

MGF8 Professional Client Form

IMPORTANT NOTE: You must detach this letter from the application form, sign it and enclose it with your application.

MGF8 Professional Client Election Confirmation Letter

To:

Mercia Fund Management Limited

C/o

The City Partnership Limited

110 George Street

Edinburgh

EH2 4LH

Dear Sirs,

MGF8 Confirmation of Elective Professional Client Status

I confirm for the purposes of the FCA Rules, the Fund, as a whole, is deemed to be the client of the Manager. For all other purposes, including categorisation under the FCA rules in order to qualify as an investor, we will categorise you as an elective "professional client".

I hereby confirm that I elect to be treated as a professional client. On this basis I have reviewed the terms set out in the relevant Investor's Agreement and waive the protections conferred to retail clients including by the client money rules. I am aware of the consequences of losing the protections and compensation rights by making this election as compared to those that are required to be given to retail clients.

Signature:

Print Name:

Date:

MGF8 Application Form

Guidance Notes

This application form incorporates by reference the Information Memorandum. Unless otherwise stated, defined terms and expressions used in the application form have the meanings ascribed to them in the Information Memorandum.

- 1. The minimum investment is £25,000, payable by cheque (Mercia Fund Management Ltd Re MGF8) or bank transfer (sort code: 30-64-10, account number: 36630168).**
- 2. You should supply certified copies of Anti-Money Laundering documents.**
- 3. Within the Client Information Form, you must provide information for us to be able to treat you as a Professional Client, and sign the Professional Client Letter.**
- 4. Please make sure you have read and understand all of the information within this document, and follow the instructions carefully, before sending documents and money to our Receiving Agent & Administrator.**

Who can apply?

You can apply for an investment in Mercia Growth Fund 8 if you can be categorised by Mercia as a professional investor. A prospective investor can be categorised as a professional investor if Mercia is satisfied that the prospective investor could be treated as an elective professional client in accordance with the FCA's Conduct of Business Sourcebook Rule COBS 3.5.3 for non-MiFID business. Thus, a prospective investor is a person who is capable of making their own investment decisions and understands the risks involved. They will have received a clear, written warning of the protections and investor compensation rights they may lose. They will also have stated, in writing, that they are aware of the consequences of losing such protections. The prospective investor will need to provide evidence of his or her investment experience by completing the form headed 'Client Information Form'.

If you have any enquiries regarding this form, please contact a member of our Investor Relations team on +44 (0) 330 223 1430 or email enquiries@merciatech.co.uk.

By completing and signing this application form, I confirm that:

- i. My identity may be checked by electronic means such as the use of data held by specialised data agencies;
- ii. I am applying on my own behalf;
- iii. I will notify the Manager of any investment with which I am connected within Section 163 and Sections 166 to 177 of the Income Tax Act; and
- iv. I will notify the Manager if, within three years of the date of issue of Shares by an EIS Qualifying Company or SEIS Qualifying Company, I become connected with that company or receive value from it.

Please tick the box to confirm that you have read the Mercia Growth Fund 8 Information Memorandum and Investor's Agreement and are aware of and understand the investment objectives of Mercia Growth Fund 8 and that these are consistent with your own personal financial objectives.

Please tick the box to confirm that you have read and understand the Acknowledgements and Representations listed within this application form

Application Form

Mercia will decide, in its absolute discretion, whether to accept or reject an application and will notify you of its decision. No application form should be considered as accepted until Mercia has issued a written confirmation of acceptance.

Are you an existing Mercia Investor?

Yes

No

Please complete the following in BLOCK CAPITALS.

Title:

Forename(s):

Surname(s):

Date of birth (dd/mm/yyyy):

Nationality:

Town & country of birth:

Permanent residential address:

Postcode:

Length of occupation at the address (Years/Months) and prior address is less than three years:

Daytime phone number:

National Insurance Number:

Email address:

If you **do not** want email to be used as the primary route for correspondence, tick here

Allocation of subscription

As a Mercia Growth Fund investor, it will be assumed that you wish to seek Tax Reliefs. If this is incorrect, please inform enquiries@merciatech.co.uk.

Quantum of investment

I hereby apply to invest:

£ Gross Subscription (from which fees will be taken)

Alternatively, if you would like a specific Net Subscription amount invested, please contact enquiries@merciatech.co.uk to confirm the Gross Subscription payable.

The default is to subscribe into EIS companies only. If you choose to invest into SEIS companies, you will be allocated 15% SEIS from your Net Subscription, unless otherwise agreed with Mercia.

I wish to allocate 15% of my subscription to Seed EIS (SEIS) companies:

For investments over £250,000, I wish to allocate £100,000 to SEIS (the full annual allowance):

Charges

Mercia has some of the lowest fees within the tax-efficient industry, and we are dedicated to being transparent. Our fees are as follows (VAT is chargeable):

- 1.5% Initial Fee
- 1.5% Annual Management Fee
- £140 Annual Custodian Fee

The 1.5% initial fee will be waived for clients who take professional financial advice or who are existing clients of Mercia Fund Management. For new clients investing over £100,000, a flat rate of £1,500 will be charged.

As described in the IM, our performance fee is chargeable on exit after returning funds over a hurdle of £1.05 per £1 invested.

Example

If an investor wants to make a £50,000 Net Subscription in MGF8, when the investor has not taken advice, and has elected to pay three years fees (with the remaining three years invoiced):

£50,000	Net Subscription
£750	Initial Charge – 1.5%
£420	Annual custody charges - £140 per year
£2250	Annual management fee – 1.5%
£684	VAT (@20%)
£0	Adviser fee
£54,104	Gross Subscription

The default mechanism to pay fees is by subtraction of three years costs and expenses (including VAT as appropriate) from the subscription, with the remaining three years' fees paid by invoicing annually in advance.

In some cases, there may be other ways to pay annual fees, and for more details please contact enquiries@merciatech.co.uk.

Any investor who invests over £100,000 has the option to pay the management and custodian fee by annual invoice, should you wish to do this, please tick here.

Client Information Form

Do you pay tax in the USA?

Yes

No

Your Profession

Please state your current profession or, if you are retired, your previous profession.

Please state your first language if not English.

Investment Experience

Your experience and understanding of various types of investments is a factor in our determination. Please complete the table below to show in which types of shares you have had personal experience.

State the number of years experience for those that apply to you.

	No. of years' experience		No. of years' experience
Large quoted companies	<input type="text"/>	AIM-listed or unquoted companies	<input type="text"/>
Smaller quoted companies	<input type="text"/>	EIS or VCT investments	<input type="text"/>

In what capacity have you had this experience (please tick)?

Shareholder

Director

Adviser/Consultant/Auditor

Please list any company directorships you hold/have held in the last five years.

Please provide any further information (e.g. details of your experience or background), which you think might be relevant to our assessment of you as a professional client in relation to investment, particularly in EIS or similar funds.

Please sign and date this form to confirm that the information provided is accurate to the best of your knowledge.

By signing this form, you are executing an investment for Mercia Growth Fund 8.

Full name of applicant:

Signature:

Date:

FOR ADVISED CLIENTS ONLY (OR THOSE WHO HAVE USED AN EXECUTION ONLY BROKER)

Mercia will waive the 1.5% initial fee for advised investors. The fee will be reduced for those investors who use an execution only broker.

I hereby elect to pay an adviser fee, including VAT where applicable, of % (up to 3.25%) from my Gross Subscription, see above, to

Name of authorised intermediary firm:

FCA registration:

Bank or building society:

Sort Code:

Account Number:

Investor name:

Investor signature:

Date:

ADVISOR CONTACT DETAILS

Name of advisor:

email address:

Telephone number:

Please note: an advised client is not able to subsequently invest with Mercia Fund Management directly, unless previously agreed with the client's adviser. For any application received from a client who has previously taken advice, we will contact the relevant adviser to confirm any on-going relationship.

Where this application has been downloaded from the Investor Centre, it must be the client that submits the application.

Anti-Money Laundering documents

To comply with Money Laundering regulations, please provide **two original forms of identification**.

The required documents are **one proof of identity document** and **one proof of address document** (see below). These documents must be **less than three months old and show your name and permanent residential address**. Original documents will be returned by next day recorded delivery, but sending certified copies is preferable.

PROOF OF IDENTITY

- Certified copy of Valid Passport (or original)
- Certified copy of Valid UK driving licence (or original)
- Official photo identification (original or certified copy)

In respect of the last option above, please confirm the eligibility of the proposed identification from enquiries@merciatech.co.uk

PROOF OF ADDRESS

- Utility bill
- Council tax bill (for the current year)
- HM Revenue & Customs correspondence or tax notification
(e.g. notice of coding, statement of account, tax assessment)
- Bank statement
- Building Society statement

Please remember to include either one form of identification from each list or two proof of Identify documents, provided one such document includes details of your address.

Certification of Anti-Money Laundering documents should be undertaken by a **“professional person or someone well-respected in your community (of good standing)”**. The person who certifies the document should not be related to you, living at the same address or in a relationship with you. To certify a document, the person should state **‘Certified to be a true copy of the original seen by me’** on the document, sign and date it, print their name under the signature and add their occupation, address and telephone number.

For existing investors, new Anti-Money Laundering documents are not required if you have supplied Anti-Money Laundering documents with the last 24 months. If available, please submit new Anti-Money Laundering documents as often as possible.

Additionally, we would accept an official letter of “Confirmation of Identity” by an FCA-authorized and regulated company, such as a professional financial adviser.

Guide to completing this electronic application form

Before completing this Application Form, carefully review the following documents:

- The MGF8 Information Memorandum
- The Investor's Agreement (pages 46 - 53) in the IM.

Please make sure you have the following documentation together before mailing:

1. Application Form in full, including a cheque (if relevant)
2. Client Information Form
3. Anti-Money Laundering documentation (certified copies).
4. If paying by cheque, please make these payable to **Mercia Fund Management Ltd Re MGF8**

Post all of the above to:

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

Electronic Bank transfer

Subscriptions must be drawn from a personal bank account in your name.

Bank: Lloyds

Account name: Mercia Fund Management Ltd Re MGF8

Sort code: 30-64-10

Account number: 36630168

Reference: [Your surname]

If you do not receive an acknowledgement of your application within ten days of sending it to The City Partnership (UK) Limited, 110 George Street, Edinburgh, EH2 4LH, please call 0330 223 1430 and ask to speak to a member of our Investor Relations team.

Investment Objectives

Mercia Growth Fund 8 is designed to provide investors with access to a portfolio of investments which will not be listed on the Official List of the London Stock Exchange and which qualify for tax advantages under the Enterprise Investment Scheme and the Seed Enterprise Investment Scheme. You should be aware that shares in unlisted companies are generally higher risk than shares listed on the main market of the London Stock Exchange. Mercia Growth Fund 8 is designed for growth rather than for income, although some of our investments may mature to a point of dividend generation. (Please note - this may not occur within three years of making the initial investment).

The investment is likely to be held for the medium to long term, as investments in EIS-qualifying companies and SEIS qualifying companies have to be held for at least three years in order to benefit from the income tax relief and capital gains tax deferral or exemption available from the Fund.

If you have any enquiries regarding this form, please contact a member of our Investor Relations team on +44 (0) 330 223 1430 or email enquiries@merciatech.co.uk.

Acknowledgements and Representations

Please make sure you read and understand this page in full before filling out the application form.

- 1.** If your application is accepted, you agree to observe, perform and be bound by the provisions of the Investor's Agreement.
- 2.** You confirm that you personally possess sufficient knowledge, experience and expertise in financial and business matters (including experience with investments of a similar nature to an investment in the Fund) to be capable of evaluating the merits and risks of an investment in the Fund.
- 3.** Although the Fund is the regulatory client of the Fund Manager, to the extent otherwise relevant, you confirm that you accept being categorised as an elective professional client and that you are aware of the consequences of losing the protection and investor compensation rights that you lose by participating in the fund as an elective professional client.
- 4.** You waive the protections conferred by the client money rules in respect of any money the Fund Manager and/or Administrator holds for you. In doing so, you acknowledge that the Fund Manager will not be required to segregate your money from that of the Fund Manager and that in the event of insolvency you would rank only as a general creditor of the Fund Manager in respect of any uninvested money.
- 5.** You represent and warrant that: a) if it is a trust, it is duly authorised and qualified to invest in the Fund and the individual or individuals signing this Application Form on its behalf have been duly authorised by it to do so or; b) if you are an individual, that you have reached the age of majority under the laws of your country of nationality or domicile, and; c) in the case of a trust or an individual, this application, upon acceptance by the Fund Manager, will be its or your legal, valid and binding obligation, enforceable against it or you in accordance with the terms of the Investor's Agreement.
- 6.** You acknowledge that this Application Form is not transferable or assignable.
- 7.** You confirm your agreement that this Application Form be governed by and construed in accordance with the laws of England and Wales and that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of, or in connection with, this Application Form and, for such purposes, you irrevocably submit to the jurisdiction of such courts. In addition, you irrevocably waive any objection which you might now or hereafter have to the courts of England and Wales being nominated as the forum to hear and determine any such suit, action or proceedings and to settle any such disputes. You also agree not to claim that any such court is not a convenient or appropriate forum.
- 8.** You confirm that you accept the terms of the Investor's Agreement and will, at the request of the Fund Manager, forthwith enter into and execute such formal deeds of adherence whereby you will agree to observe, perform and be bound by the provisions of the Investor's Agreement as the Fund Manager may require.
- 9.** You agree that, by signing this Application Form, you grant to the Fund Manager authority to make, execute, sign, acknowledge, swear to, deliver, record and file on your behalf: any other business certificate or other instrument or document of any kind that the Fund Manager deems necessary or desirable to accomplish the business, purpose and objectives of the Fund, or that is required by any applicable law; any agreement or instrument which the Fund Manager deems appropriate to: i) admit you as an Investor in the Fund in accordance with the terms of the Investor's Agreement; ii) effect the addition, substitution or removal of the Fund Manager pursuant to the Investor's Agreement; or iii) effect an amendment or modification to the Investor's Agreement adopted in accordance with the terms of the Investor's Agreement; provided always, to the fullest extent permitted by law, this authority is irrevocable and shall survive, and shall not be affected by, your subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution. This authority will only terminate upon your complete withdrawal from the Fund.
- 10.** You agree that the foregoing representations, warranties, agreements and acknowledgements shall survive the date of your admission to the Fund and this Application Form shall be binding upon and inure to the benefit of the parties and their successors and permitted assignees.
- 11.** You agree that, if this application is made by more than one person, your obligations shall be joint and several and the representations, warranties, agreements and acknowledgements herein shall be deemed to be made by and be binding upon such persons and their successors and assignees.
- 12.** You agree that any term or provision of this Application Form which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Application Form or affecting the validity or enforceability of any of the terms or provisions of this Application Form in any other jurisdiction.
- 13.** You undertake to notify the Fund Manager immediately if there are ever relevant circumstances of which the Fund Manager should be aware in relation to managing your Portfolio(s).