8 You confirm that you have expertise, experience and knowledge in the investment field relevant to the Amberside Scientific EIS Fund and that you are an experienced investor in medium to high risk, Unquoted companies and have suitable knowledge of the risks associated with non-Readily Realisable Investments such as to give reasonable assurance to the Manager, in the context of the nature of the transactions or services envisaged, that you are capable of making your own investment decisions and understanding the risks involved in a participation in the Amberside Scientific EIS Fund and that such participation is appropriate for you.
- 2.9 You confirm that you are not seeking advice from the Manager or Anglo Scientific on the merits of your Subscription and any investments made by the Fund.
- 2.10 The Manager may from time to time utilise an online service to assist with the monitoring and reporting of your Investment in the Fund. This service will be operated by a third party and any additional terms and conditions associated with the service you will be required to sign up to in order.

**2.11** The Manager has a duty to comply with the anti-money laundering provisions of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2017 and the FCA Rules. The Manager will therefore verify your identity and report suspicious transactions to the appropriate enforcement agencies. If you do not provide the identity verification information when requested, the Manager may be unable to accept any instructions from you or provide you with any services or return proceeds to you.

**2.12** The Manager will comply with FCA conduct of business rule 11.2, as more particularly detailed in Schedule 3 to this Investor's Agreement.

### 3. Subscription

**3.1** You, as an Investor:

**(a)** must make a Subscription of not less than £25,000 (other than with the discretion of the Manager) at the same time as submitting your Application Form to invest in the Fund; and

**(b)** may make such greater Subscription (in multiples of £1,000) as you may decide.

subject to the Manager's discretion to accept your application to invest in part only. If your application to invest is scaled back the Manager will refund to you the amount of your proposed Subscription which is not accepted in accordance with clause 3.4.

**3.2** You may make a withdrawal from the Fund, or terminate this Agreement, pursuant to Clause 15 below.

**3.3** Your Subscription Monies shall be deposited in a client account held by the Custodian and will only be available to invest pending the Manager accepting your Application Form. The Custodian does not pay interest on money held, although this may be reviewed if deposit rates at banks are increased significantly.

**3.4** The basis and extent of acceptance of your application will be determined by the Manager in its absolute discretion. It is intended that applications will be accepted in the order in which they are received. The right of the Manager is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any application. Subscription Monies not accepted will be returned to the applicant in full by means of a bank transfer to the account they were received from. The right is also reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects complying with the application procedures

set out in this Agreement. In particular, but without limitation, the Manager may accept applications made otherwise than by completion of an Application Form where the applicant has agreed in some other manner to apply in accordance with these terms and conditions.

**3.5** The Fund is categorised by the Manager as the equivalent of an "as a professional client" and this Investor's Agreement taken together with all other Investor's Agreements constitute the "Client Agreement" between the Fund and the Manager for the purposes of the FCA Rules.

### 4. Services

**4.1** The Manager will manage the Fund on the terms set out in this Investor's Agreement. The Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Investor's Agreement. For the avoidance of doubt this includes any conversion of shares, the amount of capital invested in an Investee Company, voting or other rights relating to such shares, and you hereby irrevocably authorise and empower the Manager in this regard.

**4.2** The Tax Advantages are dependent on your personal circumstances as well as the actual underlying Investments made by the Fund. In providing its services to you, the Manager shall not be required to take into account taxation matters and the Manager and the Custodian do not provide tax advice. Therefore, you should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect that this may have on your own position generally.

**4.3** The Manager will provide administration services for the Fund on the terms set out in this Agreement and the Custodian will provide nominee services in relation to the holding of Investee Company shares. The Manager may appoint a third party to provide administration services to the Fund on such terms as may be approved by the Investment Committee.

**4.4** You hereby authorise (and grant to the Manager a power of attorney for) the Manager or its agents to act on your behalf and in your name (or on behalf of your nominee and in their name) to negotiate, agree, execute and do all such acts, transactions, agreements and deeds as the Manager or its agents may deem necessary or desirable in connection with the Fund for the purposes of managing your Portfolio including making, and managing and disposing of Investments and cash on your behalf and generally fulfilling the objectives and purposes of

the Fund (including facilitating the payment of agreed charges on behalf of Investors to their financial intermediaries). This authority (and power of attorney) shall be irrevocable and shall survive, and shall not be affected by, your subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution. This authority will terminate upon the Investor ceasing to hold any cash or other assets in the Fund.

- 4.5** The Manager and Investment Advisor shall not have any authority to act on your behalf or as your agent, except as expressly provided in this Agreement or as the Manager may otherwise be authorised by you (or by an authorised person on your behalf) from time to time.

## 5. Investment Objective and Restrictions

- 5.1** In performing its discretionary investment management services, the Manager shall have regard to and shall comply with the Investment Objective and the Investment Restrictions.

- 5.2** In performing its discretionary investment management services, the Manager shall at all times have regard to:

- (a)** the need for the Investments to attract the Tax Reliefs; and
- (b)** all Applicable Laws.

- 5.3** Surplus cash held prior to investment in investee companies and, in the event of a gradual realisation of Investments prior to termination of the Fund under Clause 15.1, any cash proceeds of realised Investments, may be placed on deposit or invested in government securities or in other investments of a similar risk profile.

## 6. Terms Applicable to Dealing

- 6.1** In effecting transactions for the Fund, the Manager will act in accordance with the FCA Rules.

- 6.2** Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of the relevant market or exchange and the Manager shall take all such steps as may be required or permitted by such rules and regulations and/or by good market practice. All transactions in Investments will be subject to the rules and customs of the exchange or market and/or clearing house through which the transactions are executed and to all Applicable Laws so that:

- (c)** if there is any conflict between the provisions of this Agreement and any such rules, customs or Applicable Laws, the latter shall prevail; and

- (d)** action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Laws.

You should, however, be aware that Subscriptions will be invested in a range of unlisted securities and there is generally no relevant market or exchange and consequent rules and customs and there will be varying practices for different securities. Transactions in shares of such securities will be effected on the best commercial terms that can be secured.

- 6.3** Subject to the FCA Rules, transactions for an Investor may be aggregated with those for other Investors and may be aggregated with other customers of the Manager, and of its employees and Associates and their employees. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, but you should be aware that the effect of aggregation may work on some occasions to your disadvantage.

- 6.4** Generally investments will be allocated between Investors by reference to the proportion which the Investor's uninvested cash bears to the total uninvested cash of all Investors, though the Manager may invest all of your Subscription in a single company where you have expressed a preference for investment in a particular company in your Application Form.

- 6.5** When determining the price per share and number of shares to be allocated to an Investor in an Investee Company, the Manager takes into account the following:

- (a)** the timing of the Investments;
- (b)** variations to prevent Investors having fractions of shares; entitlements to shares will be to the nearest whole share rounded down and the aggregate of fractional entitlements may be held by the Custodian for the Manager; and
- (c)** if one or more of the Investors has notified the Manager that they are an accountant, lawyer or other professional person who is subject to professional rules preventing him/her from making an Investment in a particular Investee Company, then the number of shares provisionally allocated



to that Investor or Investors shall not be acquired for any of their Portfolios in the Fund; and

- (d) whether the Investor is liable to pay their IFA (where the IFA treats the Investor as a retail client) adviser fees or (where the IFA treats the Investor as a professional client) commission (as applicable).

**6.6** The Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement.

## 7. Custody

**7.1** Investments will be registered in the name of the Custodian. Investments within your Portfolio will therefore be beneficially owned by you at all times but the Custodian will be the legal owner of the Investee Company shares. The Custodian will not, save as set out in clauses 7.5 and 7.6, carry on any activity except as instructed by the Manager.

**7.2** The Manager will hold any title documents or documents evidencing title to the Investments on behalf of the Nominee. Individual customer entitlements are not identifiable by separate certificate or other physical document of title. In the event of a default of the Custodian, those for whom it holds securities may share in any shortfall pro rata. On occasion, your Investments may be used to settle other person's transactions which will not affect the Manager's record of your entitlements. The Custodian holds the Investments pursuant to a trust under which the interests of Investors are created or extinguished when the Manager makes acquisitions or disposals in accordance with this Agreement. Pursuant to section 250(1) and 257HE Income Tax Act 2007 shares subscribed for, issued to, held by or disposed of for an individual by a nominee are treated for the purposes of the EIS and SEIS as subscribed for, issued to, held by or disposed of by the individual Investor. The Manager shall maintain at all times a record sufficient to identify your beneficial interest in the whole number of shares allocated to your Portfolio and the cash within your Portfolio.

**7.3** Investments or title documents may not be lent to a third party and nor may there be any borrowing against the security of the Investments or such title documents.

**7.4** An Investment may be realised in order to discharge your obligations under this Agreement, for example in relation to payment of fees, costs and expenses.

**7.5** The Manager will arrange for you to receive details of any meetings of investee companies in which you are

invested and any other information issued by investee companies if you at any time in writing request such details and information (either specifically in relation to a particular Investment or generally in respect of all Investments). You shall be entitled, as a matter of right, to require the Custodian to appoint you as its proxy to vote as you may see fit at any meeting of shareholders in an Investee Company in which you are invested. If you are not validly appointed as the Custodian's proxy for the purposes of a meeting of the shareholders of an Investee Company, and upon the application of the Manager to the Custodian, the Custodian may (but is not obliged to) appoint the Manager as its proxy to vote at that meeting. In the case of variations in the share capital, receipts of a notice of conversion or proposal to wind up, amalgamate or takeover a company in which an Investment is held for you:

- (a) a bonus or capitalisation issue will be automatically credited to an Investor's holding;
- (b) otherwise (where appropriate) the Manager will be sent a summary of the proposal and the required action to be taken (if any);
- (c) in the case of a rights issue or other proposed variation, the Custodian will send the Manager such summary of the proposal and the required action to be taken (if any) as it may receive, and if no instruction is received from the Manager, the Custodian will allow the rights to lapse. Lapsed proceeds in excess of £3 will be credited to you. Sums less than this will be retained for the benefit of the Custodian. However, if nil paid rights in a secondary market are acquired for you, such rights will be taken up, unless the Manager provides contrary instructions;
- (d) all offers will be accepted by the Custodian only upon instructions from the Manager;
- (e) entitlement to shares will be to the nearest whole share rounded down and the aggregate of fractional entitlements may be held by the Custodian for the Manager;
- (f) if partly paid shares are held for you and are the subject of a call for any due balance and no instruction is received from the Manager, the Custodian may sell sufficient of your Investments as (in its reasonable opinion) is necessary to meet the call; and
- (g) in the case of a proposal to wind up, amalgamate or take over an Investee Company the Manager



will be sent a summary of the proposal and the required action to be taken (if any).

**7.6** Where applicable, you are responsible for complying with all requirements under the Takeover Code and to notify the FCA and the Takeover Panel of dealings in relevant shares during a takeover or merger.

**7.7** You hereby authorise the Investment Committee, acting as a representative organ of the Fund in its capacity as a professional client of the Manager, to:

**(a)** consent to and approve arrangements for the holding of money which correspond with the following conditions that;

**(i)** money held for an Investor is deposited with an authorised banking institution in a common call account with customer trust status, together with cash balances belonging to other Investors;

**(ii)** the Manager operates such account jointly with such other person or persons of whom the Independent Investment Committee shall approve;

**(iii)** all dealings with money in amounts exceeding £100,000 (or such other limit of which the Investment Committee shall approve) shall require the prior authorisation of a member of the Investment Committee;

**(iv)** cash balances will not be actively managed;

**(v)** any interest earned on cash balances held for Investors will be retained by the Custodian; and

**(vi)** the Manager may decide to cease to treat as money owed to an Investor any unclaimed cash of an Investor if the Manager has taken reasonable steps to contact the Investor and to return the balance for a period of at least six years and, in such circumstances, the Manager may retain such funds for its own benefit.

**(b)** where arrangements for the holding of money correspond with the requirements of paragraph (a) above, opt out of the FCA client money rules in accordance with CASS 7.10.10 and to acknowledge that money will not therefore be required by the FCA Rules to be segregated from money of the

Manager and so, but for the provisions of this clause 7.8, money could be used by the Manager in the course of its own business and, were this to be the case, the Fund would only rank as a general creditor of the Manager; and

**(c)** approve, as they shall think fit, alternative arrangements, for the holding of money by a person authorised to do so by the FCA including, if it is so authorised and so elects, by the Manager.

**7.8** The Manager may debit or credit the account for all sums payable by you or to you (including dividends receivable in cash and fees and other amounts payable by you) and make adjustments:

**(a)** in respect of sums received by you otherwise than as a result of credits properly made to the account initiated by the Manager under this Agreement; and

**(b)** to effect settlement in respect of Investments.

Share dividends shall not be receivable under this Agreement otherwise than in cash.

Interest may be payable on credit balances on the bank account and shall be paid to the Manager as a contribution towards the cost of establishing and maintaining the Fund.

**7.9** The Manager may decide to cease to treat as your money any of your unclaimed cash if there has been no movement in the balance in the bank account in a period of five years (notwithstanding any payments or receipts of charges, interest or similar items) and the Manager has taken reasonable steps to contact you and to return the balance.

**7.10** You confirm that in no event shall an investment counterparty dealing with the Manager, the Manager or Custodian with respect to any document signed or action undertaken for or on behalf of you in accordance with this Agreement be obliged to inquire into the necessity or expediency of any act or action of you, the existence or non-existence of any fact or facts which constitute conditions precedent to acts by you or any act or failure to act by you or as to any other matter whatsoever involving you. You declare that a person who deals with the Custodian, Manager and the Manager in good faith may accept a written statement signed by the Custodian, Manager or Manager to the effect that their appointment as such hereunder has not been revoked as conclusive evidence of that fact.

## 8. Reports and Information

- 8.1 You will be provided with contract notes by the Manager for each transaction.
- 8.2 The Manager shall send you a report relating to the Fund, complying with the FCA Rules, every six months. Reports will include a measure of performance in the later stages of the Fund once valuations are available for the Investments. Investments will be valued in accordance with appropriate IPEVC valuation rules from time to time prevailing.
- 8.3 The Manager shall supply such further information which is in its possession or under its control as you may reasonably request as soon as reasonably practicable after receipt of such request.
- 8.4 Any contract notes, statements, reports or information so provided by the Manager to you will state the basis of any valuations of Investments provided.

## 9. Fees and Expenses

- 9.1 The Manager shall receive fees on the basis set out in schedule 2 to this Agreement. The Manager will arrange for investee companies to facilitate the payment of such fees if practicable as well as the Adviser Charges agreed by you and your IFA (or commission, where applicable) in accordance with schedule 2 of this Agreement.
- 9.2 The Manager may facilitate or procure the facilitation of payments in respect of charges which you have agreed with your financial intermediary as detailed in the Information Memorandum and the Application Form. You confirm that any ongoing agreed charges payable to your financial intermediary are and will be for ongoing services to you in relation the Fund. You have the right to cancel the facilitation of any ongoing charges at any time notice in writing to the Manager. You may also request that facilitation of ongoing charges to a new financial intermediary who is advising you in relation to the Fund in place of previous financial intermediary. Any such request must be made by at least 30 days' notice writing to the Manager. The Manager may structure the funding and payment such payments at its discretion for legal, tax and regulatory reasons from time to time. The administration of remuneration for financial intermediaries will be managed by the Manager.
- 9.3 The Manager shall be responsible for meeting all fees and expenses of the Custodian.

## 10. Management and Administration Obligations

- 10.1 The Manager shall use all commercially reasonable endeavours on the basis and with the resources available to it as described in the Information Memorandum to provide its services properly and efficiently and in compliance with the FCA Rules.
- 10.2 Except as disclosed in the Information Memorandum and as otherwise provided in this Agreement (for example on early termination) the Manager shall not take any action which may prejudice obtaining the Tax Reliefs save where the Manager considers it to be in the best interests of Investors.

## 11. Your Obligations

- 11.1 Your Portfolio, which is to be established by this Agreement, will be established on the basis of the declaration made in your Application Form which includes the following statements in relation to your Subscription:
  - (a) that you agree to notify the Manager if any Investment is made in any company with which you are connected within the meaning of Section 163 and Sections 166 to 177 of the Income Tax Act 2007;
  - (b) that you agree to notify the Manager if, within three years of the date of issue of an Investment in an Investee Company, you become connected with the Investee Company or receive value from that Investee Company; and
  - (c) that you will provide the Manager with your tax district, tax reference number and National Insurance number.
- 11.2 You hereby confirm that the information stated in the Application Form in these (and all other) respects is true and accurate as at the date of this Investor's Agreement.
- 11.3 You must immediately inform the Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which Clause 11.1 above refers.
- 11.4 In addition, you must provide the Manager with any information which it reasonably requests for the purposes of managing your Portfolio pursuant to the terms of this Agreement.

## 12. Delegation and Assignment

The Manager may employ agents and sub-contractors, including associates, to perform any administrative, custodial or ancillary services to assist the Manager in performing its services, in which case it will act in good faith and with due diligence in the selection and use of agents but (save where the agent, adviser or other persons are an Associate of the Manager, for whom the Manager will remain directly responsible to the Investor for all acts and omissions as if they were those of the Manager) the Manager will not be responsible for the acts and omissions of any such persons. For the avoidance of doubt the provisions of this clause shall apply if the Manager appoints any person other than itself to be an administrator for the Fund or if it appoints any person to provide.

## 13. Potential Conflicts of Interest and Disclosure

**13.1** This Clause 13 list of potential conflicts of interest is not intended to be comprehensive.

**13.2** The Manager may provide similar services or any other services whatsoever to any client and the Manager shall not in any circumstance be required to account to you for any profits earned in connection therewith. So far as is deemed practicable by the Manager it will use its reasonable endeavours to ensure fair treatment as between the Fund and such clients in compliance with the FCA Rules. However, the Manager may provide advisory or discretionary fund management activities for other clients, including, without limitation, other arrangements similar to the Fund. The investment strategies employed for such other arrangements could conflict with the transactions and strategies employed in advising the Fund in respect of its portfolio and may affect the prices and other instruments in the underlying investee companies.

**13.3** The Manager and any Associate may, subject to FCA Rules, and without prior reference to you, recommend and/or undertake transactions in which they have, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with its duty to you provided however that the Manager shall make a full and fair disclosure of any conflicts of interest which may arise to the Investment Committee and shall act in accordance with such directions and guidelines as they may provide. If the Manager does this then neither the Manager, nor any Associate, shall be liable to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. For example, such potential conflicting interests or duties may arise because:

- (a) the Manager or any Associate may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving companies whose securities are held for you;
- (b) the Manager or any Associate may take an equity stake in a company whose securities are held for you at a price not below the issue price available to you. Additionally the Manager may hold an equity stake in a company whose securities are held for you which was issued to the relevant member or members of the Manager at an issue price which is less than the issue price available to you where the equity stake, or the entitlement to it is acquired before shares are issued to you;
- (c) the Manager or an Associate provides investment services for other clients. In particular the Manager may manage other funds and if investment opportunities are suitable for the Fund and other funds or accounts which it manages the Manager will allocate those opportunities in accordance with its allocation policy as in place from time to time;
- (d) any of the Manager's directors or employees, or those of an Associate, is or may become a director of, holds or deals in securities of, or is otherwise interested in any Investee Company whose securities are held on your behalf (save that any such securities held by the Manager, or an Associate will not be capable of assignment, save to employees of the Manager, or an Associate as relevant, for a period of three years following their subscription);
- (e) the transaction is in securities issued by an Associate of the Manager or the client of that Associate;
- (f) the transaction is in relation to an Investment in respect of which the Manager (or their Associates) may benefit from a commission or fee payable otherwise than by you and/or the Manager or their Associate may also be remunerated by the counterparty to any such transaction;
- (g) the Manager deals on your behalf with an Associate;
- (h) the Manager may act as your agent in relation to a transaction in which it is also acting as agent for the account of other customers and Associates;
- (i) the Manager may, in exceptional circumstances, deal in investments as principal in respect of a transaction for you;

- (j) the Manager may effect transactions involving placings and/or new issues with an Associate who may be acting as principal or receiving agent's commission. The Manager or an Associate may retain any agent's commission or discount or other benefit (including directors' fees) that accrues to them; or
- (k) the transaction is in the securities of an Investee Company for which the Manager or an Associate has underwritten, managed or arranged an issue within the period of 12 months before the date of the transaction.

## 14. Liability

**14.1** The Manager agrees that it will at all times act in good faith and with reasonable care and due diligence. Nothing in this Clause 14 shall exclude any duty or liability owed to you under the FCA Rules.

**14.2** Neither the Manager nor its partners, officers, employees and agents shall be liable to you for any direct or indirect loss, damage, costs, charges, expenses or other claims of whatsoever nature arising under, or in connection with, things done or omitted to be done by it pursuant to this Agreement, including (but not limited to) loss or damage incurred as a result of:

- (a) HMRC not granting EIS Relief or withdrawing EIS Relief previously claimed in relation to investee companies or any adverse tax implications of any transactions arising in connection with the Manager's services under this Agreement;
- (b) third party claims;
- (c) any delay or change in market conditions before any transaction is effected on your behalf;
- (d) for any losses, costs, expenses, damages and liabilities, you may suffer because of anything outside the Manager's reasonable control to prevent and the effect of which is beyond the Manager's reasonable control to avoid, including, but not limited to: the introduction of any change to any law; acts or regulations of any governmental or supranational bodies or authorities currency restrictions, devaluations and fluctuations; acts of terrorism; war; civil unrest; lock-out or strike, market conditions affecting the execution or settlement of transaction of the value of assets; faults and interruptions in executing trades or investments made on your account or, where applicable,

processing investment instructions including failure or malfunction of any telecommunications or computer service or services; the failure of any relevant exchange or clearing houses; and strikes and industrial disputes not within our reasonable control;

- (e) the solvency, acts or omissions of any third party we deal with on your behalf (other than an Associate of the Manager) including any broker, nominee company, manager, settlement agent, depositary or other third party by whom or in whose control any of your investments (or documents of, or certificates evidencing, title thereto) may be held or through whom any transactions may be effected, or any other third party with whom the Manager deals or transacts business or who is appointed by the Manager in good faith on your behalf), unless the Manager has been grossly negligent in selecting or dealing with them for you;
- (f) the Manager not investigating any instruction from you that it reasonably believes may be genuine which turns out not to be genuine;
- (g) the Manager not following an instruction from you in accordance with this Agreement where the Manager reasonably believes that following such instruction would give rise to a breach of any Applicable Laws; and/or
- (h) any error by you or your agents in sending any instructions to the Manager or arising from you countermanding any outstanding instructions which has already given rise to binding rights or obligations.

**14.3** The Manager shall not be liable to you for any losses arising from any investment decision made or for other action in accordance with this Agreement (including loss of profit, loss of anticipated profit, loss of goodwill, loss of agreement or contract, loss of business opportunity, loss of anticipated savings or indirect, special or consequential loss howsoever arising), except to the extent that such loss is finally judicially determined to have been solely caused by the gross negligence or wilful default or fraud of the Manager or any of its officers, employees or agents.

**14.4** The Manager accepts responsibility for holdings of Investee Company shares in the name of the Custodian and for the acts and omissions of the Custodian, provided, however, that the Manager shall not be liable for any loss

to you arising from any action it takes in accordance with this agreement, except to the extent that such loss is directly due to the gross negligence or wilful default or fraud of the Manager or any of its officers, agents or employees.

- 14.5** Subject to Clauses 6.6 and 12, the Manager shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title for the Fund, other than such party which is their Associate.
- 14.6** In the event of any failure, interruption or delay in the performance of the Manager's obligations resulting from acts, events or circumstances not reasonably within its control (including but not limited to acts or regulations of any governmental or supranational bodies or authorities) or breakdown, failure or malfunction of any telecommunications or computer service or systems, you acknowledge that the Manager shall not be liable or have any responsibility of any kind to any loss or damage thereby incurred or suffered by you.
- 14.7** The Manager gives no representations or warranty as to the performance of the Fund. Investments in Investee Companies are high risk, being non-Readily Realisable Investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. By entering into this Agreement you confirm that you have considered the suitability of the Investment Objectives and Investment Restrictions set out in schedule 1 to this Agreement, have read and understood the Information Memorandum including, in particular, the risk warnings set out therein, and have taken your own independent advice. Nothing in this Clause 14 shall exclude the liability of the Manager for its own fraud.
- 14.8** The Manager, will not be liable to you for any consequent impact on the Fund or any consequent damage or loss suffered or incurred by you in respect of the circumstances set out in this Clause 14.
- 14.9** Nothing in this Agreement will operate to exclude or limit any liability of the Manager, or the Manager: (i) in respect of fraud on the part of the Manager, or (ii) in respect of death or personal injury arising from the Manager's gross negligence, or (iii) which otherwise cannot lawfully be omitted or excluded (including any duty or liability owed to you under the FCA Rules), or (iv) which is finally and judicially determined to have resulted from their wilful default or gross negligence.
- 14.10** The Manager's total liability under or in connection with this Agreement shall be limited to foreseeable loss and not consequential loss.

**14.11** You and your professional tax adviser remain responsible for the management of your affairs for tax purposes.

**14.12** The Manager reserves the right to put such controls and limitations on any account opened on your behalf as it in its reasonable discretion deems fit in response to the requirements of any duly constituted authorities including without limitation:

- (a) the orders of courts binding on the Manager or duly recognised foreign courts;
- (b) HMRC; and
- (c) sanctions lists issued by the European Union, HM Treasury or any other similar body.

For the avoidance of doubt this Clause 14.12 shall permit the Manager to freeze your account.

**14.13** The Manager is solely liable for the performance and observance of the terms of this Investor's Agreement. The individual members of the Investment Committee are appointed by the Manager to provide advice and guidance to and generally to oversee the good corporate governance of the Manager and the members of the Investment Committee do not owe you any duty of care or any other obligation to any other person and shall not have any personal liability to you whatsoever and howsoever arising.

## 15. Termination

**15.1** Where possible, the Manager will seek to realise Investments within a period of five to seven years after the investment but realisations may take much longer given the type of investments envisaged. You acknowledge that there can be no guarantee as to the performance or value of Investments, or the achievability or timing of realisations. On termination of this Agreement, the Manager shall endeavour to procure that all remaining Investee Company shares in your Portfolio will be sold or transferred into your name or as you may otherwise direct. Any cash within your Portfolio will (net of fees and costs, including bank charges) be paid to you.

**15.2** Unless you agree otherwise with the Manager, you are entitled to make withdrawals of Investee Company shares in your Portfolio at any time after the end of the period of seven years beginning with the date on which the shares in question were issued or withdrawals of Investee Company shares which have become listed on a recognised investment exchange or official listing in an



EEA State in your Portfolio at any time after the period of five years beginning with the date on which the shares in question were issued.

You are entitled to withdraw any uninvested cash in your Portfolio at any time before it has been committed to an Investee Company and subject to giving 10 days' notice in writing to the Manager. The Manager will have a lien on all assets being withdrawn or distributed from the Fund and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging an Investor's liability to the Manager for fees which are due or which have been accrued. If you make a withdrawal of shares pursuant to this clause you will be liable for a charge equal to a fair amount determined by the Manager in compensation for its contingent entitlement to accrued performance fees.

This Agreement shall terminate upon the completion of the withdrawal from the Fund of all Investee Company shares and cash which you are entitled to receive under this clause 15.2. The balance of any sale proceeds and control of any remaining Investee Company Investments will then be passed to you.

**15.3** If:

- (a) the Manager gives you not less than one month's written notice of its intention to terminate its role as Manager under this Agreement; or
- (b) the Manager ceases to be appropriately authorised by the FCA or becomes insolvent

the Manager shall use its reasonable endeavours to make arrangements to transfer the Investments to another fund manager in which case that fund manager shall assume the role of the Manager under this Agreement (*mutatis mutandis*), failing which the Agreement shall terminate forthwith and, subject to Clause 16, the Investments held in your name shall be transferred into your name or as you may otherwise direct.

**15.4** Subject always to the Manager's discretion to determine otherwise, there is no minimum fund size.

## 16. Consequences of Termination

**16.1** On termination of this Agreement pursuant to Clause 15, the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.

**16.2** Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that you will pay fees, expenses and costs properly incurred by the Manager and which are due up to and including the date of termination and which are payable under the terms of this Agreement, including a charge equal to a fair amount determined by the Manager in compensation for its contingent entitlement to accrued performance fees.

**16.3** On termination, the Manager may apply cash held for you, and may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay your outstanding liabilities, including fees, costs and expenses payable which are set out in Schedule 2 to this Agreement (if applicable).

## 17. Confidential Information and Data Protection

**17.1** Neither the Manager, nor the Investor, shall disclose to third parties or take into consideration for purposes unrelated to the Fund information: the disclosure of which by it would be or might be a breach of duty or confidence to any other person; or which comes to the notice of an employee, officer or agent of the Manager or of any Associate but properly does not come to the actual notice of that party providing services under this Agreement.

**17.2** The Manager, will at all times keep confidential all information acquired in consequence of the services, except for information which: is in the public knowledge; or which they may be entitled or bound to disclose under compulsion of law; or is requested by regulatory agencies; or is given to their professional advisers where reasonably necessary for the performance of their professional services; or which is authorised to be disclosed by the relevant party, and shall use all reasonable endeavours to prevent any breach of this Clause 17.2.

**17.3** The Manager may verify your identity and assess your financial standing. In doing so, a credit or mutual reference agency may be consulted which will record a search.

**17.4** All data which you provide to the Manager, or the Custodian is held by that party subject to Data Protection Regulations. You hereby agree that the Manager and the Nominee, may pass personal data to each other and to other parties insofar as is necessary in order for them to provide their services as set out in this Agreement and to the FCA and any regulatory authority which regulates them and in accordance with all other Applicable Laws.

- 17.5** In accordance with Data Protection Regulations, you are entitled to a copy of the information the Manager and the Custodian holds about you. In the first instance, you should direct any such request to the Manager. You should inform the Manager if any information the Manager holds about you is inaccurate, so that the Manager may correct it.
- 17.6** You may not require the destruction or deletion of any record pertaining to you unless the Manager or the Custodian is required to destroy or delete such records by force of law or other regulatory requirement, including Data Protection Regulations.
- 17.7** The Manager and where relevant the Custodian will act as data controller (and in certain circumstances, data processor) within the meaning of Data Protection Regulations. You hereby consent to the storage, processing and use by the Manager, and where relevant the Custodian, and their respective agents and Associates of personal data (as defined in Data Protection Regulations) given by you under this Agreement in connection with the provision of the services under this Agreement. You undertake to supply personal data to the Manager and the Manager in accordance with the provisions of Data Protection Regulations.
- 17.8** Your personal data will be stored on a database, which is shared by the Manager, the Custodian and their Associates. If you opt in to receive marketing communications on the Application Form, you agree that this personal data may be used by them and/or their Associates to send you details of new and existing products or other opportunities which may be considered of interest or relevance to you (including by e-mail) unless you notify them in writing that it may not be used in this way.

## **18. Complaints and compensation**

The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from the Manager on request. Should you have a complaint, you should contact either the Manager or Custodian.

## **19. Notices, Instructions and Communications**

- 19.1** Notices of instructions to the Manager or the Custodian should be in writing and signed by you, except as otherwise specifically indicated.
- 19.2** The Manager or the Custodian may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by

you under the Application Form or subsequently notified by you from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.

- 19.3** All communications with you shall be sent (whether postal or electronic) to the latest address you have supplied in writing to the Manager or the Custodian and shall be deemed received by you on the second day after posting or on the day after dispatch in the case of electronic communication. All communications by you shall be made in writing or (save as otherwise provided) by telephone to the Manager or the Custodian, in which case conversations may be recorded for the avoidance of any subsequent doubt. Communications sent by you will be deemed received only if actually received by the Manager or the Custodian. The Manager will not be liable for any delay or failure of delivery (for whatever reason) of any communication sent to you.

## **20. Unsolicited real time financial promotion**

If you opt in to receive marketing communication on the Application Form, the Manager may communicate an unsolicited real time financial promotion (i.e. interactive communications such as a telephone call promoting an investment) to you.

## **21. Amendments**

The Manager may amend this agreement by giving you written notice with immediate effect if such amendment is necessary in order to comply with Applicable Laws including HMRC requirements, or in order to maintain the Tax Reliefs or in order to comply with the FCA rules. Any other proposed amendments will be notified to you, and if you fail or omit to give notice of your rejection of the proposed amendment within 30 days of the date of the amendment notice, this Agreement shall be deemed amended accordingly.

## **22. Entire agreement**

This Agreement, together with the Application Form and other documents mentioned in it, comprises the entire agreement of the Manager with you relating to the provision of the services described therein. This agreement is personal to you and may not be assigned by you without the prior written consent of the Manager. In the event of your death the Manager will continue to deal with your personal representatives. The Manager may assign the whole or part of its fees due in accordance with Schedule 2 to any Associate of the Manager and/

or, where permissible in accordance with FCA Rules, to any financial intermediary representing an Investor and may also assign this agreement to an Associate by giving notice to you, provided that such Associate is authorised and regulated to perform all of the Manager's functions hereunder and subject to any amendments required to this agreement to effect the assignment and subsequent operation by the Associate as amended pursuant to clause 21.

## 23. Rights of Third Parties

- 23.1** A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.
- 23.2** Notwithstanding any provision of this Agreement, this Agreement (and any provision of it) may be rescinded, amended or varied without the consent of any third party and section 2(1) of the Contracts (Rights of Third Parties) Act 1999 will not apply.

## 24. Severability

- 24.1** If any term, condition or provision of this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Agreement.
- 24.2** If any provision of this Agreement is so found to be invalid or unenforceable in accordance with Clause 24.1 but would be valid or enforceable if some part of the provision were deleted or the period, area or scope of application of the clause were reduced, the clause in question will apply with any modification(s) that may be necessary to make it valid and enforceable.
- 24.3** The parties agree, in the circumstances referred to in Clause 24.1, and if Clause 24.2 does not apply, to attempt to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the provision which is invalid or unenforceable. The obligations of the parties under any invalid or unenforceable provision of this Agreement will be suspended while the parties attempt to agree the substitution.

## 26. Governing Law

This Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

### Schedule 1:

#### Investment Objective and Restrictions of the Fund

##### Investment Objective of the Fund

1. To offer Investors the opportunity to invest in Unquoted EIS Qualifying Companies which carry on business or intend to carry on business of a type described in the Information Memorandum published by Amberside Capital Limited in December 2018.

##### Investment Restrictions for the Fund

2. In carrying out its duties hereunder in respect of the Fund, regard shall be had, and all reasonable steps taken, by the Manager to comply with such policies or restrictions as are required in order to attract the Tax Reliefs as may be prescribed by HMRC from time to time.
3. In particular, but without prejudice to the generality of the above statements, the restrictions for the Fund are as follows:
  - (a) Whilst no more than 25% of the Subscription of an Investor will normally be invested in any one Investee Company at full fund raising, if attractive investment opportunities arise before the Maximum Fund Size has been reached then all of your Subscription may be invested in a single company and provided further that this shall not restrict the subsequent merger, acquisition or unification of Investee Companies with other Investee Companies; and
  - (b) each Investee Company in which Investments are made will, so far as the Manager is aware at the time of the Investment, be a EIS Qualifying Company.
4. You, as an Investor, should be aware that the Fund's Investments will include non-Readily Realisable Investments. There is a restricted market for such Investments and it may therefore be difficult to deal in the Investments or to obtain reliable information about their value.
5. In the event of a gradual realisation of Investments prior to termination of this Agreement under Clause

15, the cash proceeds of realised Investments may be placed on deposit or invested in fixed interest government securities or other investments of a similar risk profile. Proceeds will be paid out on termination of this Agreement or in instalments in advance of termination, as determined by the Manager, subject to HMRC approval (if necessary).

## **Schedule 2:** Fees and Expenses in respect of the Fund

The fees and charges payable in connection with the Fund are as set out in the section headed "Fees and Charges" on page 22 of the Information Memorandum.

## **Schedule 3:** Execution policy

The Manager has an obligation when executing orders on behalf of the Fund to obtain the best possible outcome. The FCA requires various execution factors to be taken into account including price; cost; speed; market impact, likelihood of execution and settlement; size; or any other consideration relevant to the execution of the order. Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, the Manager may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result. The Manager will determine the relative importance of the execution factors by using its commercial judgment and experience in light of market information available and taking into account the execution criteria.

The execution criteria are defined as the characteristics of the client, order (orders placed in the market will indicate a price range that is suitable for the investment decision), type of financial instrument (some shares are more liquid than others, and illiquid shares will be less easily tradable in volume) and the execution venue.

The scope of activities undertaken by the Manager does not currently include placing orders with brokers or dealers. Should the Manager place orders with brokers or dealers for execution it will satisfy itself that the broker or dealer has arrangements in place to enable the Manager to comply with its best execution obligations to its clients. Specific arrangements will be put in place such that brokers will confirm that they will treat the Manager as a professional client and will therefore be obliged to provide best execution.

The Manager may establish special purpose vehicles as investments. Investors will be issued shares in such SPVs. As shares

in SPVs cannot be obtained from any other sources there is limited opportunity to apply some of the execution factors.

The Manager will review the effectiveness of its execution policy and order execution arrangements on an annual basis. Whenever a material change occurs that affects the Manager's ability to continue to obtain the best possible result for the Investors, the Manager will notify the Investors of any material changes to its execution arrangements or its execution policy by posting an updated version on its website.

## **Consent**

The Manager is required to obtain your consent to this execution policy. This will be demonstrated by your submission of a completed Application Form to the Manager.



# GLOSSARY

## INTRODUCTION

This Glossary applies to your investment in the Fund. Your investment will have the features and risks set out in the Information Memorandum, Investor Agreement and the Application Form and you should read all these documents carefully. The Glossary applies from when your Application Form is accepted (including the time your money is held before the Closing Date).

**We or us, Amberside:** Amberside Capital Ltd (and affiliated companies), the Fund Manager, authorised and regulated by the Financial Conduct Authority (FCA) (FRN 706218).

**Act or FSMA:** Financial Services and Markets Act 2000.

**Adviser Charge:** A fee agreed between an Investor and their Financial Adviser and paid or payable by an Investor to a Financial Adviser.

**AIM:** Alternative Investment Market operated by London Stock Exchange plc.

**Anglo Scientific:** Incorporates Anglo Scientific Ltd (03914022), Anglo Scientific Investments Limited (11568979) and its principals: Douglas Dundonald, Vito Levi D'Ancona, Fred Edenius, Henry Hyde-Thomson, Will Addison. The legal contracting entity to the fund is Anglo Scientific Investments Limited.

**Annual Administration Fee:** An annual fee payable to the Fund Manager. Where possible this will be levied on the Investee Companies. Where it is not possible to have this paid by the Investee Company, the Fund Manager may seek alternate methods to pay this fee.

**Applicable Laws:** All relevant UK laws, regulations and rules, including those of the FCA.

**Application Closing Date:** There is no official closing date of this fund it is intended to stay open until such time as the Fund Manager believes they cannot find sufficient investments.

**Application Form:** An Application Form completed by a prospective Investor in the form provided by the Fund Manager.

**Associates:** any person, partnership or entity which (whether directly or indirectly) controls or is controlled by another person, partnership or other entity. For the purpose of this definition "control" shall refer to the ability to exercise significant influence over the operating or financial policies of any person or entity.

**Business Day:** A day (other than Saturday or Sunday) on which commercial banks are open for business in London.

**Business Investment Relief (BIR):** Business investment relief as set out in sections 809A to 809VO of the Income Tax Act 2007 and available in certain prescribed circumstances to non-domiciled or individuals who are resident and domiciled in the UK but not ordinarily resident, who have claimed the remittance basis of taxation which were introduced by the Finance Act 2012. This is also often referred to as Inheritance Tax (IHT) Relief.

**Capital Gains Deferral or CGT Deferral Relief:** Deferral of CGT (as set out in section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992).

**Capital Gains Tax (CGT):** A tax that is levied on capital gains.

**Client Money Account:** A current or deposit account at a third party bank. Although the Fund does not require the Custodian to be FCA regulated, the Fund Manager will ensure that the Custodian does not enter into any agreements other than to provide the custody of Client assets.

**Complying Fund:** an arrangement, specified in Paragraph 2(2)(b) of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (SI 2001/1062), which is, in summary, an arrangement where: (a) the operator will, so far as practicable, make investments which, subject to each participant's individual circumstances, qualify for relief under Part 5 of the Income Tax Act 2007; and (b) the minimum contribution to the arrangements by each participant must be not less than £2,000.

**Custodian:** Amberside Nominees Ltd or any such other entity as the Fund Manager may appoint from time to time to provide custodian services in respect of the Fund.

**Data Protection Regulations:** means, the GDPR and the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003, and all other Applicable Laws relating to the processing of personal data, privacy, the protection of personal data in electronic and direct marketing, including any Applicable Laws or regulation which supercedes, replaces or implements any of the foregoing in the United Kingdom.

**Distributions:** any amounts paid by way of dividends, tender offers, share buybacks, proceeds on a sale or liquidation of the Investee Company and any other further proceeds or value received, or deemed to be received by investors in the Investee Company in respect of their shares in that company, excluding any income tax relief and any other tax reliefs on subscription.

**EIS Qualifying Companies:** A company that meets the EIS requirements regarding EIS Relief and Capital Gains Deferral (and each an "EIS Qualifying Company").

**EIS Relief:** Relief from income tax under EIS.

**Enterprise Investment Scheme or EIS:** The Enterprise Investment Scheme as set out in the Income Tax Act 2007 sections 156-257 and in sections 150A-150C and schedule 5B of the Taxation of Chargeable Gains Act 1992.

**Execution-Only:** a transaction which is executed by a financial intermediary (an "Execution-Only Broker") upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation.

**Exit:** A listing, sale of the entire share capital of an Investee Company, winding up or other capital distribution.

**FCA:** The Financial Conduct Authority who can be contacted at 12 Endeavour Square, London, E20 1JN.

**FCA Rules:** The rules contained in the FCA's Handbook of Rules and Guidance.

**FSMA:** The Financial Services and Markets Act 2000 (as amended).

**Financial Adviser:** A person authorised under FSMA such as an independent Financial Adviser, Wealth Manager or FCA authorised intermediary who assesses either the suitability or appropriateness of the investment for an Investor.

**Form EIS 3:** A Certificate issued by HMRC stating and confirming the EIS Relief obtainable by an Investor.

**Fund Manager:** Amberside Capital Ltd a limited company registered in England and Wales under registered number 09479851 and whose registered office is at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire, HP2 4TP. Amberside Capital is Authorised and Regulated by the Financial Conduct Authority (FRN 706218).

**GDPR:** means the EU Regulations 2016/679 General Data Protection Regulation.

**HMRC:** Her Majesty's Revenue & Customs.

**Independent Co-Investors:** organisations who originate investment opportunities for the Fund and may co invest alongside the Fund.

**Inheritance Tax or IHT:** A tax that is levied on your estate in the event of your death or any other chargeable lifetime transfer.

**Initial Fee:** An initial fee payable to the Fund Manager and Investment Advisor and levied on the Investee Companies.

**Investee Companies:** Companies in which the Fund is invested.

**Investment:** The holdings in the various Investee Companies subscribed for by the Fund Manager on behalf of Investors.

**Investment Adviser:** Anglo Scientific Investments Ltd, a limited company registered in England and Wales under registered number **11568979** and whose registered address is The Elms Courtyard, Bromsberrow, Ledbury, Herefordshire, United Kingdom, HR8 1RZ

**Investment Committee:** A committee consisting of at least three senior members from the Fund Manager, Investment Adviser and an independent chairman nominated by the Fund Manager.

**Investor:** A person who completes an Application Form which is accepted by the Fund Manager and so enters into an Investor Agreement.

**Investor Agreement:** The agreement between the Investors and the Fund Manager in the form set out on pages 31 to 43.

**Maximum Fund Size:** The aggregate maximum Subscription of £50.0 million into the Fund by Investors which may be increased at the Fund Manager's discretion.

**Minimum Holding Period:** EIS shares must be held for a period of at least three years from the date of issue or the start of trade if later, otherwise income tax reliefs will be withdrawn.

**Minimum Subscription:** The minimum amount an Investor may subscribe into the Fund, being £25,000.

**MiFID:** Markets in Financial Instruments Directive (Directive 2014/65/EC).

**Nominee:** A company established for holding investments on behalf of Investors. Although the Nominee Company becomes the legal owner of such investments, the investor is the beneficial owner. The initial Nominee is the Custodian.

**Performance Incentive Fee:** The fee payable to the Fund Manager and Investment Advisor if Distributions to an Investor exceed 150% of their Subscription.

**Portfolio:** The Subscription Monies an Investor contributes to the Fund plus all Investments made through the Fund which are allocated to an Investor and registered in the name of the

Nominee on the Investor's behalf and which are subscribed out of such monies plus all income and capital profits arising thereon.

**Readily Realisable Investment:** A government or public security denominated in the currency of the country of its issuer or any other security which is: admitted to an Exchange in an EEA State, regularly traded on or under the rules of such; or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange, or a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded. Note that this term does not include AIM or ICAP traded investments, nor does it include unlisted securities.

**Related Company:** Any company in the same group of companies as the Fund Manager or Investment Advisor.

**Subscription:** A cash Subscription by way of an Application Form, from which any agreed Adviser Charges (including ongoing Adviser charge) are deducted in advance of any investment in the Investee Companies.

**Tax Advantages:** The various tax advantages including EIS Relief and CGT Deferral Relief, arising from the Investment in shares in EIS Qualifying Companies.

**Terms of Business:** The Amberside Terms of Business by which all Financial Advisers are bound. Available on our website [www.amberside.com](http://www.amberside.com).

**Unquoted:** With reference to a company means a company not listed or quoted on an investment exchange or whose shares are not, with the agreement or approval of any officer of the relevant company, the subject of information published for the purpose of facilitating deals in the shares or indicating prices at which persons may be willing to deal.

**VCT:** Venture Capital Trusts, established under Part 6 of the Income Tax Act 2007.



# APPLICATION FORM

## Application Form

Before completing this Application Form you should read the Investor Agreement and the Subscription Details. Once completed please send to your financial intermediary, who will complete their sections and send by post to: Amberside Scientific EIS Fund, c/o Amberside Capital Ltd, 9 Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP or via an encrypted online application system.

**Applications must be accompanied by a completed appropriateness certificate and relevant Anti-Money Laundering declaration provided by your financial intermediary**

### PERSONAL DETAILS

Title and Full Name:									
Residential Address:									
Correspondence Address:									
Postcode:					Telephone:				
Country of Birth:					Nationality:				
National Insurance Number									
UK Tax District									
UK Tax Reference No:									
Are you a Tax Resident in any country other than the UK (Please Specify)?									
Date of Birth									
E-mail									

**Explanatory note:** The UK government is required, in certain circumstances, to share tax information with the tax authorities in other countries. As a result, financial institutions are legally required to collect certain information about the tax residency of each investor that it deals with. These records will only be disclosed to the relevant tax authorities if, and when, this is required under applicable law.

Your tax residence generally is the country in which you live for more than half of the year. However, there are certain circumstances that would cause a person to become tax resident in a number of countries. The country/countries in which you pay income tax are likely to be your country/countries of tax residence.



If you are a US citizen, or hold a US passport or green card, you will also be considered tax resident in the US, even if you live outside the US.

If you have any concerns regarding your tax residency, please seek advice from a suitably qualified person.

PREVIOUS ADDRESS (if less than three years at the current address)


If you wish to invest in a specific investee company please state the company (/ies) here

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Sometimes we may become aware that a potential Investee Company has a reasonable likelihood of exiting investors within the 3 year holding period and EIS relief may be withdrawn, please tick here if you would NOT want to invest in these companies (note: we would only invest in these companies if we felt there was a good likelihood of a positive return on the gross investment)

## SUBSCRIPTION

£
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CHEQUE

Please enclose a cheque from your personal account, made payable to Amberside Nominees Ltd. We do not accept cheques from business accounts.

BANK TRANSFER

Please first send in your completed application form and identification. We will send you a Unique Customer Reference which must be used when making the transfer to:

Sort code: 83-91-55  
Account number: 11008059  
Account: Amberside Nominees Ltd

Payments need to come from your personal account.

## INTRODUCER

Name of Introducer:

Name of Firm:

Address:

Postcode:

Telephone:

## CONFIRMATION

I wish to invest the Subscription shown above in the Amberside Scientific EIS Fund on the terms set out in the Investor Agreement included in this Information Memorandum (which Investor Agreement I have received and read) (the "Investor Agreement"). I recognise that on acceptance of this Application Form by the Fund Manager that the Investor Agreement will be deemed to have been entered into as a binding agreement between me, the other Investors and the Fund Manager (all as defined therein).

### I confirm that:

1. I wish/do not wish\* to seek EIS Relief and/or CGT Deferral Relief; (\* delete as appropriate)
2. I am applying on my own behalf and I am 18 years of age or over;
3. I will notify the Manager of any Investment in any company with which I am connected within sections 163 to 171 of the Income Tax Act 2007 (as amended), or I become connected or receive value from such a company;

In respect of my Amberside Scientific EIS Fund account I authorise the intermediary overleaf (if applicable) to request information on my account and to receive copies of contract notes confirming the investments made.

Unless the context otherwise requires, words and expressions defined in the Investor Agreement shall have the same meaning herein.

**I undertake to notify you immediately if any of the above mentioned changes, or there are other relevant circumstances of which you should be aware in relation to managing the Fund on my behalf.**

Print Name:

Signed:

Dated:

I would like to opt in to receive marketing communications from Amberside Capital Ltd.

# NOTES





## Amberside Scientific EIS Fund

9 Amberside House  
Wood Lane  
Hemel Hempstead  
Hertfordshire HP2 4TP

T: 01442 910 069  
E: [info@amberside.com](mailto:info@amberside.com)  
W: [www.amberside.com](http://www.amberside.com)