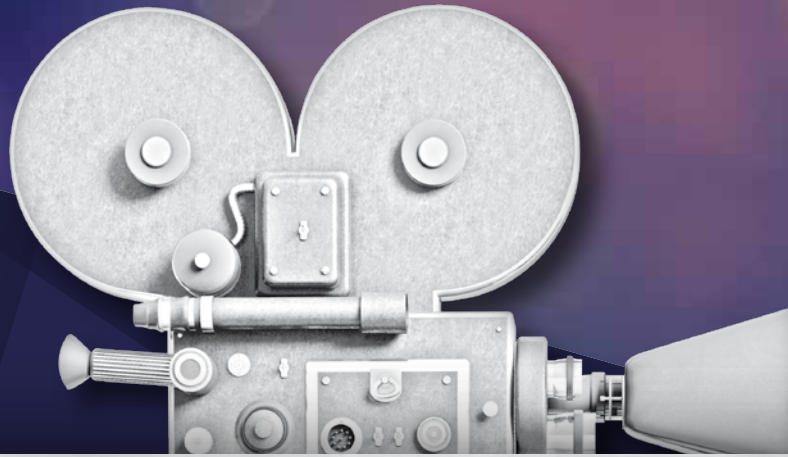


**INGENIΘUS**

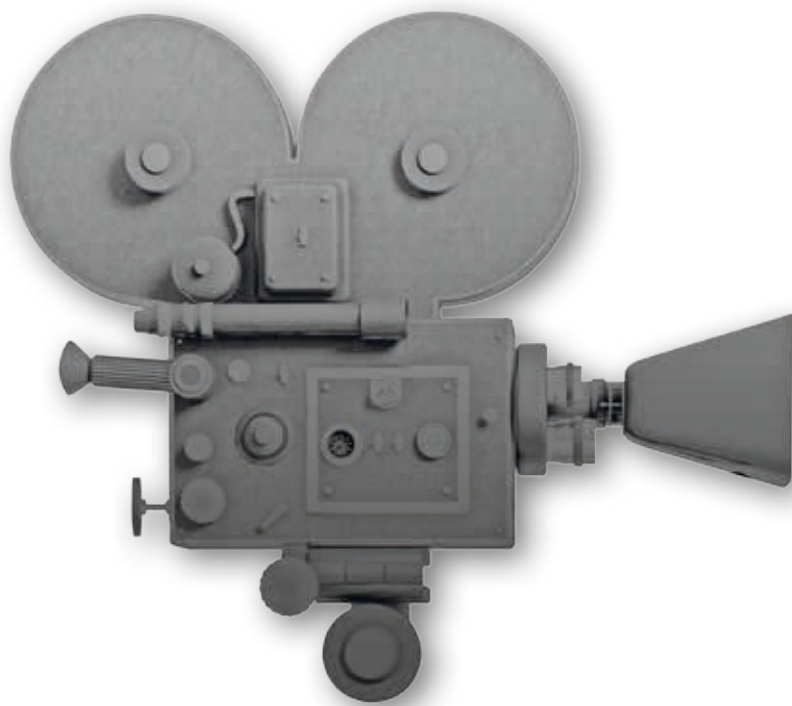
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**INGENIΘUS  
SHELLEY MEDIA**

**BROCHURE AND INVESTOR AGREEMENT**









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## IMPORTANT INFORMATION

### THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the content of this Brochure (the **Brochure**) and/or any action you should take, we strongly recommend that you take advice immediately from a financial adviser authorised under the Financial Services and Markets Act 2000 (**FSMA**) who specialises in advising on investment opportunities of this type. Nothing in this Brochure constitutes investment, tax, legal or other advice by Ingenious Media (a trading division of Ingenious Capital Management Limited), 15 Golden Square, London, W1F 9JG, (**the Manager**) and your attention is drawn to the section headed 'Risk Factors' on pages 16-18. An investment in Shelley Media (the **Service**) will not be suitable for all recipients of this Brochure.

This Brochure constitutes a financial promotion pursuant to Section 21 of FSMA and is issued by the Manager, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. This Brochure also constitutes marketing for the purposes of the Alternative Investment Fund Managers Directive (**AIFMD**) and therefore includes information which is required to be provided to potential Investors under AIFMD.

This Brochure contains information relating to the Service which is to comprise a number of discretionary managed investment portfolios all of which are managed by the Manager in accordance with Investor Agreements which are on identical terms for each Investor. The Service will seek to make investments in a number of Investee Companies and the portfolio of each Investor shall comprise a specific number of Qualifying Shares in each such Investee Company. For FSMA purposes, this Brochure constitutes an invitation to a prospective Investor to offer to enter into an Investor Agreement with the Manager. The opportunities to invest in the portfolios of the Investors collectively are not regarded as constituting promotion of interests in an unregulated collective investment scheme. However, for the purposes of AIFMD, it is considered that the collection of portfolios which are managed on a common basis may constitute a collective investment undertaking and an alternative investment fund (**AIF**). Consequently, the Manager regards this Brochure as constituting marketing of interests in an AIF.

The Manager has taken all reasonable care to ensure that the facts stated in this Brochure are true and accurate in all material respects and that there are no material facts in respect of which omission would make any statement, fact or opinion in this Brochure misleading. Delivery of this Brochure shall not give rise to any implication that there has been no change in the facts set out in this Brochure since the date that this Brochure was published or that the information contained herein might continue to be correct at all times subsequent to such date. The Manager accepts responsibility accordingly. This document is not intended to constitute a recommendation or provide advice of any sort to any prospective Investor.

Tax rules, rates and regulations are subject to change, and the availability of tax reliefs will depend upon individual circumstances. Past performance is not a guide to future performance and may not be repeated. The value of your investment can go down as well as up and you may not get back the full amount invested. You should consider an investment in the Service as a medium term investment and investments made by the Manager are likely to be illiquid. The investment horizon is at least three and a half to four and a half years.

No person has been authorised to give any information or to make any representation concerning the Service other than the information contained in this Brochure or in connection with any material or information referred to in it and, if given or made, such information or representation must not be relied upon. This Brochure does not constitute an offer to sell or a solicitation of an offer to purchase securities, other than an investment in an AIF. In particular, this Brochure does not constitute an offering in any state, country or other jurisdiction where, or to any person or entity to which, an offer or sale would be prohibited. The Service is only intended to be promoted in the UK.

Capitalised terms in this Brochure shall, where relevant, have the meaning set out in the definitions section of the Investor Agreement on pages 30-32.

A prospective Investor may only set up an Investor Agreement in order to participate in the Service on the basis of this Brochure, the Investor Agreement and the relevant Application Form. All statements of opinion or belief contained in this Brochure and all views expressed and statements made regarding future events represent the Manager's own assessment and interpretation of information available to it as at the date of this Brochure. No representation is made, or assurance given, that such statements or views are correct or that the objectives of the Service will be achieved. In particular, neither the Manager nor any Associate of the Manager makes any representation or assumes any liability in respect of the availability (or otherwise) of any EIS Reliefs in connection with the Service. Prospective Investors must determine for themselves what reliance (if any) they should place on any statements or views contained in this Brochure and no responsibility is accepted by the Manager or any Associate of the Manager in respect thereof.

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## AN INTRODUCTION TO SHELLEY MEDIA

I am pleased to introduce our latest discretionary managed service, Shelley Media, which invests in companies creating high quality independent film and television content.

Since its launch in 2010, our Shelley Media service has gone from strength to strength, gaining significant traction in the market and backing companies which collectively have produced over 100 film and television projects.

We are delighted by the critical and commercial success of the 2016 Oscar® nominated pictures *Brooklyn* and *Carol* and eagerly anticipate many new productions including the thriller *Terminal* starring Margot Robbie, crime drama *The Life and Death of John Gotti* starring John Travolta, *Final Portrait*, directed by Stanley Tucci, starring Oscar® winner Geoffrey Rush and the romantic comedy *How to Talk to Girls at Parties* starring Oscar® winner Nicole Kidman.

I hope you will share our enthusiasm for this latest opportunity in the sector. We always recommend that you take professional advice before deciding if an investment is right for you. However, if you have any questions in the meantime, please contact us on 020 7319 4291.



Neil Forster - Chief Executive, Ingenious

A handwritten signature in black ink that reads "Neil". The signature is fluid and cursive.

## WHY INGENIOUS?

For 19 years, Ingenious has been at the forefront of investing in the UK's creative economy and in that time we have raised and deployed over £8 billion.

At Ingenious, our goal is to provide clients with a range of market-leading investment opportunities, all of which are managed by teams with extensive professional and industry expertise.

### OUR EXPERTISE

- Exceptional track record of balancing risk and return
- Proven ability to nurture and grow successful businesses
- Extensive industry relationships
- Experienced team of industry professionals

### OUR COMMITMENT TO YOU

- Careful, transparent management of your funds under strategies designed to deliver attractive, risk-adjusted returns
- Dedicated nationwide client relationship team and central client services team
- Blue-chip professional infrastructure providing first class commercial finance, business affairs and technical support on investment activities

## PART 1: INGENIOUS AND THE CREATIVE ECONOMY

Ingenious is proud to be one of the largest independent investors in the UK's creative economy. We have been at the forefront of the media and entertainment industry for 19 years, raising and deploying over £8 billion in that period. Our activities have involved working with many of the world's premier content producers, including major and mini-major US film studios and some of the world's leading independent producers and distributors of films and television programmes.

In the last decade, Ingenious has been involved in the production of a broad range of films, including the multi-award winning *Life of Pi*, *Avatar* (the highest grossing film of all time), the latest five films in the long-running *X-Men* franchise, the highly successful *Rise of the Planet of the Apes* and *Dawn of the Planet of the Apes*, breakout British hits including *Suffragette* and *The Best Exotic Marigold Hotel* as well as acclaimed television programmes *The Fall*, *Dr. Foster* and *The Honourable Woman*, among many others.

Previously, Shelley Media has raised more than £350 million for investment into film and television production companies. Productions to date include award-winning films, *Mr Turner* and *Locke*, the Oscar® nominated pictures *Brooklyn* and *Carol*, as well as films starring Arnold Schwarzenegger, Tom Hardy, Bruce Willis, Oscar® winners Halle Berry, Cate Blanchett, Nicolas Cage, Nicole Kidman, Julia Roberts and Oscar® nominees Rooney Mara and Chiwetel Ejiofor.

In seeking to produce the best content possible, Shelley Media Investee Companies work with a wide variety of counterparties throughout the world in order to maximise the global value of the projects created. For example, from small national distributors and acquisition companies to global entertainment companies such as BBC Films, StudioCanal, and the US film studios.

Investors in the Service will benefit from the Manager's extensive industry expertise and network of relationships, collectively providing access to the following:

- one of the largest and most experienced teams of independent professionals in the UK dedicated to the analysis, commercial negotiation and monetisation of film and television assets
- global relationships in the media industry with producers, broadcasters, distributors and sales agents
- extensive experience in the creation, exploitation and sale of entertainment content in the global marketplace
- a thorough understanding of the risks, economics and commercial opportunities across a wide range of sectors within the media and entertainment industries
- robust professional infrastructure, including nationwide client services and client relationship teams and a large finance team experienced in accounting and reporting procedures for funds

### 1. THE OPPORTUNITY

The Service presents an exciting opportunity for individuals and trusts to invest in a portfolio of companies that develop, produce and exploit high quality independent film and television content (**Entertainment Projects**).

The Service will be managed by the Manager, on behalf of each Investor under the terms of the Investor Agreement, this Brochure and the Application Form. The Manager will focus on identifying suitable Investee Companies to develop and produce Entertainment Projects consistent with the Service's Investment Strategy.



**THEIR FINEST** | Lionsgate

## PART 2: INVESTMENT STRATEGY

The Manager will implement an Investment Strategy (the **Investment Strategy**) designed to achieve the following objectives:

- to take advantage of growth trends in the media and entertainment sector by using the Manager's expertise and relationships to identify, and secure opportunities to invest in companies developing and producing high quality Entertainment Projects
- to achieve investment returns which balance risk management with the potential for growth based on production fees earned and on the success of the worldwide distribution of the Entertainment Projects developed and produced

It is not envisaged that any leverage will be involved in the Service; investments will only be made in ordinary shares of selected Investee Companies.

The Investee Companies themselves may seek project finance to advance their trade.

## SINCE ITS LAUNCH IN 2010, OUR SHELLEY MEDIA SERVICE HAS GONE FROM STRENGTH TO STRENGTH

The Manager's objective is to manage the risk for Investors and maximise their potential returns by identifying opportunities to invest in a portfolio of Investee Companies which will engage in the development and production of commercially viable Entertainment Projects. In this context, the Manager intends to appoint one or more employees of the Ingenious Group to the board of each of the Investee Companies.

It is anticipated that each Investee Company will engage in the development, production and exploitation of Entertainment Projects and, in keeping with industry practice, may engage other production service providers on each project.

The production process will vary depending upon the nature of the project undertaken, but it is anticipated that the majority of Entertainment Projects will be completed within 9-15 months from the commencement of production. Each Investee Company will be required to acquire all necessary rights to enable it to produce and exploit its Entertainment Projects.



## PART 2: INVESTMENT STRATEGY (CONTD.)

Potential Investee Companies' businesses will focus upon:

- producing and delivering high quality Entertainment Projects that are intended to be distributed in the US and international market place with a view to commercial success
- increasing the value of the business through a combination of producer fees, negotiation of entitlements to future profits in Entertainment Projects developed and/or produced and goodwill through the successful execution of quality commercial production opportunities
- diversifying risk through the development and/or production of a range of Entertainment Projects
- managing the risk on the production expenditure incurred on each Entertainment Project by negotiating an entitlement to presale receipts, the benefit of applicable film or television tax incentives and/or other available revenue streams. In addition, each Investee Company will be required to obtain relevant insurance policies and Completion Bonds (where appropriate) in order to protect it from exposure to normal industry risks

Investee Companies will have also received advance assurance from HMRC in respect of the Enterprise Investment Scheme (EIS), affording investors the opportunity to access EIS reliefs, which are designed to help mitigate downside risk.

The Manager will not make an investment in any potential Investee Company without being satisfied that it will apply the above, or comparable, principles to Entertainment Projects that it greenlights. Additionally, the Manager anticipates that each Investee Company will seek to grow its business by also developing its own Entertainment Projects as well as undertaking projects (with a similar approach to risk mitigation) from its existing cash-flows and/or commercially available finance in addition to the project(s) funded from capital invested by the Service.

References in this Brochure to production companies and the production of Entertainment Projects should be construed accordingly.

The Manager's preference would be for Investors to collectively take a majority stake in each Investee Company, but it will also look at co-investment with other similar services (including other services managed or operated by Ingenious). Ingenious may have an interest in some of the projects produced by the Investee Companies.

The Manager, at its discretion, may consider investing subsequent EIS funds raised into one or more of the Investee Companies in their second year of trade, with a view to aiding their further growth and enhancing returns for all investors. Investors should be aware that the minimum investment horizon for the relevant Investee Company(ies) will fall towards the upper end of the three and a half to four and a half year range.

### 1. WHO MIGHT BENEFIT FROM THIS SERVICE?

The Service has been designed for UK tax paying Investors looking for a medium term investment who:

- have sufficient income tax liability to claim income tax relief; and/or
- wish to defer the tax relating to a capital gain.

The minimum individual investment required in order to invest is £10,000<sup>1</sup>. Investors should note that the portfolio that will be created pursuant to their Investor Agreement will comprise shares in small unquoted companies, which by their very nature are high risk. Investors may not have access to their capital for at least three and a half to four and a half years from the date of allotment. Tax rules, rates and regulations are subject to change and the availability of tax reliefs will depend upon individual circumstances.

## WE ARE DELIGHTED TO INTRODUCE OUR LATEST DISCRETIONARY MANAGED SERVICE WHICH INVESTS IN COMPANIES CREATING HIGH QUALITY INDEPENDENT FILM AND TELEVISION CONTENT



**JOURNEY'S END** | Lionsgate

<sup>1</sup> Subject to the Manager's discretion

## PART 3: SUBSCRIPTION DETAILS

The Shelley Media Service will be open until 30 March 2018<sup>2</sup>. There will be multiple Subscription Deadlines during this period, details of which can be found on the Ingenious website. Shares in the Investee Companies will be allotted shortly following each Subscription Deadline, each such tranche of investment constituting a separate Alternative Investment Fund (AIF). In the case of the March 2018 Subscription Deadline(s), shares will be allotted on or before 5 April 2018. Please note that the AIF into which you choose to invest will depend on the AIF offered at the time and its particular Subscription Deadline. Accordingly, your investment performance may vary on an AIF by AIF basis.

**Please consult [www.theingeniousgroup.co.uk](http://www.theingeniousgroup.co.uk) for details on the next Subscription Deadline and the corresponding AIF (including its Product Reference Number) into which you would be invested.**

A completed Application Form and cash must be received by the dates set out on the Ingenious website in order for an investment to be processed<sup>3</sup>. If an Investor's Application Form and/or cash are received later than the relevant Subscription Deadline, an investment will be made into the Investee Companies in which funds are allotted in relation to the next Subscription Deadline.

### 1. OFFER DETAILS

Launch date	18 April 2017
Target returns over four years <sup>4</sup>	7% - 16% p.a.
Minimum individual investment	£10,000 <sup>5</sup>

The illustrative returns may not be a reliable indicator of actual performance. The value of an investment can go down as well as up and you may not get back the full amount invested

## DEMAND FOR MEDIA CONTENT CONTINUES TO RISE AND SHOWS RESILIENCE TO GENERAL PREVAILING ECONOMIC CONDITIONS

## PART 4: THE MANAGER

### 1. EXPERTISE

The Manager is Ingenious Media, a trading division of Ingenious Capital Management Limited, (ICML) which is authorised and regulated by the Financial Conduct Authority. ICML has been approved as the Alternative Investment Fund Manager (AIFM) for Shelley Media effective 18 April 2017. The Manager's investment team will be responsible for sourcing, approving, implementing and managing the underlying investments.

The Manager's senior management team combines private equity investment disciplines with in-depth film and television production, investment financing, consulting and operational experience. The Manager's film and television team draws on decades of experience spanning all aspects of the industry, from development to production and post-production to distribution, gained at Ingenious and other renowned global media companies, as well as leading law, accountancy and banking firms. It has also built an unrivalled network of connections through current and previous experience.

The investment team will be supported by the robust professional infrastructure at Ingenious, including a large finance team experienced in accounting and reporting procedures for both private and listed investment vehicles and funds.

### 2. MONITORING OF INVESTEE COMPANIES

The Manager will monitor the activities of the Investee Companies, particularly with respect to each Investee Company's adherence to the Investment Strategy.

In order to assist with the ongoing monitoring of the Investee Companies, the Manager intends to appoint one or more employees of the Ingenious Group to the board of each of the Investee Companies. On any matter in which such employees have a conflict of interest, they may abstain from voting or agree another method for managing those conflicts.

The Manager will exercise all discretionary investment powers in relation to the selection, management and disposal of Investments within the Service which correspond with the objectives and principles of the Service.

<sup>2</sup> Subject to the Manager's discretion

<sup>3</sup> Full details of how to apply can be found in the Application Form

<sup>4</sup> Based on four years and net of the Manager's fees

<sup>5</sup> Subject to the Manager's discretion to accept a lower amount

## PART 5: FINANCIAL ILLUSTRATION

### 1. ASSUMPTIONS

It is intended that each Investee Company will re-invest returns on projects that it develops and/or produces in further appropriate Entertainment Projects where possible.

- The Service targets an average annual tax free return to investors of between 7% and 16% p.a.<sup>6</sup>
- A broad portfolio of projects provides diversification and reduces investment risk
- The table below illustrates how an investment might work

SUMMARY FINANCIAL ILLUSTRATION <sup>7</sup>	LOW CASE (£)	HIGH CASE (£)
Investment	100,000	100,000
Less EIS income tax relief at 30%	(30,000)	(30,000)
Net cost of investment	70,000	70,000
Investment proceeds	90,700	114,800
Total return	30%	64%
Average annual return (tax free)	7%	16%
Average annual gross equivalent return <sup>8</sup>	13%	29%

### 2. LIQUIDITY

As each Investor's portfolio will be invested in shares in a number of unquoted companies, there will be no active market in the Qualifying Shares. Towards the end of the Relevant Period the Manager will contact investors to ascertain their views on retaining or realising their investment in the Service. If realisation is preferred the Manager will consider options for making realisations and returning funds after the Relevant Period.

As previously mentioned, the Manager, at its discretion, may consider investing subsequent EIS funds raised into one or more of the Investee Companies in their second year of trade, with a view to aiding their further growth and enhancing returns for all investors. Investors should be aware that the minimum investment horizon for the relevant Investee Company(ies) will fall towards the upper end of the three and a half to four and a half year range.

6 Illustrated investment proceeds are net of all fees paid to the Manager and based on a four year term

7 Target returns shown are illustrative only, based on the Investment Strategy, Shelley Media's historical performance since inception in 2010 and a number of assumptions, including a single investment of £100,000, income tax relief applied against an Investor's 2017/18 income tax liability, tax rates currently in force and a realisation of the investments in each Investee Company after four full years of trade. The illustration is based upon an advised retail client investment. The illustrative returns may not be a reliable indicator of actual performance. The value of an investment may go down as well as up and an Investor may not get back the full amount invested

8 Average annual gross equivalent return is the return that an alternative investment would have to deliver in order for an investor paying income tax at 45% to achieve the same post tax return as that provided by the Service

It should be noted that the ability to realise Investor returns after the Relevant Period is subject to the territory by territory sales and collections recoupment profiles of the Entertainment Projects undertaken by the Investee Companies. As a result, it is possible that once an Investor has chosen to realise their investment the Manager may only be able to return monies to investors in stages, subject to opportunities which may exist to refinance the receivables and accelerate the return of monies.

Investors should consequently be aware that there are no general redemption rights in normal or exceptional circumstances, other than the possibility of early termination of their Investor Agreement which would lead to the transfer of the legal title to the shares held in their portfolio into their own name, and that if they should choose to effect this, those shares may not be readily realisable.



**CAROL** Film4 and StudioCanal

**6 OSCAR NOMINATIONS**

**5 GOLDEN GLOBE NOMINATIONS**

**9 BAFTA NOMINATIONS**

**PALME D'OR NOMINATED**

**OVER 240 FURTHER WINS + NOMINATIONS**

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## PART 6: CHARGES

The following fees will apply:

- An upfront arrangement fee equal to 1.5% of the total capital invested in each Investee Company
- An upfront initial monitoring fee of 2% of the Subscription amount for Advised Retail Clients and up to 5% of the Subscription amount for other Investors
- An annual monitoring fee equal to 1.5% of the total capital invested in each Investee Company to be invoiced quarterly
- An annual depositary fee of 0.075% of the net asset value of the Qualifying Shares
- An initial custodian fee of £25 per Investor and an annual custodian fee of 0.1% of the Aggregate Subscriptions
- A 20% performance fee on realised amounts in excess of 103% of Aggregate Subscriptions
- All fees will be charged by the Manager to the relevant Investee Company and will be subject to applicable VAT

### Facilitation payments

(applicable for Advised Retail Clients)

- The Manager can facilitate the payment of adviser charges from the Investor to their adviser, if requested
- All fees and costs are exclusive of VAT, which will be charged where applicable

### Commissions

(not applicable for Advised Retail Clients)

- Payable by the Manager
- 3% of Subscription amount or 2.5% with trail commission of 0.5% payable in each of the next two years

Ingenious Group companies and/or the Manager may provide or procure certain administration, management and other professional services to the Investee Companies. These include some assistance in the sourcing of opportunities and overseeing of production activities. The provision of such services by Ingenious Group companies and/or the Manager will be subject to customary limitations of liability.

Such companies shall be entitled to charge or recover their reasonable costs and/or fees from the Investee Companies. Such expenses and costs may include (but are not limited to): (i) transactional fees of £42,000 for business affairs, financial and other clerical services on each Entertainment Project; (ii) an annual corporate administrative services charge of £16,000 per Investee Company, each linked to the higher of the Retail Price Index or Consumer Price Index, to be invoiced quarterly.

Reasonable provision has already been made for such fees and costs within the modelled illustrative target returns.

### Early withdrawals

The fact that an Investor makes an early withdrawal from the Service (and therefore terminates his/her Investor Agreement) does not affect his or her or any other party's liability to pay all of the fees set out above, nor does it affect the right of any party entitled to the reimbursement of costs or expenses under the Investor Agreement, the Custodian Agreement or otherwise, (whether accruing before or after such withdrawal), and notwithstanding the termination of the Investor Agreement in those circumstances.

### Conflicts of interest

The Manager maintains, and regularly reviews, conflict of interest management policies which are designed to ensure that the fee payment arrangements should not create any potential conflict of interest in respect of its obligations to Investors in providing discretionary investment management services and arranging related depositary and custodian services for their portfolios.

**THE UK HAS BECOME ONE OF  
THE MOST IMPORTANT LOCATIONS  
FOR FILM AND TELEVISION  
PRODUCTION IN THE WORLD**



**MARY SHELLEY** | Curzon

## PART 7: RISK FACTORS

Prior to making an investment decision, prospective Investors should consider carefully all of the information set out in this Brochure in order to determine whether they wish to enter into an Investor Agreement and so participate in the Service. In particular, prospective Investors should consider carefully whether investing in Qualifying Shares will constitute a suitable investment in light of their personal circumstances, tax position and the financial resources available to them. Such investment involves a high degree of risk and may not be suitable for all individuals. Prospective Investors should therefore seek advice from a stockbroker, accountant, fund manager or other financial adviser who specialises in advising on investment opportunities of this type before making any decision to invest in the Service and we also recommend that Investors consult a professional adviser regarding their personal tax position.

This section contains the material risk factors that the Manager believes to be associated with an investment in the Service. If any of the following events or circumstances arises, the financial position and/or results of an investment could be materially and adversely affected, as could the availability of tax reliefs for an Investor. In such circumstances, an Investor may lose all or part of his/her investment. Additional risks and uncertainties not presently known, or that are deemed to be immaterial, may also have an adverse effect and the risks described below do not therefore necessarily include all risks associated with an investment pursuant to an Investor Agreement in respect of the Service.



**THE LIMEHOUSE GOLEM** | Lionsgate

### 1. RETURNS

- The value of Qualifying Shares may go up or down. An Investor may not get back the full amount invested and may, therefore, lose some or all of his/her investment. Assumptions, illustrations and target returns included within this Brochure cannot and do not constitute a forecast of how the investments will perform but have been prepared upon assumptions which the Manager considers reasonable
- After holding the Qualifying Shares in Investee Companies for the Relevant Period, it may be difficult to realise the Qualifying Shares or to obtain reliable information as to their value, as there may not be a ready market for them
- The performance of investments made through the Service is, in part, dependent on the Manager being able to identify appropriate Investee Companies and such Investee Companies carrying on a Qualifying Trade for the Relevant Period, in respect of which neither the Manager nor any Associate of the Manager can provide any assurances
- The Investee Companies do not have an established track record and will be operating in a competitive industry where the commercial risks are high. The past performance of the Manager is not a guide to future performance
- The Manager intends to invest in Investee Companies developing and/or producing a range of Entertainment Projects in accordance with the approach envisaged by this Brochure. This approach is intended to help mitigate performance risk exposure and to increase the chances of generating attractive returns for Investors. If the availability of suitable Entertainment Projects for development and/or production by Investee Companies is limited, the opportunities for diversification may be reduced
- The lower the amount of subscriptions raised through the Service, the smaller the opportunity will be to diversify investments in different Investee Companies, which may adversely affect returns
- It is possible that other taxes or costs may arise for the Investor in connection with an investment in the Service that are not paid via, or imposed by, the Manager
- The level of return to Investors will be determined by the number, and size of the Entertainment Projects, the value of the sales generated, the receipt of anticipated applicable film and television tax incentives and/or other government subsidies and the associated counterparty credit risks in respect of such revenue streams. In that connection, it is anticipated that Investee Companies may work with a range of counterparties throughout the world, large and small, to maximise distribution and returns potential for each Entertainment Project.



## 2. TAXATION

This Brochure is prepared in accordance with the Manager's interpretation of current legislation, rules and practice. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any such changes, and in particular any changes to the bases of taxation, tax reliefs, rates of tax or the Investor's tax position, may affect the return that an Investor receives from the Service.

- Tax law is complex and prospective Investors should seek independent tax advice to determine and understand the suitability of investing in the Service and any effect this may have on their own position generally
- The tax benefits described in this Brochure and their value to an Investor are dependent on the Investor's personal circumstances. These tax benefits may therefore not be available to all Investors and/or may be lost by an Investor in certain circumstances
- Tax benefits may be withdrawn or reduced in certain circumstances and none of the Manager, any Associate of the Manager, any Investee Company (or any director thereof), Custodian or Depositary accepts any liability for any loss or damage suffered by any Investor or other person in consequence of such relief being withdrawn or reduced
- If the amount of an Investor's subscription is such that his/her beneficial interest in an Investee Company amounts to more than 30% of the capital or voting rights, s/he will be "connected" with that company and will therefore not be entitled to income tax relief in respect of that investment. In determining whether an Investor is connected with the company, the interests of his/her "associates" are also considered (associates broadly meaning certain relatives and business partners of the Investor)

**SUCCESSIVE GOVERNMENTS  
HAVE DEMONSTRATED SUPPORT  
FOR THE UK'S CREATIVE INDUSTRIES  
AND THE LATEST TAX CREDITS  
HAVE PROVIDED A FURTHER  
BOOST TO THIS IMPORTANT  
SECTOR, WHICH CONTRIBUTES  
\$6.5 BILLION TO THE UK ECONOMY**

## 3. THE ENTERPRISE INVESTMENT SCHEME (EIS)

- It is possible that an Investor could cease to be entitled to certain tax benefits available under the EIS which are set out in this Brochure. For example, deferral relief may be lost if an Investor ceases to be tax resident in the UK during the Relevant Period, and all EIS Reliefs may be lost if an Investor receives value from an Investee Company (other than a normal dividend), in the period from one year before the issue of Qualifying Shares to the Nominee to the end of the Relevant Period
- Delays to the investment timetable could cause certain Investors to lose the opportunity to defer capital gains which arose more than three years prior to Qualifying Shares being issued in an Investee Company
- The ability of the Manager to identify suitable Investee Companies within expected timescales may affect the availability and timing of tax reliefs and the return Investors receive from their investment
- The Manager will only invest in companies which have received advance assurance from HMRC that they will be qualifying companies under the EIS legislation. However, even if such advance assurance is obtained from HMRC, it cannot be guaranteed that the EIS Reliefs will be available or will continue to be available, in respect of each investment made by the Manager
- If an Investee Company ceases to carry on a Qualifying Trade during the Relevant Period, its EIS qualifying status may be adversely affected. Neither the Manager nor any Associate of the Manager provides any assurances whatsoever that any Investee Companies will carry on a Qualifying Trade or continue to do so
- Investee Companies are required to employ all of the EIS funding they receive in their trade within two years of (i) issuing the relevant Qualifying Shares, or (ii) commencing their trade, whichever is later. Failure to employ funds within this time limit would be a breach of the EIS rules and result in the withdrawal of all tax reliefs on that investment
- If an Investee Company fails to meet the EIS qualifying requirements: (i) Investors may, as a result, be required to repay the income tax relief received (at the applicable rate) on a particular investment (along with any related interest); (ii) a CGT liability may arise on the subsequent disposal of the relevant Qualifying Shares; and (iii) any deferred capital gains may become due and chargeable to CGT
- Any sale of Qualifying Shares (other than to a spouse or civil partner that the investor is currently living with) prior to the end of the Relevant Period will create a liability to repay any income tax relief claimed as a result of the investment in those Qualifying Shares and any gain made on the investment will be subject to CGT. Any capital gains that were deferred into the Qualifying Shares would, as a result of the sale, become chargeable

## PART 7: RISK FACTORS (CONTD.)

### 4. ENTERTAINMENT PRODUCTION

- The production cost of an Entertainment Project may exceed its budget. In order to mitigate this risk, Investee Companies will be expected to budget for an element of contingency to allow for any potential cost overruns. In addition, where appropriate, Investee Companies will be expected to arrange for customary production related insurances to be put in place for all productions prior to commencing any production funding on an Entertainment Project
- If an Investee Company does not produce an Entertainment Project in accordance with the requirements set out in a commissioning agreement, or an Entertainment Project is not completed, this could adversely affect the revenue derived from it, particularly where a distributor refuses to accept delivery of the Entertainment Project. In order to mitigate this risk, the Manager will monitor the Investee Company's production of each Entertainment Project on an ongoing basis. In addition, where appropriate, the Investee Company will be expected to put a Completion Bond or other suitable arrangement in place
- If a claim is brought by a third party that an Entertainment Project is defamatory, libellous or obscene or infringes the rights of a third party, this could adversely affect the revenues the Investee Company derives from it. In order to mitigate this risk, the Manager may require that Investee Companies acquire appropriate "errors and omissions" insurance for Entertainment Projects
- Due to the nature of the industry, content production is inherently risky (as it is not generally possible to accurately predict the level of sales income that can be achieved). However, as described in this Brochure, each Investee Company will be expected to reduce these risks by negotiating suitable recoupment positions from presale receipts, applicable film or television tax incentives and other available revenue streams
- The receipt by an Investee Company of any amount in respect of an agreed profit share of revenues generated from the exploitation of an Entertainment Project is dependent on the Entertainment Project generating sufficient levels of revenue to trigger any such entitlement
- The same risks apply to the returns from further development and production activity undertaken with revenues received by an Investee Company from its Entertainment Projects

### 5. FOREIGN EXCHANGE

- Each Investee Company may be exposed to currency risk as a portion of its revenues may arise in foreign currency, the value of which may be affected by movements in exchange rates. In order to mitigate this risk, it is anticipated that each Investee Company will ensure that such revenues will either be paid in sterling or that suitable hedging arrangements will be put in place

- Over the last 12 months, Brexit has caused significant movement of worldwide exchange rates. Where such rates move considerably, Investee Companies may be required to place additional security deposits with the relevant foreign exchange broker in order to preserve the value of the foreign exchange contracts in place. Investee Companies may need to borrow monies to fund these additional security deposits where they lack the necessary liquidity, often at very short notice, and the cost of such loans may, in aggregate, have a modest negative impact on investor returns. Where required, the Manager will use its best endeavours to assist the Investee Companies to source the necessary liquidity for such increased security deposits but cannot guarantee that this will always be possible.

### 6. FINANCIAL SERVICES COMPENSATION SCHEME

- The Manager and the Custodian are covered by the Financial Services Compensation Scheme. An Investor may be entitled to compensation from the scheme if the Manager or the Custodian cannot meet their obligations, as described in greater detail in the Investor Agreement

### 7. CASH

- Investors' funds will be placed on deposit by the Custodian at the Investors' own risk and neither the Manager, nor any person engaged by either the Manager or the Custodian to hold such funds as a receiving agent or otherwise (the **Deposit Holder**), nor any director or officer of any of them, will be liable to any Investor or prospective Investor in the event of an insolvency of any bank with which such funds are deposited, nor in the event of any restriction on the ability of any Deposit Holder to withdraw funds from such bank for reasons beyond the reasonable control of any of them

### 8. FORWARD LOOKING STATEMENTS

- This Brochure 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 Brochure that are 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, the Manager 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 reliance on "forward looking statements", which speak only as at the date of this Brochure

## PART 8: THE FINE PRINT

### 1. STRUCTURE

Each prospective Investor will enter into a discretionary managed investment portfolio arrangement with the Manager by means of an Investor Agreement (attached to this Brochure). The separate Investor Agreements entered into with each Investor shall together comprise the Service.

Pursuant to the terms of each Investor Agreement, the Manager will be responsible for discretionary decisions in relation to the selection of, and the exercise of certain rights in relation to, investments in Investee Companies that are considered suitable under the Investment Strategy. The Investor will retain beneficial ownership of the Qualifying Shares purchased at the direction of the Manager. The intention is that each investment in an Investee Company will be made on a common basis for each of the Investors, there being aggregation of deals for the acquisition of Qualifying Shares in the Investee Company.

Divestment from an Investee Company will also be made on a common basis for each investor that chooses the same method of withdrawal, in such circumstances there being an aggregation of deals in the disposal of Qualifying Shares in Investee Companies.

### 2. INVESTMENT AMOUNTS

The minimum individual investment in order to enter into an Investor Agreement is £10,000 (subject to the Manager's discretion to accept a lower amount). There is no restriction on the maximum investment by an individual, subject to control restrictions preventing individuals owning more than 30% of an individual Investee Company. However, the maximum amount in relation to which an Investor can obtain EIS income tax relief in any tax year is limited to £1 million. Each spouse or civil partner has his or her own limit of £1 million. In addition, investments of up to a further £1 million may be carried back to the previous tax year, to the extent that the Investor did not fully utilise their annual EIS investment limit in that tax year<sup>9</sup>. This annual limit applies to the aggregate of EIS investments made by an Investor within a given tax year. There is no limit to the quantum of capital gains which may be deferred by means of an investment in Investee Companies, or in the value of assets acquired which could qualify for relief from inheritance tax (IHT).

Tax rules, rates and regulations are subject to change and the availability of tax reliefs will depend upon individual circumstances.

### 3. WITHDRAWALS

An Investor is not permitted to make a partial withdrawal from his/her portfolio. An Investor may be permitted to make an early withdrawal, provided that s/he does so in full. Early withdrawal will result in termination of the Investor Agreement, in which case the legal title to the relevant Investor's investments (whether Qualifying Shares and/or cash), will be transferred into that Investor's name. In such circumstances, the Manager will

be under no obligation to sell or otherwise realise the cash value of any Qualifying Shares to which the Investor is entitled. If an Investor disposes of Qualifying Shares (other than to a spouse or civil partner that the investor is currently living with) before the end of the Relevant Period, that Investor would have to repay any initial income tax relief obtained and tax due on any deferred gains would become payable.

The Manager will be entitled to retain or dispose of some or all of the assets being withdrawn by an Investor and apply the proceeds in discharging an Investor's liability to the Manager in respect of damages or accrued but unpaid fees or reimbursable costs or expenses. The balance of any sale proceeds and legal title to shares in investee companies will then be passed to the Investor.

An Investor cannot require the Manager to dispose of his/her interest in an Investee Company prior to disposal of the Service's overall investment in that Investee Company. The Manager may, in its absolute discretion, however, have regard to any requests made to it by an Investor to realise any individual shareholdings in Investee Companies (but such termination may result in a loss of tax reliefs and realisation of any deferred capital gain).

### 4. INVESTMENT HORIZON

In order to retain the Tax Benefits, Investors must hold the Qualifying Shares acquired by the Manager for the Relevant Period. Towards the end of the Relevant Period the Manager will contact investors to ascertain their views on retaining or realising their investment in the Service. If realisation is preferred the Manager will consider options for making realisations and returning funds after the Relevant Period. Having regard to the Relevant Period and the feasibility of obtaining a realisation thereafter, if required, the investment horizon is at least three and a half to four and a half years, but there can be no guarantee that the Qualifying Shares can be realised within this period. The Manager will have regard to the maximisation of value in considering any proposed strategy for, and timing of, realisation of the Qualifying Shares.

As previously mentioned, the Manager, at its discretion, may consider investing subsequent EIS funds raised into one or more of the Investee Companies in their second year of trade, with a view to aiding their further growth and enhancing returns for all investors. Investors should be aware that the minimum investment horizon for the relevant Investee Company(ies) will fall towards the upper end of the three and a half to four and a half year range.

It would be prudent to view an investment in the Service as medium term. A prospective Investor should only apply to set up an Investor Agreement in order to participate in the Service on the basis that his/her Subscription will remain invested for at least three and a half to four and a half years.

Following realisation of the Qualifying Shares in each Investee Company, the realisation proceeds will be paid to Investors. Consequently, it is possible that Investors may not receive the entirety of their investment in a single lump sum and instead may receive payments over a period of time.

<sup>9</sup> See pages 20 and 21

## PART 8: THE FINE PRINT (CONTD.)

### 5. HOW TO APPLY

If you are in any doubt about the content of this Brochure (the **Brochure**) and/or any action you should take, we strongly recommend that you take advice immediately from a financial adviser authorised under the Financial Services and Markets Act 2000 (**FSMA**) who specialises in advising on investment opportunities of this type.

After reading this Brochure and the Investor Agreement, an Investor should complete and sign the relevant Application Form and return it to:

**Client Service Centre  
Ingenious Capital Management Limited  
15 Golden Square  
London, W1F 9JG**

Together with (i) any supporting documentation requested therein and (ii) the required subscription payment (instructions for which are in Section 3 of the Application Form), to arrive no later than the relevant Subscription Deadline as detailed in Part 3 of this Brochure and the Ingenious website.

The Custodian is obliged to hold investment monies until satisfactory completion of checks by the Manager under the Money Laundering Regulations 2007 (as amended).

### 6. RIGHT OF CANCELLATION

An Investor may exercise a right to cancel his/her subscription and terminate the Investor Agreement by notification to the Manager within 14 days of the Manager accepting the Investor's Application Form. This should be done by sending a cancellation notice to the Manager's registered office as set out in this document. For convenience, a cancellation notice form is provided at the end of this Brochure.

On exercise of the Investor's right to cancel, the Manager will refund any monies paid to the Service by the Investor, less any charges the Manager has already incurred for any services undertaken in accordance with the Investor Agreement and less any sums paid to advisers and introducers.

The Investor will not be entitled to interest on monies refunded following cancellation.

The right to cancel under the FCA Rules applies to the setting up of the Investor Agreement. It does not give the Investor the right to cancel or terminate or reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.

The Manager reserves the right to treat as valid and binding any application not complying fully with the terms and conditions set out in this Brochure. In particular, but without limitation, the Manager may accept applications made otherwise than by completion of an Application Form where the prospective Investor has agreed in some other manner acceptable to the Manager to apply to make an investment in the Service in accordance with this Brochure and the Investor Agreement.

## PART 9: HOW THE EIS WORKS

This summary is based upon current UK tax law and practice and is intended as a guide only. It is not intended to constitute legal or tax advice and prospective Investors are recommended to consult their own professional advisers concerning the possible tax and financial consequences of purchasing, holding, selling or otherwise disposing of Qualifying Shares, the circumstances in which EIS Reliefs apply and the risks of EIS Reliefs being withdrawn. The value of any tax reliefs will depend on the individual circumstances of Investors and may be subject to change in the future. The examples in this section are set out for illustrative purposes only. They are not, and should not be construed as, forecasts or projections of the likely performance of an investment in the Service.

It is intended that Investors will be able to claim EIS Reliefs and IHT relief on the amount of their subscription, as described below.

To obtain the tax reliefs described below it is necessary to subscribe for Qualifying Shares and claim the relief. The summary below gives only a brief outline of the tax reliefs and assumes that the Investor is an additional rate taxpayer. It does not set out all the rules which must be met during the Relevant Period by the Investee Company and the Investor. The EIS Reliefs will only be relevant to Investors who have a UK income tax liability and/or wish to defer a capital gain.



**HOW TO TALK TO GIRLS AT PARTIES** | StudioCanal

## 1. EIS RELIEFS

### (i) Three key reliefs

#### Income tax relief

Individuals can obtain income tax relief on the amount subscribed for Qualifying Shares provided they (together with their associates) are not connected with the issuing company. Income tax relief is limited to EIS qualifying investments of up to £1 million in aggregate in each tax year and husbands, wives and civil partners can each obtain income tax relief on investments up to this amount. The relief will total 30% of the amount subscribed. In addition, investments of up to a further £1 million may be carried back to the preceding tax year (i.e. 2016/17) to the extent the Investor did not fully use his or her EIS annual investment limit in that tax year. In these circumstances, relief may also be claimed at a rate of 30% for the 2016/17 tax year. In each case, the total relief cannot exceed an amount which reduces the Investor's income tax liability to less than nil.

Income tax relief	Investment applied against 2017/18 income tax liability (£)
Gross investment in Qualifying Shares	100,000
Less income tax relief (at 30%)	(30,000)
Net cost of Investment	70,000

#### Exemption from CGT

Any capital gains realised on a disposal of Qualifying Shares after the Relevant Period and on which EIS income tax relief has been given and not withdrawn, will be exempt from capital gains tax.

CGT exemption	(£)
Realisation value of Qualifying Shares	105,000
Less original cost	(100,000)
Tax free gain	5,000

#### CGT deferral relief

To the extent a UK tax paying individual (including certain trustees) subscribes for Qualifying Shares, s/he can claim to defer paying tax on all or part of a chargeable gain. The gain may have arisen on the disposal of any asset, or a previously deferred gain may have been brought back into charge. There is no limit on the amount of chargeable gains which may be deferred in this way.

The gains which may be deferred are those which have arisen in the three years before Qualifying Shares are issued, and those which arise up to 12 months after that date. Such gains are deferred until there is a chargeable event such as a disposal of Qualifying Shares or an earlier breach of the EIS rules. It is important to note that the ability to defer gains relates to each separate investment made in an Investee Company and consequently a deferral based on the full amount of the investment can only be claimed for gains arising within three years before the date on which the final Qualifying Shares are issued by an Investee Company, or those which arise within 12 months after the date on which the first such investment is made in an Investee Company on behalf of an Investor.

### (ii) EIS requirements

The following is a non-exhaustive list of some of the requirements for qualification under the EIS. Neither the Manager nor any Associate of the Manager will be liable for losses incurred in the event that EIS Reliefs cease to be available.

#### Investee Companies

Investee Companies must not be listed on a registered stock exchange and there must be no "arrangements" in place for such companies to become listed. In addition, throughout the Relevant Period, such a company must not be a subsidiary of, or be controlled by, another company. There must be no "arrangements" in existence for the Investee Company to come under the control of another company.

#### Qualifying Trade

Each Investee Company must either carry on a Qualifying Trade or must be the parent company of a trading group and employ the money raised by the issue of Qualifying Shares in such a Qualifying Trade.

#### Money raised

An Investee Company must not raise more than £5 million from EIS or other state-aided sources in any period of 12 months. In addition, all of the money raised from the issue of Qualifying Shares to the Investors must be employed for the purposes of the Qualifying Trade within two years of the issue of the Qualifying Shares or the commencement of trade (if later) by the Investee Company.

#### Gross assets

The gross assets of each Investee Company must not exceed £15 million immediately before the issue of Qualifying Shares and £16 million immediately afterwards.

## PART 9: HOW THE EIS WORKS (CONTD.)

### (iii) Timing of EIS claim

Investors will obtain income tax relief in respect of the tax year in which Qualifying Shares in Investee Companies are allotted. The Manager anticipates that all of the capital raised will be deployed into qualifying EIS Investee Companies before the end of the current tax year (2017/18), although this cannot be guaranteed. Investors are also entitled to carry back EIS income tax relief to the tax year preceding that in which investments are made, to the extent the Investor did not fully use his or her EIS annual limit in that tax year.

Once each Investee Company has been trading for four months, the Manager will assist the Investee Companies to apply to HMRC for EIS3 certificates. Once the applications have been processed, HMRC will send the EIS3 certificates to the Investee Company and the Manager will then send them to each Investor. The EIS3 certificates will confirm the amount of EIS qualifying investment the Investor has made and are required by Investors in order to claim EIS Relief. The Manager anticipates that the Investee Companies will begin trading soon after investment, and estimates that EIS3 certificates will be available within 9-15 months of allotment<sup>10</sup>. EIS Reliefs must be claimed no later than five years after 31 January following the tax year in which the Qualifying Shares are issued in each Investee Company (and four years if the relief is carried back to the previous tax year).



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### 2. LOSS RELIEF AGAINST INCOME OR GAINS

In addition to the three elements of EIS Relief set out above, tax relief is available for any loss realised on the disposal of Qualifying Shares on which EIS income tax relief has been obtained. The amount of the loss (after taking account of any income tax relief initially obtained) 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. In the case where no proceeds are received on disposal of the Qualifying Shares, the net loss after tax on an investment of £100,000 would be as follows for an additional rate tax payer:

Loss relief	
Realised value of Qualifying Shares	nil
Amount invested in Qualifying Shares	(100,000)
Income tax relief at 30%	30,000
Loss net of income tax relief (at applicable rate)	(70,000)
Loss relief at 45%	31,500
Net loss after tax	(38,500)

### 3. BUSINESS RELIEF

The Qualifying Shares should constitute "Relevant Business Property" (as defined in IHTA). Accordingly, once such Qualifying Shares have been held for a period of two years, they should qualify for 100% business relief, which would reduce the IHT liability on a transfer of the Qualifying Shares to nil.

<sup>10</sup> Timing of delivery is subject to factors beyond the Manager's control, including HMRC response time

## PART 10: OPERATION OF THE SERVICE

### 1. CLIENT ACCOUNTS

Prior to investment in Investee Companies, and following the realisation of investments in Investee Companies but prior to the distribution of realisation proceeds, Investors' funds will be held by the Custodian in cash in a designated client money account with trust status. Funds may be held on overnight deposit or, where not required immediately, in a term deposit not exceeding the lesser of the expected realisation date and three calendar months. All client money will be held in a UK bank or UK branch of an international bank approved by the Prudential Regulation Authority, with a credit rating comparable to one of the major UK clearing banks.

Qualifying Shares will be registered in the name of the Nominee. Qualifying Shares which form the portfolio investments for each Investor under his/her Investor Agreement will be beneficially owned by the Investor at all times, but the Nominee will be the legal owner of the portfolio investments. Any dividends received by the Nominee from Investee Companies in respect of an Investor's shareholding will be paid to the Investor. However, the Manager does not anticipate that any dividends will be paid by the Investee Companies during the Relevant Period.

### 2. ALLOCATIONS

The number of Qualifying Shares allocated to a particular Investor will be calculated by reference to the proportion which the Investor's Subscription (subject to rounding) bears to the total Aggregate Subscriptions. It is intended that monies received from each Investor will be invested on a pro-rata basis to his/her Subscription as investment opportunities arise. Variations to this standard procedure will only occur to avoid issuing fractions of shares, or if an Investor is subject to professional rules preventing him/her from making an investment in a particular Investee Company.

Should an Investor die before his/her subscription is fully invested, all uninvested sums subscribed by him /her will be repaid by the Manager upon receipt of notice from the Investor's duly authorised personal representatives. Consideration will be given to liquidating the deceased Investor's Qualifying Shares, subject to the Manager's absolute discretion.

### 3. DOCUMENTATION AND COMMUNICATION

The Manager will provide each Investor with half-yearly (interim and annual) reports pursuant to his/her Investor Agreement in each year, containing details of all investments made by the Manager into Investee Companies, together with a commentary on the progress of each of these investments.

The Manager shall provide an annual report for each financial year and an auditor's report shall be reproduced in full in this report. The Manager, however, intends to make arrangements with the Auditor to audit the terms of the annual report to verify the information it contains regarding the valuation in respect of each Investor's portfolio.

The Manager will assist the Investee Companies in applying for and obtaining EIS3 certificates which are required to claim EIS Reliefs, subject to each Investor's own circumstances and the continued availability of EIS Reliefs. It is anticipated that these will be issued within 9-15 months of the allotment of Qualifying Shares to the Investor, however this timescale is subject to a number of factors outside of the Manager's control, including response times of HMRC.



**THE TRUST** | Saban Films

## PART 10: OPERATION OF THE SERVICE (CONTD.)

### 4. THE CUSTODIAN, DEPOSITARY AND NOMINEE

By completing the Application Form, a prospective Investor will be deemed to have irrevocably agreed to the Manager having appointed the Custodian and Depositary on the Investor's behalf. The Custodian and Depositary will act on behalf of Investors in accordance with the Custodian Agreement and Depositary Agreement, certain provisions of which are summarised below. Investors should note that the following does not summarise all the provisions of the Custodian Agreement and/or Depositary Agreement.

#### (i) Function of the Custodian

The function of the Custodian will be to perform (or procure the performance of) custodian, nominee and associated administrative services, which are conferred upon it by the terms of the Custodian Agreement. Investors may obtain an electronic copy of the Custodian Agreement by contacting the Custodian at ingenious@thompsonaraz.co.uk or on +44 (0)20 7907 8777 in order to request the same.

#### (ii) Custodian's obligations and powers

The Custodian shall, in respect of the assets held pursuant to each Investor Agreement comprising the Service:

- (a) hold funds arising from Subscriptions in cash in a designated client money account with trust status. Funds may be held on overnight deposit or, where realisation for investment is not required immediately, in a term deposit not exceeding the lesser of the expected realisation date and three calendar months. Pending investment in Qualifying Shares all client money will be held in a UK bank or UK branch of an international bank approved by the Prudential Regulatory Authority, with a credit rating comparable to one of the major UK clearing banks;
- (b) deploy funds on the instructions of the Manager acting in accordance with the Investor Agreement, appoint the Nominee to acquire Qualifying Shares and hold the corresponding shares and share certificates in its name, and act on the instructions of the Manager to realise investments for Investors; and
- (c) be authorised to:
  - buy, sell, retain, convert, exchange or otherwise deal in the Investor's Qualifying Shares upon the instructions of the Manager;
  - exercise voting and other shareholder rights in relation to the Investor's Qualifying Shares upon the instructions of the Manager; and
  - carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as a Custodian, acting in compliance with ITA, FSMA and the FCA Rules as applicable.

#### (iii) Custodian liability

The Custodian will act in good faith and with reasonable care and diligence in the performance of its functions. The Custodian will not be liable to an Investor in the event of any loss in value of funds invested or any insolvency of any bank with which funds are deposited in accordance with the Custodian Agreement, nor in the event of any restriction on the Custodian's ability to withdraw funds from such bank for reasons reasonably beyond the control of the Custodian.

#### (iv) Termination

The Custodian Agreement may be terminated (i) by either party on 180 days' written notice or (ii) if either the Custodian or the Manager fails to remedy a material breach of the Custodian Agreement within 10 business days of notice of the same. Where the Custodian is to be replaced, the Custodian will co-operate with the Manager and any replacement custodian to ensure an effective transfer of responsibilities.

**A SECTOR ALIVE WITH OPPORTUNITY AND ENERGY, WHERE CREATIVITY AND FISCAL POLICY IS WORKING HAND IN HAND TO MAKE THE UK THE MOST EXCITING PLACE ON THE PLANET TO DO BUSINESS**

Amanda Nevill, British Film Institute CEO



**DOG EAT DOG** | RLJ Entertainment



#### (v) Function of the Depositary

The function of the Depositary will be to perform (or procure the performance of) depositary and associated administrative services, which are conferred upon it by the terms of the Depositary Agreement. Investors may obtain an electronic copy of the Depositary Agreement in respect of the provision of the Depositary Services by contacting the Depositary at ingenious@thompsonstaraz.co.uk or on +44 (0)20 7907 8777 in order to request the same.

#### (vi) Depositary's obligations and powers

The Depositary shall:

- (a) ensure that cash flows in respect of the Investor Agreements comprising the Service are properly monitored;
- (b) ensure all assets in respect of each Investor Agreement comprising the Service are properly held in the name of the Nominee or Custodian;
- (c) verify whether the Service (or the Manager acting on behalf of Investors) holds an ownership interest in the assets;
- (d) have various general oversight duties regarding subscriptions to, and payments from, the Service and valuations of and transactions in Investee Companies and application of income, all in accordance with the terms of the Investor Agreement;
- (e) have oversight and supervision of the Manager and the Service;
- (f) maintain accurate records in relation to the above duties;
- (g) conduct such other duties or services as shall be agreed between the parties from time to time; and
- (h) carry out the instructions of the Manager unless they conflict with applicable national law or the terms of this Brochure or the Investor Agreement. Its services shall therefore include those required of a depositary under the AIFMD.

#### (vii) Depositary liability

Subject to the below, the Depositary shall be liable to the Investors or the Manager for any expense, loss or damage suffered by or occasioned to the Investors or the Manager to the extent caused by the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

The Depositary shall not be liable to Investors for any expense, loss or damage suffered by or occasioned to the Investors as a result of:

- (a) any act or omission or insolvency of any third party (including any Custodian) who is not an associate of the Depositary, to which its functions are delegated provided the Depositary can show that it was reasonable to delegate the functions concerned, that the third party was and remained competent to provide the functions in question and that the Depositary took reasonable care to ensure that the functions in question were performed in a competent manner;
- (b) any reliance by the Depositary on any information, advice or notices sent to the Depositary by the Manager or any third party in accordance with the Agreement; or
- (c) any delay arising while the Depositary obtains clarification of incomplete, unclear, conflicting or inconsistent instructions sent in accordance with the Depositary Agreement.

No party will be liable to another (under any indemnity contained in the Depositary Agreement or otherwise) for any loss of business, revenue, profits or goodwill suffered by the other, as a result of any breach of the Depositary Agreement or any tortious act or omission.

If the Depositary is liable under the Depositary Agreement for any loss caused to the Investors in the Service or the Manager by a third party (including a Custodian) then, subject to the Depositary having paid in full the loss, the Depositary shall have full rights of subrogation in respect of any rights or remedies of the Investors in the Service or the Manager against such third party.

#### (viii) Termination

The Depositary Agreement may be terminated (i) by either party on no fewer than three months' written notice (provided that a replacement depositary is appointed) or (ii) if either the Depositary or the Manager fails to remedy a material breach of the Depositary Agreement within 30 days' notice of the same. Where the Depositary is to be replaced, the Depositary will co-operate with the Manager and any replacement Depositary to ensure an effective transfer of responsibilities.

## PART 10: OPERATION OF THE SERVICE (CONTD.)

### 5. CONFLICTS OF INTEREST

#### (i) What are conflicts of interest?

In the course of providing the Service, conflicts of interest may arise between the Manager and a client of the Manager, or one client of the Manager and another client. Where conflicts arise, controls are essential to ensure that clients are always treated fairly.

#### (ii) Description of potential conflicts and how we manage them

The Manager may make an investment in an Investee Company involved in an Entertainment Project in which members of the Ingenious Group have a commercial interest. The Manager shall take steps necessary to ensure that, in either case, such decisions are taken fairly and without reference to that commercial interest.

The Manager and other members of the Ingenious Group act, and will continue to act, as the administrator, investment manager, operator, agent and/or investment adviser to various other new and existing clients and investee entities which are involved in the funding, development and/or production of Entertainment Projects. Entertainment Projects may therefore arise that are suitable for the Investee Companies, or one or more other clients or investee entities of the Ingenious Group (both current and future) or any of its managed services or funds (**Suitable Investees**). The Manager and/or its affiliates will seek in their absolute discretion to ensure that any suitable projects are offered fairly to Suitable Investees in accordance with the policies of the Ingenious Group from time to time and without prejudice to the Manager's obligations to Investors. A summary of the Manager's policy for managing conflicts of interest can be found via our website ([www.theingeniousgroup.co.uk/legal-notice](http://www.theingeniousgroup.co.uk/legal-notice)), or a copy can be requested from the Manager.

Companies within the Ingenious Group are, and will continue to be, active investors in, and advisers to, entities and individuals in the media and entertainment sector. There may be circumstances in the future, therefore, where the Ingenious Group, its subsidiaries and/or managed services might enter (or propose to enter) into contracts, transactions, arrangements or investments in connection with the Service and/or an Investee Company or may otherwise be directly or indirectly interested in contracts, transactions, arrangements with, or investments by, the same. Such circumstances (if they occur) will be managed in accordance with any requirements under applicable laws and regulations.

Where Ingenious employees are appointed as directors of Investee Companies, potential conflicts of interest may arise. As such, Ingenious employee directors may abstain from voting or agree another method for managing those conflicts.

#### (iii) Disclosure of conflicts of interest

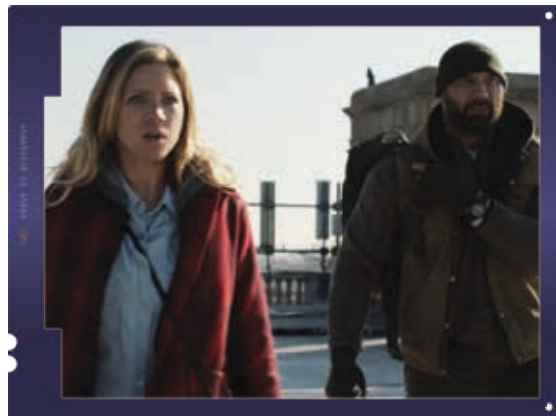
If it is felt that the arrangements put in place to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, the Manager will clearly disclose the general nature and/or sources of such conflicts of interest to the client before undertaking business, or any further business, for the client.

### 6. POLICY FOR TREATING INVESTORS FAIRLY

The Manager shall ensure at all times that it:

- acts honestly, with due skill, care and diligence and fairly in conducting its activities;
- acts in the best interests of the Investors;
- has and employs effectively the resources and procedures that are necessary for the proper performance of its activities;
- takes all reasonable steps to avoid conflicts of interest (and, when they cannot be avoided, to identify, manage and monitor, and where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of Investors);
- ensures that there is fair treatment of Investors;
- complies with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of the Investors and the integrity of the market; and
- seeks to treat all Investors fairly and any preferential treatment which might be accorded by the Manager to one or more of the Investors shall not result in any overall material disadvantage to the other Investors.

The Brochure is dated 18 April 2017.



**BUSHWICK** | Universal

## PART 11: CANCELLATION NOTICE

You may cancel your Application and terminate the Investor Agreement at any time within 14 calendar days of the Manager accepting your Application Form. If you wish to cancel your Application, please complete the details below and send this notice to the Manager for the attention of: **Client Service Centre, Ingenious Media, 15 Golden Square, London W1F 9JG.**

I hereby cancel my application to Shelley Media.

Title

---

First Name(s)

---

Last Name

---

Address

---

---

Postcode

---

Signature

---

Date

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TERMINAL

Universal

## INVESTOR AGREEMENT

This Investor Agreement (the **Agreement**) sets out the terms upon which we, the Manager, agree to provide discretionary investment management services to you, the Investor, so that you may participate in the Service.

The Application Form forms part of this Agreement. Upon our acceptance of a signed Application Form, this Agreement, the Application Form and those parts of the Brochure referred to in this Agreement, will constitute the whole of the binding agreement between you and the Manager in respect of the Service described in the Brochure as Shelley Media.

### 1. INTRODUCTION

- 1.1 The Manager is Ingenious Media, a trading division of Ingenious Capital Management Limited, a company registered in England and Wales under company number 07728908 with its registered office at 15 Golden Square, London, W1F 9JG. The Manager is authorised and regulated by the Financial Conduct Authority with firm reference number 562563.
- 1.2 Provision of the Portfolio Services requires:
  - (i) the appointment of the Manager by the Investor upon the terms of this Agreement; and
  - (ii) the appointment of a third party to hold the Investor's cash and Investments on behalf of the Investor, in respect of which the Manager has entered into an agreement with the Custodian for the provision of these Custodian Services; and
  - (iii) the appointment of a third party to provide the EIDV Services to the Manager; in respect of which the Manager has entered into an agreement with the EIDV Service Provider for the provision of the EIDV Services; and
  - (iv) the appointment of a depositary by the Manager to oversee the operation of the Service in accordance with the requirements of the AIFMD in respect of which the Manager has entered into an agreement with the Depositary for the provision of these custodian, nominee, settlement and associated services.
- 1.3 This Investor Agreement pertains to Shelley Media, which is to comprise discretionary managed investment portfolios for its Investors which are managed by the Manager in accordance with Investor Agreements which are all identical in terms. The Service will be looking to make investments in Qualifying Shares in a number of Investee Companies and the portfolio of each Investor shall comprise a specific number of such Qualifying Shares in each such Investee Company. For FSMA purposes, the portfolios of the Investors collectively are not regarded as constituting a collective investment scheme as defined in FSMA. However, for the purposes of the AIFMD, it is considered that the collection of portfolios which are managed on a common basis may constitute a collective investment undertaking and an alternative investment fund. This Agreement governs the terms for provision of Portfolio Services in respect of the Investor.
- 1.4 The FCA has confirmed at the Manager's request, the Manager's authorisation as a Full Scope UK AIFM, with effect from 27 May 2016. The Manager has currently taken all necessary relevant steps to comply with AIFMD. Some of these steps include a requirement to have independent risk and valuation functions, audits of the Service, appointing a depositary for the Service and to notify the FCA of any significant changes to the information provided as part of the application process.

## 2. DEFINITIONS, CONSTRUCTION AND INTERPRETATION

### 2.1 Terms and Definitions:

The following words and phrases have the following meanings when used in the Brochure and this Agreement:

<b>Advised Professional Client</b>	An Investor who has been categorised as a professional client by their adviser for the purposes of their investment in the Service in accordance with COBS
<b>Advised Retail Client</b>	Any Investor who is NOT: (i) an Advised Professional Client; (ii) an Introduced Investor (Non-Advised Execution Only); or (iii) a Direct Investor (Non-Advised Execution Only)
<b>Aggregate Subscriptions</b>	The aggregate amount of Subscriptions to the Service as at the Subscription Deadline
<b>AIF</b>	Alternative Investment Fund
<b>AIFMD</b>	The Alternative Investment Fund Managers Directive (2011 / 61 /EU)
<b>Applicable Laws</b>	All relevant English laws, regulations and rules, including those of the FCA
<b>Application Form</b>	An application form in such form as is prescribed by the Manager for use by a prospective Investor to apply to set up an Investor Agreement enabling the Investor to participate in the Service, to be completed by the Investor and (where applicable) their adviser or introducer
<b>Arrangement Fee</b>	The upfront arrangement fee described in Part 6 of the Brochure
<b>Associate(s)</b>	Any entity that is the ultimate parent of the Manager and/or Ingenious Media Holdings plc from time to time or any of their direct or indirect subsidiary undertakings from time to time and/or any employee, director, consultant or officer of any such entity
<b>Auditor</b>	Such person as the Manager may appoint to provide, and with which the Manager has agreed such terms for, audit services in respect of the Service and at the date of this Brochure is Shipleys LLP, registered in England and Wales under limited liability partnership number OC317129, with its registered office at 10 Orange Street, London WC2H 7DQ
<b>Brochure</b>	The document issued by the Manager in connection with the Service
<b>CGT</b>	Capital Gains Tax
<b>COBS</b>	The FCA's Conduct of Business Sourcebook
<b>Completion Bond</b>	Contractual support provided by a recognised completion guarantor or other suitable entity, giving protection against certain production risks that can be incurred in completing and delivering film and/or television content, or any other similar arrangement
<b>Custodian</b>	Such person as the Manager may appoint to provide, and with which the Manager has agreed terms for, safe custody, custodial, nominee and administrative services in respect of the Service and at the date of this Brochure is Thompson Taraz Depository Limited, with its registered office at 4th Floor, Stanhope House, 47 Park Lane, London, W1K 1PR, which is authorised and regulated by the FCA and is registered on the FCA register with registration number 465415
<b>Custodian Agreement</b>	The agreement between the Custodian and the Manager setting out the agreed terms for safe custody, custodial nominee and administrative services to be provided by the Custodian in respect of the Service to Investors
<b>Custodian Fees</b>	The initial and ongoing custodian fees described in Part 6 of the Brochure
<b>Custodian Services</b>	The services provided by the Custodian under the Custodian Agreement and the Nominee Services procured by the Custodian from the Nominee
<b>Deposit Holder</b>	Shall have the meaning ascribed in Part 7.7 of the Brochure
<b>Depository</b>	Such person as the Manager may appoint to provide, and with which the Manager has agreed terms for, depository services in accordance with AIFMD in respect of the Service and at the date of this Brochure is Thompson Taraz Depository Limited, registered in England under company number 06043483, with its registered office at 4th Floor, Stanhope House, 47 Park Lane, London, W1K 1PR which is authorised and regulated by the FCA
<b>Depository Agreement</b>	The agreement between the Manager and the Depository, entered into by the Manager on behalf of each Investor in respect of each of the Investor Agreements
<b>Depository Fee</b>	The fee payable to the Depository for the services provided by it in respect of the Services, as described in Part 6 of the Brochure
<b>Depository Services</b>	The services provided by or on behalf of the Depository under the Depository Agreement

Direct Investor (Non-Advised Execution Only)	An Investor who: <ol style="list-style-type: none"> <li>1. applies directly to the Manager; and in addition</li> <li>2. has NOT received any Personal Recommendation in respect of his/her investment in the Service from ANY person</li> </ol>
EIDV Service Provider	GB Group plc or such other third party service provider as may be engaged by the Manager and/or GB Group plc from time to time to provide the EIDV Services or similar services
EIDV Services	The electronic identity verification services provided by the EIDV Service Provider as part of the identification process as set out in the Application Form
EIS	The Enterprise Investment Scheme set out in ITA Sections 156-257, and in TCGA Sections 150A-150C and Schedule 5B
EIS Reliefs	The tax reliefs available under the EIS, including the income tax relief, capital gains tax exemption and deferral relief
FCA	The Financial Conduct Authority
FCA Rules	The rules of the FCA as set out in the FCA's Handbook of Rules and Guidance and any other rules and guidance issued by the FCA from time to time
Fee Shortfall	Has the meaning ascribed in Clause 15.5 of this Agreement
FSMA	The Financial Services and Markets Act 2000
Group	In respect of an entity, the parent undertakings of such entity together with the subsidiary undertakings of such parent undertakings
HMRC	HM Revenue and Customs
IHT	Inheritance tax
IHTA	The Inheritance Tax Act 1984
Ingenious Media	A trading division of Ingenious Capital Management Limited, registered in England and Wales under company number 7728908, with its registered office at 15 Golden Square, London, W1F 9JG, which is authorised and regulated by the FCA and is registered on the FCA register with registration number 562563
Ingenious or the Ingenious Group	Ingenious Media Holdings plc and Ingenious Capital Management Holdings Limited and each of their subsidiaries from time to time
Introduced Investor (Non Advised Execution Only)	An Investor who: <ol style="list-style-type: none"> <li>1. applies to invest through a third party introducer or platform service whether online or otherwise; and in addition</li> <li>2. has NOT received a Personal Recommendation in respect of his/her investment in the Service from ANY person;</li> <li>3. and in addition where such third party introducer or platform service is authorised by the FCA</li> <li>4. does NOT receive Personal Recommendations on ANY Retail Investment Products from such third party introducer or platform service</li> </ol>
Investee Company	A company in which an Investor is invested
Investment	An investment in Qualifying Shares acquired at the direction of the Manager
Investment Strategy	Has the meaning ascribed in Part 2 of the Brochure
Investor	An investor who wishes to participate in the Service and enters into an Investor Agreement
Investor Agreement	This Agreement
ITA	The Income Tax Act 2007
Manager	Ingenious Media, a trading division of Ingenious Capital Management Limited
MiFID	The EU Markets in Financial Instruments Directive which came into force on 1 November 2007, as subsequently amended
Monitoring Fee	The upfront initial monitoring fee and the annual monitoring fee described in Part 6 of the Brochure

Multi-Lateral Trading Facility	A multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of MiFID
Nominee	TT Nominees Limited. The company is a fellow subsidiary of the Custodian TTDL, registered in England under company number 07822475, with its registered office at 4th Floor, Stanhope House, 47 Park Lane, Mayfair, London, W1K 1PR or such other nominee as may be appointed by the Manager from time to time
Nominee Services	The services to be provided by the Nominee for the Service
Personal Recommendation	As defined in the glossary to the FCA handbook
Portfolio Services	The services provided by the Manager under Clause 6 of this Agreement
Qualifying Shares	Ordinary shares in an Investee Company
Qualifying Trade	A trade permitted by Sections 189 and 192 ITA
Readily Realisable Investments	<ol style="list-style-type: none"> <li>1. A packaged product (i.e. a life policy, a unit in a Regulated Collective Investment Scheme, an interest in an investment trust savings scheme or a stakeholder pension scheme or a personal pension scheme); or</li> <li>2. a government or public security denominated in the currency of the country of its issuer; or</li> <li>3. any other security which is: <ol style="list-style-type: none"> <li>(i) admitted to trading on an exchange in a European Economic Area State; or</li> <li>(ii) regularly traded on or under the rules of such an exchange; or</li> <li>(iii) 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</li> <li>(iv) a newly issued security, which can reasonably be expected to fall within (c) when it begins to be traded</li> </ol> </li> </ol>
Regulated Collective Investment Scheme	<ol style="list-style-type: none"> <li>1. An authorised open-ended investment company as defined in Section 237(3) of the FSMA; or</li> <li>2. an authorised unit trust scheme as defined in Section 237(3) of the FSMA; or</li> <li>3. an authorised contractual scheme as defined in Section 237(3) of the FSMA; or</li> <li>4. a recognised scheme under Sections 264, 270 or 272 of the FSMA</li> </ol>
Relevant Period	The period beginning on the date that the Qualifying Shares are issued by the Investee Company and ending three years after that date, or three years after the last relevant Investee Company has commenced trading, whichever is later
Retail Investment Product	As defined in the Glossary to the FCA's Handbook
Schedule	A schedule to this Agreement
Service	Shelley Media, an Ingenious discretionary managed portfolio service
Specified Services	Collectively, the Portfolio Services, the Custodian Services and the EIDV Services and the Depository Services
Subscription	A subscription to the Service by the Investor pursuant to Clause 5 of this Agreement
Subscription Deadline	The last date upon which the Investor may make a Subscription to his/her Investor Agreement in respect of the Service, as determined by the Manager and described in Part 3 of the Brochure
Tax Benefits	The various tax benefits, including EIS Reliefs, arising from subscriptions for shares in Investee Companies
TCGA	The Taxation of Chargeable Gains Act 1992
Trade	With respect to each Investee Company, the development and/or production of film or television programmes as described in the Brochure
UK AIFM	A UK firm defined as an Alternative Investment Fund Manager, as set out in Article 3 of the Alternative Investment Fund Managers Directive
US Person	Includes: 1) individuals who are United States of America (US) citizens (including dual citizens) or resident, US passport holders, green card holders, individuals born in the US who have not renounced their citizenship, permanent residents of the US and those with a "substantial presence" in the US as defined in US tax law; 2) a partnership or corporation organised in the US or under the laws of the US; 3) certain trusts with a US nexus; and 4) a non-US entity which is controlled by US Persons (if the Investor is in any doubt as to whether he is a US Person he should consult an adviser)



- 2.2 Words and expressions defined in the FCA Rules, which are not otherwise defined in this Agreement will, unless the context otherwise requires, have the same meaning in this Agreement.
- 2.3 Any reference to a statute, statutory instrument or to rules or regulations are 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.
- 2.4 References to the singular also include the plural and vice versa and words denoting one gender also include any other gender.
- 2.5 Unless otherwise indicated, references to Clauses and Schedules are to Clauses and Schedules in this Agreement.
- 2.6 Headings to Clauses are for convenience only and do not affect the interpretation of this Agreement.

### 3. MAKING AN INVESTMENT

- 3.1 This Agreement comes into force on the date that the Manager accepts the Investor's Application Form. An Application Form is accepted when recorded on the register of applications maintained by the Manager.
- 3.2 An Application Form must be properly completed and executed by the Investor and received by the Manager before acceptance of the applicant as an Investor. The specific details of acceptance to the Service are set out in the Brochure.
- 3.3 Where an Application Form is accepted by the Manager, the Investor hereby appoints the Manager to fulfil its role in managing his/her Subscription and the Investments and in providing the Portfolio Services in each case on the terms and subject to the conditions set out in this Agreement. The Manager agrees to accept its appointment and obligations on the terms and subject to the conditions set out in this Agreement.

### 4. CANCELLATION RIGHTS

- 4.1 The Investor has the right to cancel his/her Subscription provided that the Investor notifies the Manager in writing at the address set out in this Agreement within 14 calendar days of the Manager accepting the Investor's Application Form.
- 4.2 If the Investor exercises the right to cancel his /her Subscription, the cancellation will take effect upon the Manager's receipt of the written notice specified in Clause 4.1 and the Manager will refund any monies paid by the Investor less any charges the Manager has already incurred in providing the Specified Services undertaken in accordance with the terms of this Agreement including payment of any stamp duty and less any sums paid to advisers and introducers (if any and as applicable). The Manager will endeavour to arrange the return of any such monies as soon as possible (and in any event, not more than 30 calendar days following cancellation). The Investor will not be entitled to interest on such monies.

- 4.3 Where the Investor does not exercise the right to cancel within the requisite time period provided by Clause 4.1, any termination of this Agreement by the Investor will be governed by the conditions specified in Clause 18.
- 4.4 The Investor acknowledges that, notwithstanding the right to cancel his/her Subscription under the FCA Rules and this Agreement, s/he does not have the right to cancel, terminate and/or reverse any particular Investment transaction executed for the account of the Investor before cancellation takes effect.

### 5. SUBSCRIPTION

- 5.1 The Investor must make a Subscription of at least £10,000 (subject to the Manager's discretion to accept a lesser amount) at the same time as submitting his/her Application Form.
- 5.2 Subject to the Manager's discretion, the Investor may make further Subscriptions into the same AIF at any time up to and including the Subscription Deadline. The Investor may not make any further Subscriptions into the same AIF after the Subscription Deadline and the Manager cannot require the Investor to contribute further monies to the Service following the Subscription Deadline.
- 5.3 Prior to executing an Investment using the Investor's Subscription, and following the realisation of Investments but prior to the distribution of proceeds from them, the Investor's funds will be held by the Custodian in cash in a designated client money account with trust status. Funds may be held on overnight deposit or, where the funds are not required for distribution or an Investment immediately, in a term deposit not exceeding the lesser of the expected distribution or Investment date (as the case may be) and three calendar months. All client money will be held in a UK bank or UK branch of an international bank approved by the Prudential Regulation Authority, with a credit rating comparable to one of the major UK clearing banks. The Investor will not be entitled to interest on such monies.
- 5.4 Qualifying Shares will form the portfolio investments for the Investor and will be beneficially owned by the Investor at all times, but the Nominee will be the legal owner of the portfolio investments. Any dividends received by the Custodian or the Nominee from Investee Companies in respect of the Investor's beneficial shareholding will be paid out periodically (no more frequently than quarterly) and subject to a de minimis amount being payable. However, the Manager does not anticipate that any dividends will be paid by the Investee Companies during the Relevant Period.
- 5.5 The Custodian will hold Subscriptions until the Manager has completed its money laundering checks in respect of the Investor to its satisfaction.

5.6 The Investor acknowledges that any monies held on deposit by the Manager or the Custodian and any Investments are held at the Investor's risk and that neither the Manager, nor any Custodian, Nominee or Depositary, nor any director or officer of (or member of the same Group as) any of them, will be liable to the Investor in the event of any loss in value of such Investments or the insolvency of any bank with which the Investor's funds are deposited, nor will they be so liable in the event of any restriction on their ability to withdraw funds from such bank or dispose of or realise such Investments for reasons beyond the reasonable control of any of them. The Investor will not be entitled to interest on any monies held on deposit by the Manager or the Custodian.

## 6. PORTFOLIO SERVICES

- 6.1 The Manager will exercise all discretionary investment powers in relation to the selection, management and disposal of Investments within the Service which correspond with the objectives and principles of the Service without prior reference to the Investor or the Investor's advisor (and the Investor hereby irrevocably authorises and empowers the Manager in this regard).
- 6.2 Subject only to the following, the Investor shall retain all voting and other rights attaching to the Investor's beneficial shareholding of Investments within the Service. The Manager shall have discretion to instruct the Custodian to execute and do all such acts as the Manager may deem necessary or desirable in connection with such Investments and the cash referred to in Clause 5.3 above in pursuit of the Investment Strategy (and the Investor hereby irrevocably authorises and empowers the Manager in this regard).
- 6.3 The Investor acknowledges and agrees that the Custodian is not obliged to seek or accept any instruction or direction directly from the Investor in respect of the Custodian's execution of instructions from the Manager in accordance with Clause 6.2 of this Agreement.
- 6.4 The Manager will not, except as expressly provided in this Agreement or unless otherwise authorised by or on behalf of the Investor, have any authority to act on behalf of or in respect of, the Investor or to act as agent of the Investor.
- 6.5 The Tax Benefits are dependent on an Investor's personal circumstances and applicable laws. Neither the Manager nor any Associate of the Manager provides legal, tax, financial or other advice and the Investor should seek appropriate independent advice to determine and understand the consequences for him / her of investing in Qualifying Shares through the Service and any effect that this may have on the Investor's position generally.

## 7. CUSTODIAN SERVICES

- 7.1 The Manager will arrange for the Custodian to provide the Custodian Services in relation to the Investments and the Investor's Subscription and for the Custodian and the Nominee to provide the Nominee Services. The Custodian will act as custodian of the cash and other assets of the Investor in relation to the Service and the Nominee will be the legal owner of the Qualifying Shares and will retain certain registers in respect of the same.
- 7.2 The Manager will provide a copy of the Custodian Agreement to the Investor as soon as reasonably practicable upon written request.
- 7.3 By accepting the terms of this Agreement, the Investor agrees that:
- (i) the Manager is authorised to enter into the Custodian Agreement on the Investor's behalf as the Investor's agent, to give instructions to the Custodian and to agree any subsequent amendments to the Custodian Agreement on the Investor's behalf, provided that the Manager notifies the Investor of such amendments in accordance with the FCA Rules;
  - (ii) the Investor is bound by the terms of the Custodian Agreement;
  - (iii) the Custodian and the Manager are each authorised to transfer cash or Investments from the Investor's account to meet the respective fees and settlement or other obligations under the Custodian Agreement; and
  - (iv) the Investor will not be entitled to interest on any monies held by the Custodian.
- 7.4 Under the Custodian Agreement, the Investor will remain the customer of the Manager, but will also become a client, for the purposes of the FCA Rules, of the Custodian for settlement, nominee and custody purposes only. The Manager retains responsibility for compliance and regulatory requirements regarding the provision of the Service. Neither the Custodian nor the Nominee provides investment advice, gives advice or offers any opinion regarding the suitability of any transaction. The Investor should direct all enquiries regarding the Service to the Manager and not to the Custodian or the Nominee. The Custodian and the Nominee will not accept instructions from the Investor directly. The Custodian will provide Nominee Services to Investors through the Nominee.
- 7.5 The Manager is authorised at any time to replace the Custodian with an alternative custodian that is, in the Manager's opinion, suitable for the Service and capable of providing the settlement, nominee and custody services described in the Brochure and/or to vary the terms from time to time of, or terminate, the Custodian Agreement. In each case, the Manager will endeavour to ensure that it does so on terms no less beneficial to the Investor than those contained in the existing Custodian Agreement.

7.6 The Investor acknowledges that although the Custodian will not co-mingle securities with its own property, the Custodian may co-mingle the securities with securities held for other clients. In addition, securities deposited with a delegate of the Custodian or Nominee may be held in an omnibus account by the delegate of the Custodian or Nominee (as the case may be). In each case individual client entitlements may not be identifiable by separate certificates, or other physical documents by title, entries on the register or equivalent electronic records. If there is an irreconcilable shortfall following any default by the Custodian or the Nominee or a delegate of the Custodian or Nominee, the Investors may not receive their full entitlement and may share in the shortfall pro rata among the Custodian's or Nominee's (as the case may be) other clients or the delegate's other clients.

## 8 DEPOSITARY SERVICES

8.1 The Depositary shall:

- (i) ensure that cash flows in respect of the Investor Agreements comprising the Service are properly monitored;
- (ii) ensure that all assets in respect of this Agreement comprising the Service are properly held in the name of the Nominee or Custodian; and
- (iii) have various general oversight duties regarding subscriptions to, and payments from, the Service, valuations of, and transactions relating to, Qualifying Shares and application of income, all in accordance with the terms of this Agreement;

and the Depositary's services shall, therefore, include those required of a depositary under the AIFMD.

8.2 The Manager will provide a copy of the Depositary Agreement to the Investor as soon as reasonably practicable upon written request.

8.3 By accepting the terms of this Agreement, the Investor agrees that:

- (i) the Manager is authorised to enter into the Depositary Agreement on the Investor's behalf as the Investor's agent, to give instructions to the Depositary and to agree any subsequent amendments to the Depositary Agreement on the Investor's behalf, provided that the Manager notifies the Investor of such amendments in accordance with the FCA Rules; and
- (ii) the Investor is bound by the terms of the Depositary Agreement.

8.4 The Manager is authorised at any time to replace the Depositary with an alternative depositary that is, in the Manager's opinion, suitable for the Service and capable of providing the depositary services described in the Brochure and/or to vary the terms from time to time of, or terminate, the Depositary Agreement. In each case, the Manager will endeavour to ensure that it does so on terms no less beneficial to the Investor than those contained in the existing Depositary Agreement.

8.5 The Manager will notify the Investor of any changes to the Service that are required as a consequence of AIFMD, including in respect of the Depositary appointed by the Manager.

## DELEGATION AND ASSIGNMENT

9.1 Save as expressly specified in this Agreement, the Brochure or the Application Form, the Manager does not intend to delegate any of the functions which are required to be carried out by it but, should it decide to do so, it shall delegate in compliance with the requirements of rule FUND 3.10 of the FCA Rules, and the Manager's liability to the Investor will not be affected by the Manager delegating such functions to a third party, or by any further sub-delegation. The Manager may engage agents, including Associates of the Manager, to perform any administrative or ancillary services to assist the Manager in performing the Portfolio Services and other obligations of the Manager under this Agreement, in which case it will act in good faith in the selection, use and monitoring of such agents and Associates but otherwise will have no liability in respect of such agents and Associates. Any such engagement of agents and Associates of the Manager will not affect the liability of the Manager under the terms of this Agreement.

9.2 The Manager may replace, substitute, assign or novate this Agreement to any appropriately authorised and regulated entity which is an Associate of the Manager, and agrees to notify the Investor of such replacement, substitution, assignment or novation. The Manager (and any duly appointed delegate or attorney of the Manager), in acting within the terms of this Agreement, is duly authorised and empowered to approve, execute and/or deliver any and every such instrument or document for and on behalf of the Investor.

9.3 This Agreement is personal to the Investor and the Investor may not assign it.

## 10. POTENTIAL CONFLICTS OF INTEREST AND DISCLOSURE

- 10.1 The Manager, the Depositary, the Nominee and the Custodian may provide services similar to the Service or any other services whatsoever to any other of their respective customers (including other customers of the Manager that set up Investor Agreements for the Service) and none of the Manager, the Depositary, the Nominee or the Custodian will in any circumstances be required to account to the Investor for any profits earned in connection therewith. So far as is deemed practicable by the Manager, the Depositary, the Nominee or the Custodian, the Manager, the Depositary, Nominee or the Custodian will use all reasonable endeavours to ensure fair treatment as between the Investor and other customers in compliance with the FCA Rules.
- 10.2 The Manager's conflicts of interest policy, which details how the Manager identifies and manages conflicts of interest, is available via [www.theingeniousgroup.co.uk/legal-notice](http://www.theingeniousgroup.co.uk/legal-notice), or a copy can be obtained upon request by the Investor. The Investor acknowledges that s/he has read the current version of the Manager's conflicts of interest policy, which may be updated from time to time.

## 11. MANAGER AUTHORISATION, CLIENT CATEGORISATION, INVESTOR CONFIRMATIONS AND OBLIGATIONS

- 11.1 Whether or not the Investor has been categorised as a professional client by his/her adviser for the purposes of the services provided by that adviser to the Investor in connection with his/her application to the Service (which may have included a personal recommendation by that adviser) the Investor is, nevertheless, categorised by the Manager as a Retail Client for the purposes of the Portfolio Services and this Agreement constitutes a Client Agreement for the purpose of the FCA Rules. The Investor has the right to request categorisation as a Professional Client by the Manager in connection with the Portfolio Services. However, if the Investor does so and if the Manager agrees to such categorisation the Investor will lose certain protections afforded by the FCA Rules. These may include, but may not be limited to, the following:

**Disclosures:** Additional disclosures which must be provided to Retail Clients need not be provided to Professional Clients (for example, on costs, commissions, fees and charges, foreign exchange conversion rates and certain information on managing investments).

**Suitability:** In assessing the suitability of the Service and consequent investment in Qualifying Shares for a Portfolio, the Manager can assume that a Professional Client has the necessary experience and knowledge to understand the risks involved and in certain circumstances can assume it is able financially to bear any investment risks as set out in the Brochure.

**Best execution:** The obligation to obtain the best possible result when executing an order on behalf of an Investor differs in its application between Retail Clients and Professional Clients.

**Periodic statements:** A Retail Client is entitled to receive more detailed information in periodic statements than a Professional Client, and a Retail Client may request to receive a statement every three months.

**The Financial Ombudsman Service (FOS):** FOS is a point of referral under which certain complaints relating to regulated activities may be resolved quickly and with minimum formality by an independent person. Only Retail Clients are entitled to refer complaints to FOS.

- 11.2 The Investor confirms that s/he is an experienced Investor in small to medium higher risk, unquoted companies and is suitably knowledgeable of the risks associated with non-Readily Realisable Investments.
- 11.3 The Investor confirms that s/he is not seeking advice from the Manager on the merits of any investment made pursuant to this Agreement in respect of the Service, or any aspect of such investment.
- 11.4 The Investor agrees that the Manager may hold information about him/her and his/her affairs in order to verify his/her identity and financial standing or otherwise in the provision of the Portfolio Services and operation of the Service (among other things the Manager may consult a credit or mutual reference agency, which may retain a record of the enquiry).
- 11.5 The Manager has a duty to comply with the anti-money laundering provisions of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the FCA Rules. The Manager must therefore verify the Investor's identity and report suspicious transactions to the appropriate enforcement agencies. If the Investor does not provide the identity verification information when requested, the Manager may be unable to accept any instructions from the Investor or provide the Investor with any Portfolio Services.
- 11.6 The Service is provided on the basis of the declaration made by the Investor in the Application Form, which includes the following statements by the Investor:
- (i) the Investor wishes to seek EIS Relief in respect of the Investments;
  - (ii) the Investor agrees to notify the Manager if any Investment is made in a company with which the Investor is connected, as defined in Sections 166, 167, 170 and 171 ITA or if within three years of the later of the issue of the relevant shares and the commencement of trade s/he becomes connected with an Investee Company in which an Investment is made or receives value from such a company;
  - (iii) the Investor agrees to notify the Manager if he/she is or becomes a US Person or becomes a resident for tax purposes of any jurisdiction other than the UK; and

(iv) the Investor confirms that the information stated in the Application Form is true, accurate and complete as at the date of submission of the Application Form and will be true and accurate and complete as at the date of this Agreement.

11.7 The Investor must, as soon as practicable but in no event later than 14 days from the date of such change, inform the Manager in writing of any material change in circumstance and any change in the information provided in the Application Form to which Clause 11.6 refers.

11.8 The Investor shall provide the Manager with any information that the Manager reasonably requests for the purposes of providing the Portfolio Services and operating the Service pursuant to the terms of this Agreement.

## 12. INVESTMENT OBJECTIVES

12.1 In performing its Portfolio Services for the Investor as part of the Service, and subject to Clause 16, the Manager will have due regard to and shall use its reasonable endeavours to comply with:

- (i) the Investment Strategy of the Service;
- (ii) (subject to Clause 16.6(d)) the intention for Investments to attract the Tax Benefits; and
- (iii) all Applicable Laws.

12.2 The Manager reserves the right to return any surplus of cash if it concludes that it cannot be invested in appropriate investments, and it considers this to be in the best interests of any of the Investors.

12.3 In the event of a gradual realisation of Investments prior to termination of this Agreement under Clause 18, those realised Investments shall be dealt with in accordance with Clause 5.3.

## 13. TERMS APPLICABLE TO DEALING

13.1 The Investor agrees and accepts that Investments will be in a range of unlisted securities and that such securities generally do not trade on a Regulated Market or Multi-Lateral Trading Facility. The Investor acknowledges that there is no certainty that market makers will be prepared to deal in such securities and adequate information for determining the current value of such securities may be unavailable. The Manager will ensure that transactions in unlisted securities will be effected on the best commercial terms which can be secured.

13.2 The number of Qualifying Shares allocated to a particular Investor in the Service will be calculated by reference to that Investor's Subscription, provided that Investors will not be allocated fractions of shares. The Investor acknowledges that minor variations may be required to prevent Investors in the Service from being allocated fractions of shares.

13.3 Subject to both the FCA Rules and the Manager's policy on the management of conflicts of interest, the Manager may make use of dealing commission arrangements in respect of deals undertaken by the Manager as may be disclosed to the Investor from time to time.

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

13.5 The Manager shall take all reasonable steps to obtain the best possible result when executing orders on the Investor's behalf. This duty of best execution is owed by the Manager to the Investor only when the Manager has contractual or agency obligations to the Investor. The Investor should familiarise himself/herself with the Order Execution Policy provided in the Schedule. The Manager is required to obtain the Investor's consent to this policy, which will be demonstrated by the Investor submitting a completed Application Form to the Manager.

13.6 The Manager may aggregate the Investor's transactions pursuant to this Investor Agreement with those of other Investors in the Service and of employees of the Ingenious Group, in accordance with the FCA Rules. It is unlikely that the effect of such an allocation will work to the Investor's disadvantage; however, occasionally this may not be the case. The Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FCA Rules.

## 14. REPORTS AND INFORMATION

14.1 The Manager shall provide an annual report for each financial year and an auditor's report shall be reproduced in full in this report. The Manager, however, intends to make arrangements with the Auditor to audit the terms of the annual report to verify the information it contains regarding the valuation in respect of each Investor's portfolio.

14.2 The Manager, in accordance with FCA Rules, will provide the Investor with a periodic statement six months after the Subscription Deadline and will provide reports which will include a measure of performance of the Investments. The Investor may request in writing that the Manager provides such a statement every three months.

14.3 The Manager will endeavour to supply such further information, which is in its possession or under its control, as the Investor may reasonably request in writing, within a reasonable timeframe of such request and subject to any overriding duty of confidentiality to which the Manager may be subject in respect of

the same.

- 14.4 The Investor confirms that confirmation of every transaction completed in respect of the Service is not required. The Manager confirms and the Investor accepts that periodic statements sent by the Manager will include such information as is prescribed by the FCA Rules for confirmation of trades.
- 14.5 The Manager shall ensure that appropriate and consistent valuation procedures are established, where required, so that a proper, independent valuation of investments can be performed in accordance with AIFMD Provisions and other Applicable Laws, and the terms of the Brochure and this Agreement. It is appreciated, however, that in respect of the Service valuation is not frequently required other than in respect of provision of such valuation to Investors in the Service.

## 15. FEES AND THE REIMBURSEMENT OF COSTS AND EXPENSES

- 15.1 In consideration of the provision of the Portfolio Services under this Agreement and any agreements entered into with the Investee Companies, the Manager will receive the fees and shall be reimbursed its costs and expenses as set out in Part 6 of the Brochure.
- 15.2 The Custodian will receive fees for the provision of the Custodian Services and Nominee Services under the Custodian Agreement. The Custodian will also receive reimbursement of its costs and expenses under the Custodian Agreement and in accordance with the terms of this Agreement. Please refer to the Brochure for more details.
- 15.3 The Depositary will receive fees for the provision of the Depositary Services under the Depositary Agreement. The Depositary will also receive reimbursement of its costs and expenses under the Depositary Agreement and in accordance with the terms of this Agreement. Please refer to the Brochure for more details.
- 15.4 Ingenious Group companies and/or the Manager may provide or procure certain administration, management and other professional services to the Investee Companies including, some assistance in the sourcing of opportunities and overseeing of production activities. Such companies shall be entitled to charge or recover their reasonable costs and/or fees from subscriptions or the Investee Companies (as appropriate). Such expenses and costs may include (but are not limited to), transactional fees of £42,000 for business affairs, financial and other clerical services on each Entertainment Project and an annual corporate administrative services charge of £16,000 per Investee Company, each linked to the higher of the Retail Price Index or Consumer Price Index. Reasonable provision has already been made for such fees and costs within the modelled illustrative returns.
- 15.5 If the full amount of the up-front fees payable to the Manager has not been paid by the date falling on the

day prior to the first anniversary of the Subscription Deadline, the Manager is entitled to deduct from the Investor's Subscription an amount equal to the full amount of such fees less any amounts of such fees already received (the **Fee Shortfall**). In such instance, (a) if any Investee Company is in default of payment, the Manager will direct the relevant Investee Company to reimburse the Investor the relevant amount of the Fee Shortfall; and (b) if any such fees are paid by the Investor in respect of amounts yet to be invested at that date, then upon Investment of those amounts the relevant Investee Company shall in addition recognise the investment of an appropriate share of the Fee Shortfall.

- 15.6 Any Subscription monies returned to the Investor will be returned net of any commission paid by the Manager to the Investor's financial adviser.

## 16. LIABILITY

- 16.1 Each of the Manager and Custodian will at all times act in good faith and with reasonable care.
- 16.2 The Investor agrees that neither the Manager nor any Associate of the Manager shall have any liability to the Investor 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 or them pursuant to this Agreement, including (but not limited to) loss or damage incurred as result of (a) HMRC not granting EIS Relief or withdrawing EIS Relief previously claimed in relation to Investee Companies, (b) changes in legislation after the date of this Agreement, and (c) third party claims, provided that nothing in this Agreement will operate to exclude or limit any liability of the Manager (i) in respect of fraud on its or the applicable Associate of the Manager's part, or (ii) in respect of death or personal injury arising from its or their negligence, or (iii) which otherwise cannot lawfully be limited, omitted or excluded (including any duty or liability owed to the Investor under the FCA Rules), or (iv) (subject to Clause 16.3) which is finally and judicially determined to have resulted from its or their wilful default or negligence. The Investor agrees that the Ingenious Group's employees and the directors of the Investee Companies (whether acting in their capacity as employees of the Ingenious Group or as directors of Investee Companies) shall not owe any duties and shall not assume any liability whatsoever to the Investor or any third party and the Investor agrees not to bring or participate in any claim against any of the Ingenious Group's employees or any directors of the Investee Companies and that any claim that an Investor may have pursuant to this Agreement shall be against the Manager alone.
- 16.3 The total aggregate liability of each of the Manager and the applicable Associate of the Manager respectively under or in connection with this Agreement is limited to the fees paid to the Manager or the applicable Associate of the Manager (as the case may be) under Clause 15.

- 16.4 The Investor hereby undertakes to indemnify and keep fully and effectively indemnified the Manager and all Associates of the Manager on demand from and against any and all liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses imposed upon, incurred by or asserted against the Manager or such Associates arising from or in connection with performance of the Investor's obligations under this Agreement or arising from breach by the Investor of the Investor's obligations or duties or representations s/he may be deemed to have given under this Agreement and/or the Application Form, provided that the Investor will not be required to so indemnify the Manager where such liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses are finally and judicially determined to have been caused by the fraud, wilful default or negligence of the Manager.
- 16.5 None of the Manager, any of the Associates of the Manager, the Depository, the Custodian and/or the Nominee will be liable for the default of any counterparty, agent, banker, nominee, custodian or other person or entity which holds money, investments or documents of title for the Service provided that any such agent, banker, nominee, custodian, depository, person or entity was selected, appointed or retained by the Manager in good faith and applying reasonable care.
- 16.6 The Investor acknowledges and agrees that:
- (a) neither the Manager, nor any Associate of the Manager gives any representation or warranty as to the performance of the Investments and the Investor has not relied upon any agreement, understanding or representation made to, by or with the Manager or any of the Associates of the Manager when entering into this Agreement or in his/her decision to make an Investment;
  - (b) the Investments are not Readily Realisable Investments and as such are high risk investments for which there is a restricted market and that it may be difficult to sell, cancel or transfer the Investments or to obtain reliable information about their value;
  - (c) s/he has noted the description of the proposed Investments carefully, has not relied upon and will not rely upon any advice from the Manager or any Associate of the Manager and has read and accepts the contents of the risk factors and important information sections of the Brochure; and
  - (d) neither the Manager nor any Associate of the Manager gives any representation, warranty or guarantee as to the availability of EIS Reliefs.
- 16.7 If the Custodian should fail, for any reason, to deliver any necessary documents or to account for any Investments or cash to the Manager, the Manager will take all reasonable steps on the Investor's behalf to recover such documents or Investments or any sums due or compensation in lieu thereof but, subject to the Manager's general duty of good faith, will not be liable for such failure.
- 16.8 The Manager will not be liable to the Investor for any failure, interruption or delay in the performance of the Manager's obligations under this Agreement resulting from any occurrence not reasonably within the Manager's control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; storm, accident or fire; lock-out or strike; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest). The Manager will not be liable to the Investor for any consequent impact on his/her Investment or any consequent damage or loss suffered or incurred by the Investor. In such circumstances, all amounts due to the Manager under this Agreement will continue to be paid as and when due.
- 16.9 The Manager will at all times have appropriate professional indemnity insurance in place and maintain adequate capital resources in accordance with FCA Rules and, specifically, any AIFMD Provisions.
- ## 17. EARLY WITHDRAWAL
- 17.1 The Investor may not require the Manager or the Custodian to dispose of the whole or any part of the Investor's interest in an Investee Company prior to the disposal of all Qualifying Shares in the relevant Investee Company which are attributable to the Service.
- 17.2 Prior to the Manager realising all Investments under this Agreement:
- (i) the Investor may not withdraw (or require the Manager or the Custodian to withdraw) only part of his/her Subscription; and
  - (ii) the Investor may withdraw his/her Subscription in full by serving notice on the Manager, in which case this Agreement will terminate and the provisions of Clause 18.4 will apply.
- ## 18. TERMINATION
- 18.1 The term of the Service is expected to be a period of at least three and a half to four and a half years after the Investment in the Investee Companies, prior to the expiry of which the Manager may set and notify the Investor of an estimated date upon which the Manager will begin to explore opportunities to realise Investments (dependent on the liquidity of the particular Investments). It is therefore intended that the Portfolio Services to be provided pursuant to this Agreement will have the same term.

- 18.2 The Manager may at any time terminate this Agreement on no fewer than three months' written notice to the Investor or on immediate notice if required by any competent regulatory authority.
- 18.3 This Agreement will terminate if the Manager ceases to be appropriately authorised by the FCA or becomes insolvent and is not replaced by another appropriately authorised and regulated entity in accordance with Clause 9.2.
- 18.4 On termination of this Agreement:
- (i) all of the fees set out in the Brochure shall remain payable and those parties entitled to the reimbursement of costs or expenses under this Agreement or the Brochure shall remain so entitled notwithstanding the termination of this Agreement;
  - (ii) the Investments (including any cash) to which the Investor is entitled will be transferred into the Investor's name (or into such other name as the Investor may direct) and the Investor will be liable to pay the cost of any such transfers;
  - (iii) the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously; and
  - (iv) the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including any of the fees, costs and expenses referred to above.
- 18.5 Termination will not affect any accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments (save as set out in Clause 18.4).
- 19. DATA PROTECTION AND CONFIDENTIAL INFORMATION**
- 19.1 Neither the Manager nor any Associate of the Manager is obliged to disclose to the Investor or to take into consideration information:
- (i) the disclosure to the Investor of which would or might be a breach of duty or confidence to any other person; or
  - (ii) which comes to the notice of an employee, officer or agent of the Manager or of an Associate of the Manager, but properly does not come to the actual notice of an individual providing the Service.
- 19.2 The Investor hereby agrees that the Custodian, the Nominee and the Depositary may use, store or otherwise process personal information provided by the Investor or the Manager in connection with the provision of the Custodian Services, the Nominee Services and the Depositary Services respectively for the purposes of providing those services, administering the Investor's account, or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments.
- 19.3 The Investor hereby agrees that the EIDV Service Provider may use, store or otherwise process personal information provided by the Investor or the Manager in connection with the provision of the EIDV Services.
- 19.4 None of the Investor, the Manager, the Depositary, the Custodian or the EIDV Service Provider shall disclose information of a confidential nature acquired in relation to any of them to any other third party (other than an Associate of the Manager or any of them or as may be required by law or applicable regulation in respect of an Investment) and the information will not be used for any purpose other than in connection with the provision of the Specified Services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Information of a confidential nature may only be disclosed to third parties (excluding Associates of the Manager) in the following circumstances:
- (i) where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over the Manager, the Custodian, the Depositary or the EIDV Service Provider (or any respective Associate of the Manager); including, but not limited to, the requirement to disclose information under the International Tax Compliance Regulations 2015, in relation to any of the following agreements and arrangements: the European Union Council Directive 2011/16/EU, the OECD's Common Reporting Standard or the United States' Foreign Account Tax Compliance Act;
  - (ii) where required to investigate or prevent fraud or other illegal activity;
  - (iii) where required by a third party in connection with the provision of the Portfolio Services to the Investor by the Manager, the Custodian Services by the Custodian, the Nominee Services by the Nominee, the Depositary Services by the Depositary or the EIDV Services by the EIDV Service Provider;
  - (iv) for purposes ancillary to the provision of the Specified Services or the administration of the Investor's account, including, without limitation, for the purposes of credit enquiries or assessments;
  - (v) if it is in the public interest to disclose such information; and
  - (vi) at the Investor's request or with the Investor's consent.



19.5 The Manager, and where relevant the Custodian, and/or the Nominee and/or the Depositary and/or the EIDV Service Provider, will act as data controller (and in certain circumstances, data processor) within the meaning of the Data Protection Act 1998 (the Data Protection Act). The Investor hereby consents to the processing and use by the Manager and Associates of the Manager, and where relevant the Custodian and/or the Nominee and/or the Depositary and/or the EIDV Service Provider, and their respective agents and associated companies of personal data (as defined in the Data Protection Act) given by the Investor under this Agreement in connection with the provision of Services and/or Custodian Services and/or the Nominee Services to the Investor and the provision of the EIDV Services and/or the Depositary Services to the Manager. The Investor undertakes to supply personal data to the Manager, the Nominee, the Custodian and (after the Full Scope Event) the Depositary in accordance with the provisions of the Data Protection Act.

19.6 The Investor's personal data will be stored on a database, which is shared by the Manager and Associates of the Manager. The Investor agrees that this personal data may be used by the Manager and/or Associates of the Manager to send the Investor details of new and existing investment opportunities which may be considered of interest or relevance to the Investor (including by email) unless the Investor notifies the Manager in writing that it may not be used in this way.

19.7 By signing this Agreement, the Investor consents to the transmittal of his/her data outside of the European Economic Area (as defined in the Data Protection Act).

19.8 In accordance with the Data Protection Act, the Investor is entitled, on payment of a fee, to a copy of the information that each of the Manager, the Nominee, the Depositary, the Custodian and/or the EIDV Service Provider holds about the Investor. In the first instance, the Investor should direct any such request to the Manager. The Investor should inform the Manager if any information that each of the Manager (if applicable) and/or the Nominee and/or the Depositary and/or the Custodian and/or the EIDV Service Provider holds about him/her is inaccurate, so that the Manager and/or the Nominee and/or the Depositary and/or the Custodian and/or the EIDV Service Provider (as applicable) may correct it.

19.9 The Investor may not require the destruction or deletion of any record pertaining to him/her unless the Manager, the Custodian, the Depositary or the EIDV Service Provider are required to destroy or delete such records by force of law or other regulatory requirement.

## 20. COMPLAINTS AND COMPENSATION

20.1 Any complaint the Investor may have in relation to the Portfolio Services or EIDV Services provided under the terms of this Agreement should be made in writing to:

**Ingenious Media, a trading division of Ingenious Capital Management Limited**  
**Address: 15 Golden Square, London, W1F 9JG**  
**For the Attention of: The Compliance Officer**

20.2 Any complaint the Investor may have in relation to the Custodian Services should be made in writing to the address below (and copied to the Manager at the address given above):

**Thompson Taraz Depositary Limited**  
**Address: 4th Floor, Stanhope House, 47 Park Lane, London, W1K 1PR**  
**For the Attention of: The Compliance Officer**

20.3 Complaints to the Manager and/or the Nominee and/or the Depositary and/or the Custodian (as applicable) will be dealt with in accordance with the FCA Rules. The Manager and/or the Nominee and/or the Depositary and/or the Custodian (as applicable) will endeavour to resolve the Investor's complaint as quickly as possible, but in any event, will acknowledge receipt of the Investor's letter of complaint within five business days of receipt. Where the Investor is categorised by the Manager as a Retail Client for the purposes of any of the Specified Services then, if for any reason the Investor is dissatisfied with the final response of the Manager and/or the Nominee and/or the Depositary and/or the Custodian (as applicable), the Investor is entitled to refer his/her complaint to the FOS. A leaflet detailing the procedure involved will be provided in the final response of the Manager and/or the Nominee and/or the Depositary and/or the Custodian (as applicable).

20.4 Details of the internal complaints handling procedures of the Manager and/or the Nominee and/or the Depositary and/or the Custodian (as applicable) are available on request, and will be provided to the Investor upon receipt of a complaint.

20.5 The Manager, the Custodian and the Depositary are each covered by the Financial Services Compensation Scheme (as that term is defined under the FSMA). The Investor may be entitled to compensation from the scheme if any of the Manager, the Custodian or the Depositary cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £50,000. Further information about compensation arrangements is available on request from the Manager, or from the Financial Services Compensation Scheme.

## 21. NOTICES, INSTRUCTIONS AND COMMUNICATIONS

21.1 Any notice or other communication given or made under this Agreement will be in writing and delivered to the relevant party (i) by hand or (ii) by first class post to the address of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or (iii) by fax to the fax number of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or, (iv) in the case of the Investor or the Custodian, by electronic mail to the email address specified in the Investor's Application Form, or in each case, to such other address or number in England as may be notified hereunder by that party from time to time and in each case shall be effective notwithstanding any change of address not so notified. Unless the contrary shall be proved, each such notice or communication shall be deemed to have been given or made and delivered, if by UK first class letter, 48 hours after posting, if by hand delivery, when left at the relevant address, if by facsimile transmission, at 9 a.m. on the business day following the day on which such facsimile was transmitted (save where receipt has not been confirmed) and if by electronic mail, at 9 a.m. on the business day following the day on which such email was transmitted (save where notice of a failure to deliver the email has been received by the sender).

21.2 The address, email address and fax number of the Manager for the purpose of Clause 21.1 is:

**Ingenious Media, a trading division of  
Ingenious Capital Management Limited**  
**Address: 15 Golden Square, London, W1F 9JG**  
**For the Attention of: The Company Secretary**  
**Email: clientservices@theingeniousgroup.co.uk**  
**Fax number: + 44 (0)20 7319 4001**

21.3 The Manager will, on request, notify the Investor of the address, email address and fax number of the Custodian and the Nominee for the purpose of Clause 21.1 which, at the date of this Agreement is:

**Thompson Taraz Depository Limited**  
**Address: 4th Floor, Stanhope House, 47 Park Lane,  
London, W1K 1PR**  
**For the Attention of: The Directors**  
**Email: ingenious@thompsontaraz.co.uk**  
**Fax number: +44 (0)20 7907 8770**

21.4 The Manager may rely and act on any instruction or communication, which purports to have been given by persons authorised to give instructions by the Investor under this Agreement (or the Application Form as the case may be), or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person has been terminated.

21.5 The Manager will not be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.

21.6 The Investor shall communicate with the Manager in the English language. Any documents or other information provided by the Manager will be in English.

## 22. AMENDMENTS

22.1 The Manager may amend the terms and conditions in this Agreement from time to time by giving the Investor not less than ten business days' written notice prior to amendment. The Manager may also amend these terms by giving the Investor written notice with immediate effect if this is necessary in order to comply with HMRC requirements or in order to comply with the FCA Rules.

## 23. ENTIRE AGREEMENT

23.1 This Agreement, together with the Application Form and those sections of the Brochure referred to herein, comprises the entire agreement between the Manager and the Investor relating to the provision of the Portfolio Services pursuant to this Agreement and consequently the Investor's investment in the Service.

23.2 Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, undertaking, assurance or warranty (whether made innocently or negligently, whether express or implied, arising by statute or otherwise and, in the case of the Investor, whether made by the Manager or any Associates of the Manager) that is not incorporated expressly into this Agreement.

23.3 Except in the case of fraud, no party shall have any right of action against any other party to this Agreement (or any Associate of the Manager) arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement.

23.4 For the purposes of this Clause 23, "pre-contractual statement" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the date of this Agreement.

23.5 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

## 24. RIGHTS OF THIRD PARTIES

24.1 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, however this does not affect any right or remedy of such third party that exists or is available apart from that Act. For the purposes of this clause:

- (i) the Custodian and (after the Full Scope Event) the Depositary shall each have the benefit of, and be deemed a party to this Agreement for the purposes of Clauses 5.6, 16 and 19; and
- (ii) Associates of the Manager and the EIDV Provider shall each have the benefit of, and be deemed to be a party to this Agreement for the purposes of Clauses 16 (in the case of Associates of the Manager only), 17, 19 and 23.

## 25. SEVERABILITY

25.1 If any term, condition or provision of this Agreement is held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision will not affect the validity, legality or enforceability of the remainder of this Agreement.

## 26. GOVERNING LAW

26.1 This Agreement and all matters relating thereto (whether contractual or non-contractual) will be governed by and construed in accordance with the laws of England and Wales and the parties hereby submit to the exclusive jurisdiction of the English Courts.

## SCHEDULE

### ORDER EXECUTION POLICY FOR RETAIL CLIENTS

#### 1. PURPOSE

- 1.1 This Schedule summarises the arrangements put in place by the Manager under the FCA Rules to meet its obligation to take all reasonable steps to obtain the best possible result when executing orders in financial instruments on behalf of clients.
- 1.2 The duty of best execution is owed by the Manager to a client only when the Manager has a contractual or agency obligation to the client.

#### 2. 'EXECUTION FACTORS' AND 'EXECUTION CRITERIA'

- 2.1 In meeting the Manager's best execution obligation to the Investor, the Manager will take into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.
- 2.2 Additionally, when executing a client order, the following best execution criteria will be taken into account when determining the importance of the execution factors, which are the characteristics of: the client (including their categorisation as a Retail or Professional Client by the Manager for the purposes of the Specified Services provided by it to them); the client order; the financial instruments that are the subject of the order; and the execution venues to which the order can be directed (where relevant).
- 2.3 The Investor's attention is drawn to the information set out in the Brochure, which explains the restrictions which apply to the Investor's ability to dispose of an interest in an Investee Company prior to disposal of the overall position in that company by the Manager on behalf of the Service.

### 3. THE ROLE OF PRICE WHEN OBTAINING BEST EXECUTION

- 3.1 For a Retail Client, where the price of a financial instrument is not otherwise determined by the terms of this Agreement, the best possible result will always be determined in terms of the "Total Consideration". The Total Consideration represents:
- (i) the price of the financial instrument; and
  - (ii) the costs related to execution, which will include any expenses incurred by the Investor, which are directly related to the execution of the Investor's order. This can include:
  - (iii) execution venue fees;
  - (iv) clearing and settlement fees; and
  - (v) any other fees paid to third parties involved in the execution of the order.
- 3.2 Therefore when dealing for the Investor or on his/her behalf, obtaining the best result in terms of Total Consideration will take precedence over the other execution factors listed in paragraph 2.1 above, and the other execution factors will only be given precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result in terms of the Total Consideration to the Investor.

### 4. EXECUTION VENUES

- 4.1 The Manager, as investment manager for the Service, primarily executes deals in transferable securities, which are not admitted to trading on a Regulated Market or multi-lateral trading facility (MTF). Where the price of an unlisted security is not otherwise determined by the terms of this Agreement, transactions in unlisted securities will be effected on the best commercial terms that can be secured.
- 4.2 The Manager considers that it will be demonstrated that all reasonable steps have been taken to obtain the best possible result when executing a client order in an unlisted security where this is in accordance with:
- (i) the Strategy, as detailed in the Brochure; and
  - (ii) the factors set out in Clause 13.
- 4.3 Pending the acquisition of Qualifying Shares, the Manager may invest in government securities or in other investments it considers to be of a similar risk profile. In order to execute an order in a financial instrument admitted to trading on a regulated market, the Manager will transmit the order to a broker for execution, typically a Member of the London Stock Exchange. Such a firm will have its own Order Execution Policy in respect of its obligation to obtain the best possible result when executing orders, which the Manager will have consented to. The Manager will place reliance on the Order Execution Policy of the executing broker to ensure that the best possible result is obtained for the client in this type of scenario.

- 4.4 The Manager remains responsible for the execution of any transactions on the Investor's behalf. Where an order is transmitted by the Manager to a third party to execute on the Investor's behalf, the Manager, and not the Investor, will be the client of that third party. In respect of such transactions, the execution venue(s) used may include from time to time those which are not a Regulated Market or a MTF. Regarding a trade for units in a fund, the venue will be the fund manager or the fund itself.

### 5. DEMONSTRATION OF BEST EXECUTION

- 5.1 On request from a client, the Manager will, as soon as reasonably practicable following such request, demonstrate that orders have been executed in accordance with this policy.

### 6. REVIEW OF THIS POLICY

- 6.1 The Manager will review the effectiveness of this policy at least on an annual basis. The Investor will be notified of any material changes.

### 7. CONSENT

- 7.1 The Manager is required to obtain the Investor's consent to this policy. This will be demonstrated by the Investor's submission of a completed Application Form to the Manager.







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