



VELOCITY



## **Velocity SEIS Technology Fund 4**

THE TAX TREATMENT REFERRED TO IN THIS INFORMATION MEMORANDUM DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH INVESTOR AND MAY BE SUBJECT TO CHANGE IN FUTURE. IN ADDITION, THE AVAILABILITY OF ANY TAX RELIEFS DEPENDS ON THE INVESTEE COMPANIES MAINTAINING THEIR QUALIFYING STATUS.

THIS INVESTMENT IS NOT SUITABLE FOR ALL INVESTORS AS THE UNDERLYING INVESTMENTS ARE ILLIQUID.

# APPENDIX 1: APPLICATION FORM

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## Application Form Instructions

Before completing this Application Form, you must have carefully reviewed and considered the Key Information Document, the Information Memorandum and the Investment Management Agreement.

1. Please complete the Application Form in block capitals (except your signature) in permanent ink and sign changes you make. Do not erase any text or use white-out.
2. Please read the Acknowledgements.
3. Execute and date this Application Form.
4. Provide details of any initial adviser charge to be facilitated by the Investment Manager.
5. Complete the Appropriateness Review and arrange for your financial adviser, authorised by the Financial Conduct Authority, to complete and sign an Adviser Suitability Certificate. If you do not have an authorised financial adviser, please complete and sign the Appropriateness Questionnaire and provide your AML documents as detailed below:
  - a. Proof of your identity, being a copy of your passport or driving licence; and
  - b. Proof of your address, being a copy of a utility bill or bank statement dated within three months of the application date.

## Send The Application Pack Comprising:

Application Form (completed, executed and dated).

Adviser Suitability Certificate and Appropriateness Review (or Appropriateness Questionnaire & your AML documents if you do not have an authorised financial adviser).

Your cheque or banker's draft as per the payment instructions contained herein (or alternatively please ensure you have made an electronic transfer).

**To:** Woodside Corporate Services Limited  
4th Floor  
50 Mark Lane  
London  
EC3R 7QR

**PLEASE NOTE THAT INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.**

N.B. If you do not have a UK address, all AML documents provided must be certified copies.

## Minimum Subscription

The minimum individual subscription is £25,000 (subject to the Investment Manager's discretion to accept a lesser amount).

## Allocation of Applications

The Investment Manager reserves the right to accept or reject any application at its sole discretion.

## Anti-Money Laundering (AML) Regulations

It is a condition that applications comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Anti-Money Laundering Regulations 2017"). The Investment Manager requires verification of identity from each Investor. The submission of an Application Form will constitute an undertaking by the Investor to provide promptly such information as may be specified by it as being required for the purpose of the Anti-Money Laundering Regulations 2017 and authority to check the Investor's identity by electronic means such as the use of data held by specialised data agencies.

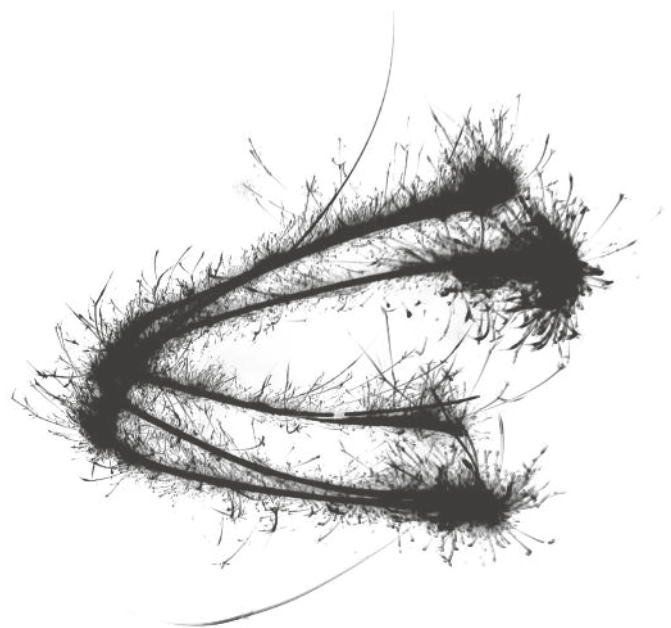
## Data Protection

For the purposes of processing your application to become an Investor in the Fund, you acknowledge that your personal information will be shared with the Custodian and processed by both the Investment Manager and the Custodian in accordance with their respective privacy policies. These policies are available online at:

<https://www.sapphirecapitalpartners.co.uk/privacy-policy> and

<https://www.tricorglobal.com/privacy-policy/> or on request.

The personal information you provide as part of your application may subsequently be used by the Investment Manager and/or Custodian to provide services to you under the Investment Management Agreement and Custodian Agreement.



# APPLICATION FORM

## GENERAL INFORMATION (TO BE COMPLETED BY THE INVESTOR)

Please complete the following Application Form

GROSS SUBSCRIPTION AMOUNT £

I hereby instruct the Investment Manager to set aside the amount as indicated below from my Gross Subscription Amount to facilitate the payment to my authorised financial adviser on my behalf.

ADVISER CHARGE £

(To be deducted from gross subscription amount)

Note: Insert amount, which must be in pounds sterling INCLUSIVE OF VAT or write "NIL".

NET SUBSCRIPTION AMOUNT £

I have enclosed a cheque made payable to: WCSL Velocity SEIS 4 Client Acc  
or

I have made an electronic transfer to the following account:

Bank name: Metro Bank PLC

Account name: WCSL Velocity SEIS 4 Client Acc

Account number: 30310022

Sort code: 23-05-80

Reference: [INVESTOR SURNAME]

### Investor Details

Investor Title:

Forenames:

Surname:

Date of birth:

Nationality(ies):

Town & country of birth:

Permanent residential address:

Postcode:

Continues over...

Occupation (or previous occupation if retired):

Daytime phone number:

Length of occupation at the address:

Years:

Months:

Previous address:

(If less than three years at current residential address)

Tax district:

Tax reference number:

Tax Residency:

UK

Other

If other please specify country(ies):

and the corresponding Tax Identification Number):

Are you a US Citizen?:

No

Yes

If yes, please send a copy of your completed FormW-9 with this application.

Are you a Politically Exposed Person ("PEP") or a close relative of one?:

Yes

No

National insurance number:

E-mail address:

(if you would like Fund updates, newsletters or notification of co-investment opportunities)

## Investor Bank Details

Bank Name:

Account Name:

Account Number:

Sort Code:

## FCA Authorised Intermediary

(The individual who gave the information memorandum to the investor)

Intermediary Name:

Firm Name:

## ADVISED/NON-ADVISED

Please tick one option for each of the three declarations below:

I am an advised Investor\*

Or

I am not an advised Investor\*\*

I wish to seek SEIS Relief

Or

I do not wish to seek SEIS Relief

I confirm that I wish to waive my 14-day cancellation period and the Investment Manager may make an investment on my behalf during my 14-day cancellation period.

Or

I confirm that I do not wish to waive my 14-day cancellation period and the Investment Manager may not make an investment on my behalf during my 14-day cancellation period.

## Acknowledgments

I wish to invest the amount entered in this Application Form in Velocity SEIS Technology Fund 4 subject to the terms set out in in the Information Memorandum and the Investment Management Agreement. In relation to my investment in the Fund, I appoint Sapphire Capital Partners LLP to be the Investment Manager on the terms set out in the Investment Management Agreement.

### I confirm that:

- In relation to my investment in the Fund, I hereby appoint Sapphire Capital Partners LLP (“the Investment Manager”) on the terms set out in the Investment Management Agreement accompanying this Application Form and which are incorporated herein by reference;
- I acknowledge the terms of and enter into the Investment Management Agreement;
- I am applying on my own behalf and I am a person of 18 years or older;
- I will inform the Investment Manager if I am or become connected with any of the Investee Companies of the Fund or make an Investment pursuant to sections 166, 167, 170, 171 and Section S257BF of the ITA 2007;
- I will notify the Investment Manager if, within three years of the date of the shares being issued, I become connected with, or receive value from an Investee Company which is an Investment;
- I have read the Key Information Document, the Information Memorandum and the Investment Management Agreement;
- I understand that the subscription monies will be held under a nominee arrangement in a bare trust of which I will be the sole beneficiary, with each of the bare trusts allocated to each individual Investor being collectively referred to as “the Fund”, and I acknowledge that the investments will be registered in the name of the Custodian as stated in the Investment Management Agreement and Information Memorandum.

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\* Suitability Requirements - Advised Investor section to be completed by Investors authorised financial advisor.

\*\* Appropriateness Questionnaire - Non-Advised Investors section to be completed by or on behalf of the Investor.

- I decree that any payment of monies to any Investee Company is by way of a subscription for an issue of shares only and for no other reason. I decree that no debt will arise between the Investee Company in the event subscription monies are paid in advance of the formal issue of the shares and I agree to become a member of the Investee Company only conditionally on payment of the subscription monies, with the issue being completed on satisfaction of this condition.
- I agree that the Investment Manager may sign the custody agreement as my agent and that once so signed I will be to be bound by the Custodian's terms of business;
- I acknowledge that the Investment Manager is not my financial adviser and that any tax information provided is in the context of the service offered;
- I confirm that I as the Investor I have read the Risks Factors set out in Part Six of the Information Memorandum and I am aware that this is a high-risk investment as the underlying investments are illiquid and that I may not get any of my initial investment back;
- I have not taken investment nor tax advice from the Investment Manager;
- I acknowledge and accept that the Investment Manager has discretion to apportion my Subscriptions between Investee Companies;
- I have read this Application Form and I confirm that I have provided full and accurate information. I understand that the Investment Manager may decline to act on my behalf in the event that the information provided is incomplete or inaccurate;
- I acknowledge and accept that due to multiple closing dates, at the Investment Manager's discretion I may not be invested in all the Investee Companies that the Fund ultimately invests in.
- I will immediately notify the Investment Manager in writing if the information on my tax status, personal and financial circumstances as provided in this Application Form changes to an extent that it may impact upon appropriateness for me of investing in the Fund;
- I have advised the Custodian if I am a solicitor or an accountant or other professional person who is subject to professional rules preventing me from making investments in particular Investee Companies;
- I consent to the Investment Manager's dealing and best execution arrangements and acknowledge that on occasions when the Investment Manager passes an order to another party for execution, the counterparty may execute the trade outside a regulated market or exchange;
- I acknowledge that the Investment Manager cannot control the timing of the issue of SEIS Compliance Certificates and depending on the timing also of the applications made to HMRC by the Investee Company after investment by the Fund, any such certificates may not be available for distribution before the end of the relevant tax year;
- I authorise the Investment Manager to use an electronic verification service provided by a third- party service provider, in order to check my identity for AML purposes;
- I understand that the amount set aside from my Gross Subscription in connection with the Adviser Charge (if any) stated above will not be invested in the Fund and will not benefit from SEIS Relief and will reduce the number of shares issued to me and that all indications of possible returns stated in the Information Memorandum are based on amounts invested in the Fund after the setting aside of any such fees;
- I agree and acknowledge that where the Investment Manager is required by the FCA Rules to provide information to me, such information may be provided by means of the Investment Manager's website; and
- I will provide the Custodian or the Investment Manager with all relevant information in regard to the Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standard ("CRS") and similar obligations as required.

Investor's signature:

Investor's full name:

Date:

### Authorised Financial Adviser Details

To be completed by the Investor's Authorised Financial Advisor (Advised Investors only)

Signed by:

(Signature of applicant)

Date:

### Adviser Details

Firm Name:

Adviser Name:

Contact Name:   
(If different from above)

Address:

Postcode:

Telephone No:

Email Address:

FCA Registration Number:

### Adviser Bank Details

Bank Name:

Account Name:

Account Number:

Sort Code:

SignedBy:

(Signature of adviser)

Date:



# SUITABILITY REQUIREMENTS – ADVISED INVESTOR

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## To be completed by the Investor’s Authorised Financial Adviser

Please note that we cannot accept an Application Form if this information is not complete.

### Adviser Suitability Certificate

The Investment Manager is required by the FCA to obtain sufficient evidence in order to determine whether an investment into the Fund is suitable for the Investor. The Investment Manager is entitled to rely, and will rely, on the findings of a suitability assessment performed by an authorised financial adviser such as an IFA. Accordingly, the authorised financial adviser will be responsible for the completeness and accuracy of any information provided to the Investment Manager about the Investor. The Investment Manager, however, reserves the right to request verification of the findings from the authorised financial adviser should it be necessary.

### Adviser Declaration

To be completed by a financial adviser who is authorised and regulated by the FCA.

#### 1. Suitability

We have undertaken an adequate assessment of ..... (“Investor”) and have determined and advised that this investment in the Velocity SEIS Technology Fund 4 is suitable for him/her in accordance with COBS Rule 9. We hereby give reasonable assurance to the Investment Manager that the Investor’s expertise, experience, knowledge and financial situation results in the Investor’s capability to invest in the Fund and their understanding of the risks involved in a participation in the Fund.

#### 2. Anti-Money Laundering Due Diligence

We have applied customer due diligence measures in respect of the Investor to the standard required by the Anti-Money Laundering Regulations 2017 within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group and certify that we have:

Obtained information on the purpose and intended nature of the Investor’s proposed investment in the Velocity SEIS Technology Fund 4 and we are satisfied that this investment is being made for bona fide legitimate purposes and not to conceal the proceeds of crime; and

Identified and verified the identity of the Investor on the basis of documents, data and information obtained from a reliable and independent source. We are unaware of any activities that lead us to suspect that the Investor is or has been involved in criminal conduct or money laundering. Should we subsequently become suspicious of any such activity then, subject to legal constraints, we will inform the Investment Manager’s Compliance Officer immediately.

We consent to Sapphire Capital Partners LLP and Woodside Corporate Services Limited relying on this certificate and that copies of all identification documentation obtained will be made available on request.

Signature:

Date:

Name of Adviser:

Name of firm:

Address:

Postcode:

Email address:

Telephone No:

FCA No.:

Fax No.:

## Explanatory notes

1. A separate confirmation must be completed for each customer (e.g. joint holders, trustee cases and joint life cases). Where a third party is involved, e.g. a payer of contributions who is different from the customer, the identity of that person must also be verified, and a confirmation provided.
2. This form cannot be used to verify the identity of any customer that falls into one of the following categories:
  - a. those who are exempt from verification as being an existing client of the introducing firm prior to the introduction of the requirement for such verification;
  - b. those who have been subject to Simplified Due Diligence under the Money Laundering Regulations; or
  - c. those whose identity has been verified using the source of funds as evidence.

## Appropriateness Review

(to be completed by the Investor)

### 1. Investment Objectives

The Investment Manager is required by FCA rules to obtain sufficient information from you to determine whether investment in the Fund is appropriate for you.

Investments in the Fund are intended to be medium to long term and must be held for at least three years to qualify for SEIS Relief. Investment in unquoted companies carries a higher risk than investing in shares quoted on public exchanges such as the London Stock Exchange. Any investment should be made on the basis that it is likely to be at least five years before there is any prospect of it being realised. A four to eight-year timescale is probably realistic. You should be comfortable with this time horizon and acknowledge that you will not need any income or capital back during this time period.

If you cannot take advantage of the SEIS tax reliefs investments in the Fund are unlikely to be appropriate investments for you. Please answer the questions below.

Are you seeking to claim income tax relief from SEIS? (You should have sufficient tax liability in the relevant tax years) Yes  No

Is it essential that you carry back income tax relief to the previous tax year? If yes, please indicate how much/what proportion? Yes  No   
£  %

Are you seeking to benefit from relief from inheritance tax? Yes  No

Are you seeking to defer a capital gain? Yes  No

If the answer is Yes, please indicate the date on which the gain you wish to defer arose, or will arise or was crystallised if previously deferred? Date

Have you received any taxation advice relating to investment in the Fund? Yes  No

Have you received any specific investment advice (e.g., from an FCA authorised financial adviser)? Yes  No

Are you aware of any significant capital commitments within the next five years which cannot be funded from your disposable income or liquid savings? Yes  No

If your answer to the question above is Yes, please confirm how this commitment will be funded

## 2. Investment Experience

Please confirm which of the following types of investment you have made:

	How many times (#) & number of years	How much in total (£)	Within two years (Yes/No)
2.1. Have you invested in SEIS/EIS funds before?	Times: Years:	£	
2.2. Have you appointed an investment manager before?			n/a
2.3. Have you invested in smaller quoted companies before?	Times: Years:	£	
2.4. Have you invested in AIM-listed or unquoted companies before?	Times: Years:	£	
2.5. Have you invested in AIM-listed or unquoted companies before?	Times: Years:	£	
2.6. Have you lent money to an unquoted company?	Times: Years:	£	
2.7. Have you ever been part of a management team of an early stage, unquoted company?	Times: Years:		n/a
2.8. Have you ever been a Director of a company with a turnover greater than £1m (other than of an early stage, unquoted company)?	Times: Years:		n/a
2.9. Have you invested directly in real property (excluding your home)?	Times: Years:	£	
2.10. Have you invested in large quoted companies (including authorised unit trusts, OEICs, ISAs, PEPs)?	Times: Years:	£	
2.11. Have you invested in other sophisticated investments such as unregulated collective investment schemes, foreign currencies, VCTs, commodities or futures?	Times: Years:	£	
2.12. Are you a member of an investor network or syndicate of business angels?	Yes: No: If yes, please provide the name of the organisation, registration number and any regulator details.		

### 3. Employment & Source of Income

Please provide the following employment details

Profession/Occupation?

Employment status  
(e.g., employed/self-employed/retired)?

Income (£) from employment (per annum)?

Investment income/income (£) from other  
sources (per annum)?

### 4. Financial Situation

Please indicate the value of your net assets

Less than £100,000\*  £100,000 - £250,000\*  Above £250,000\*

\*Do not include:

- principal private residence or any loan secured on your residence.
- rights under an insurance policy (other than investment linked policies).
- benefits (in the form of pensions or otherwise) which are payable on the termination of service or on death or retirement and to which you (or your dependents) are, or may be entitled.

Please describe the source of your subscription  
(e.g., capital gain, savings or earnings).

**I confirm that:**

Please enter "Yes" or "No"  
as appropriate

I have been provided with the Investment Memorandum and Key Information Document (KID) outlining the objectives of the Fund.

I accept that the relevant portfolios are high risk investments.

The relevant portfolios are consistent with my personal investment objectives and personal risk profile.

I understand that the underlying investments are illiquid, and it could take many years to withdraw all of the capital from the Fund; however, as investments are realised, uncommitted cash can be withdrawn.

I will retain sufficient capital in cash or readily realisable cash investments as an emergency fund.

**Ability to bear losses**

I confirm that I am able to lose my investment in the Fund.

**6. Reports**

Because of the nature of the service the Firm is offering, you will not receive a suitability report in relation to investments made. You will however receive a confirmation of the investment and information about the investment at the time it is made; you will then receive follow up information and reports on a regular basis.

**7. Confirmation and Signature**

PLEASE DO NOT LEAVE ANY SECTIONS BLANK OR THE APPLICATION FORM WILL BE RETURNED TO YOU.

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

**Investor to sign below:**

Full name of applicant:

Signature:

Date:

**For Sapphire Capital Partners LLP internal use only:**

Assessment completed:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Test criteria met: \_\_\_\_\_ Date: \_\_\_\_\_

**Cancellation Form**

You may exercise a right to cancel the Investment Management Agreement by notification to the Investment Manager within 14 days of the Investment Manager receiving your Application Form. This right and the consequences of cancellation are explained in the Investment Management Agreement. Following cancellation, the remaining balance of your money (if any), less any fees paid, will be refunded to you. You will not be entitled to interest on monies refunded following cancellation.

You may give this notice of cancellation by completing this form and returning it to:  
Sapphire Capital Partners LLP, 28 Deramore Park, Belfast BT9 5JU.

I confirm that I wish to cancel the Investment Management Agreement.

Signed By:  Date:   
(Signature of Applicant)

Print Name Here:

# APPENDIX 2: INVESTMENT MANAGEMENT AGREEMENT

The Investment Management Agreement (“the Agreement”) sets out the agreement between the Investment Manager and the Investor in relation to the discretionary investment management service to be carried out on the Investor’s behalf by the Investment Manager, which when aggregated with the Agreements entered into by other Investors and the Investment Manager constitute the Fund. Once a signed Application Form has been accepted by the Investment Manager, this Agreement will constitute a binding agreement between the Investment Manager and the Investor.

## 1) Definitions and Interpretation

1.1. In this Agreement, unless the context otherwise requires, the following words have the following meanings:

“Act”	Means the Financial Services and Markets Act 2000;
“Applicable Laws”	All relevant UK laws, regulations and rules, including those of any government or of the FCA;
“Application Form”	An application form to invest in the Fund completed by an Investor in the form provided by the Investment Manager;
“Business Day”	Means any day (except Saturday and Sunday) on which banks are open for normal banking and foreign exchange business in London;
“Closing Date”	In respect of the Fund, the date on which the final Subscription may be made by an Investor to the Fund, which shall be determined by the Investment Manager;
“Custodian”	Woodside Corporate Services Limited and/or such other person or persons as may be appointed as custodian or as a sub-custodian for the Fund from time to time by the Investment Manager;
“FCA”	Means the Financial Conduct Authority of the United Kingdom;
“FCA Rules”	The rules contained in the FCA’s Handbook of Rules and Guidance;
“Fund”	The Velocity SEIS Technology Fund 4, a discretionary investment management service managed by the Investment Manager. The Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of investors under a nominee arrangement; each investor will be the sole beneficiary of each bare trust, to be known collectively as the Fund. The Nominee is the registered legal holder of investments on behalf of each investor;
“Investee Company”	Means a company in respect of which the Investment Manager has made an Investment;
“Investment”	Means any equity investment in an Investee Company made by the Investment Manager on behalf of the Investor;
“Investment Objective”	The investment objective for the Fund as stated in this Information Memorandum;

<b>“Investment Restrictions”</b>	The investment restrictions as stated in this Information Memorandum;
<b>“Non Readily Realisable Investments”</b>	Investments which are not readily realisable investments in which the market is restricted or could become so; such Investments can be difficult to deal in and it can be difficult to determine what would be a proper market price for them;
<b>“Readily Realisable Investment”</b>	A government or public security denominated in the currency of the country of its issuer or any other security which is: admitted to official listing on an exchange in an EEA State; or regularly traded on or under the rules of such an exchange; or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange; or a newly issued security which can reasonably be expected to fall within the aforementioned categories when it begins to be traded. For the avoidance of doubt, this term does not include AIM nor does it include unlisted securities;
<b>“Services”</b>	The services as set out in Clause 5;
<b>“SEIS”</b>	The Seed Enterprise Investment Scheme;
<b>“SEIS Reliefs”</b>	Relief from certain UK personal taxes under SEIS; and
<b>“Schedule”</b>	Means a schedule to this Agreement.

## 1. Definitions and Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the definitions set out in the Definitions section of this Application Pack shall apply to this Investment Management Agreement.
- 1.2 References to statutory provisions, regulations, notices or the FCA Rules shall include those provisions, regulations, notices or FCA Rules as amended, extended, consolidated, substituted or re-enacted from time to time.
- 1.3 References to the terms “include”, “including”, “in particular” and any similar phrases shall be construed without limitation to the preceding words.
- 1.4 References to persons include individuals, bodies’ corporate, unincorporated associations and Investors.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 Unless a term is otherwise defined in this Agreement, the terms defined in the FCA Rules and Information Memorandum shall bear the same meaning herein.
- 1.7 References to Clauses are to Clauses of this Agreement and headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.8 References herein to a party are to any party or together the parties to this Agreement, as the context may require.



- 1.9 Unless the context otherwise requires and except as varied or otherwise specified in this Agreement, words and expressions contained in this Agreement shall bear the same meaning as in the FCA Rules.
- 1.10 The Schedules form part of this Agreement.

## **2. Investing in the Fund**

- 2.1 This Agreement will come into force on the date that the Investment Manager accepts the Investor's Application Form and monies are subscribed to the Fund, such acceptance being solely at the discretion of the Investment Manager.
- 2.2 This Agreement appoints the Investment Manager, once the Minimum Fund Size of £200,000 has been received in aggregate (or such other amount as determined in the Investment Manager's absolute discretion) as a common discretionary investment fund manager to act on the Investor's behalf to make Investments in SEIS Qualifying Companies and to manage those Investments on behalf of all Investors in the Fund within the Fund collectively. The Investment Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.
- 2.3 The Investment Manager is an authorised person for the purposes of the Act and as such is regulated by the FCA. The Investment Manager is a limited liability partnership registered in Northern Ireland under registered number NC000562 and with a registered address at 28 Deramore Park, Belfast BT9 5JU Northern Ireland. The FCA's registered address is 12 Endeavour Square, London E20 1JN.
- 2.4 This Agreement is supplied to the Investor in English and the Investment Manager will continue to communicate with the Investor in English for the duration of this Agreement.
- 2.5 Except as expressly provided in this Agreement, or as the Investment Manager may be otherwise authorised, the Investment Manager has no authority to act for or represent the Investor.
- 2.6 The Investor acknowledges that he/she will be categorised as a Retail Client by the Investment Manager for the purposes of the provision of the services under this Agreement though for the purposes of the FCA Rules the Fund as a whole will be the client of the Investment Manager and not the Investor.
- 2.7 The Investor confirms that he/she is not seeking advice from the Investment Manager on the merits of any Investment into the Fund.
- 2.8 The Investment Manager may retain information about the Investor and the Investor's affairs in order to confirm the Investor's identity and financial standing (amongst other things the Investment Manager may make enquiries to a credit or mutual reference agency, which may retain a record of the enquiry). The Investor agrees that the Investment Manager may do this.
- 2.9 Anti-money laundering regulations aim to prevent criminal property being utilised or concealed as legitimate wealth. To meet the requirements of these regulations the Investor may have to produce satisfactory evidence of their identity before their Application Form can be accepted, and from time to time thereafter. This process of identification is to assist in the prevention of crime within the financial services industry. If the Investor does not provide the information when required, the Custodian and the Investment Manager may be unable to accept any instructions from them or provide them with any services.

### **3. Cancellation Rights**

- 3.1 Following receipt of an Application Form, the Custodian will write to the Investor acknowledging receipt of the application. If the Investor wishes to exercise his or her right to cancel, the Investor must notify the Custodian in writing within 14 calendar days of the acceptance of the application and receipt of the Subscription monies, by writing to the Custodian.
- 3.2 If the Investor exercises their cancellation rights, the Custodian shall refund any monies paid by the Investor less any charges the Investment Manager has already incurred for any service undertaken in accordance with the terms of the Agreement. Please note that the Custodian is obliged to hold the Investor's investment monies until such time that sufficient identification documents have been provided to satisfy its anti-money laundering obligations.
- 3.3 The Investment Manager shall procure that the Custodian endeavours to arrange the return of any such monies as described at Clause 3.1 as soon as possible (but in any event, not more than 30 days following cancellation or the completion of its anti-money laundering obligations, whichever is the latest). The Investor will not be entitled to interest on such monies.
- 3.4 If the Investor does not exercise this right to cancel within the requisite time period, the Investor will still be entitled to exercise his or her right under Clause 15 below to terminate this Agreement, which is a separate right.
- 3.5 The right to cancel under the FCA Rules does not give the Investor the right to cancel/terminate/reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.
- 3.6 The Investor shall retain beneficial ownership of the assets in the Fund at all relevant times.

### **4. Subscriptions**

- 4.1 The Investor:
- 4.2 must make a Subscription to the Fund of not less than £25,000 at the same time as submitting his/her Application Form to invest and may make further Subscriptions. The Investor may make a withdrawal from his/her Fund and terminate this Agreement subject to Clause 15 below.
- 4.3 Subscriptions received shall be deposited in an account pending their investment.
- 4.4 Where Subscription monies are invested in SEIS Qualifying Companies, any monies transferred to the Investee Companies are solely in consideration for an issue of shares in the Investee Companies and no debt will come into existence by virtue of any payment preceding the formal issue.

### **5. Services**

- 5.1 The Investment Manager shall manage the Fund as from acceptance of each Application Form, and minimum aggregate total Subscriptions of £200,000 being invested in the Fund (or such other amount as the determined in the Investment Manager's absolute discretion) on the terms set out in this Agreement.

- 5.2 The Investment Manager shall manage the Fund in pursuit of the Investment Objective and approach as set out in this Information Memorandum and subject to any Investment Restrictions as stipulated by this Information Memorandum. Subject to such Investment Objective, approach and any restrictions, the Investment Manager shall exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investors on the terms set out in this Agreement.
- 5.3 The Investor hereby authorises the Investment Manager (and grants to the Investment Manager a power of attorney) to act on its behalf and in the name of the Investor or its nominee to negotiate, agree and do all such acts, transactions, agreements and deeds as the Investment Manager may deem necessary or desirable for the purposes of making, managing and realising Investments and managing cash funds and any other investments on behalf of the Investor and this authority (and power of attorney) shall be irrevocable and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution of the Investor. This authority (and power of attorney) will terminate upon the complete withdrawal of the Investor from the Fund.
- 5.4 The Investment Objective, approach and restrictions described in this Information Memorandum shall not be deemed to have been breached as a result of changes in the price or value of certain Investments comprised in the Fund brought about through internal financial circumstances of the Investee Companies, market forces or movements in the market. In particular, the Investor acknowledges that the Investments are of a type that cannot easily be valued or realised and that the default period of holding Qualifying Shares will be at least three years for the Investor's protection since tax relief may be otherwise lost. The Investment Manager may however exercise its discretion to realise investments prior to this period with a consequent loss of tax reliefs.
- 5.5 The Investment Manager shall be responsible for negotiating and establishing all agreements or arrangements with any other third party in relation to the investment, management or custody of the assets of the Fund including, without limitation, agreements with Velocity Capital Advisors Limited in relation to the on-going support for the Investee Companies and in relation to the Custodian and any other prime broker or custodian in relation to the assets of the Fund, account opening documentation, and other annexes and all documents relating thereto.
- 5.6 The Investment Manager is authorised to give the Custodian or other third parties any instructions on behalf of the Investor which may be necessary or desirable for the proper performance of the Investment Manager's duties under this Agreement.
- 5.7 The Investment Manager shall, without prejudice to the generality of the foregoing, also provide the following Services:
- 5.7.1 the provision of written reports in accordance with the Clause 7;
- 5.7.2 keeping or causing to be kept such books, records and statements as shall be necessary to give a complete record of all transactions which the Investment Manager carries out for the account of the Investor, which the Investor shall be entitled to inspect on giving one month's notice.
- 5.8 In performing its Services, the Investment Manager shall at all times have regard to:
- 5.8.1 the need for the Fund to attract SEIS reliefs and any other tax advantages; and
- 5.8.2 all Applicable Laws.

- 5.9 The Investment Manager reserves the right to return a surplus of cash if it concludes that it cannot be properly invested for the Investor and it considers this to be in the best interests of the Investor having regard to availability of SEIS Relief for the Investor.
- 5.10 In the event of a gradual realisation of Investments prior to termination of the Fund under Clause 15, the cash proceeds of realised SEIS Investments may be placed on deposit or invested in government securities or in other investments of a similar risk profile. In carrying out its obligations hereunder, the Investment Manager will act in good faith, with due diligence and shall have regard to any other matter to which a prudent person should reasonably have regard to with respect to the proper discharge of its duties.
- 5.11 Any tax reliefs are dependent on the Investor's personal circumstances as well as the actual underlying Investments made by the Fund. In providing services to the Investor, the Investment Manager and the Custodian shall not be required to take into account taxation matters and neither shall provide tax advice. Therefore and in any event, the Investor should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect that this may have on the Investor's own position generally.

## **6. Terms Applicable To Dealing**

- 6.1 The Investor should understand that the Fund will be invested in a number of unlisted securities which, there is generally no relevant market or exchange, consequent rules and customs and there will be varying practices for different securities. Transactions in relation to shares of such securities will be made on the best commercial terms which can be agreed.
- 6.2 Where deals are aggregated with other SEIS Investors in the Fund, the number of shares in an Investee Company held as an Investment allocated to the Investor shall be calculated with reference to the proportion which the Investor's Subscription of the Fund applied to such share purchase bears to the total Subscriptions by all Investors in the Fund at that time, provided that Investors shall not have fractions of shares. Variations may be allowed to prevent Investors having fractions of shares but only in circumstances in which there are minor variations. (If one or more of the Investors in the Fund is an accountant, lawyer or other professional person who is subject to professional rules preventing him from making an investment in a particular Investee Company, then the number of shares so allocated to that Investor or Investors shall not be taken up for the Fund and the cash value of such shares may be returned to such Investor, such that the number of shares so allocated to other Investors in that Fund would not be increased).
- 6.3 Subject to both the FCA Rules and the Investment Manager's Fund management policy (at Schedule 1 of this Agreement) the Investment Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement.
- 6.4 The Investment Manager may aggregate the Investors transactions with those of other customers and of its employees in accordance with the FCA Rules. It is likely that the effect of such an allocation will not work to the Investor's disadvantage; however, occasionally this may not be the case. The Investment Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FCA Rules.

- 6.5 Subject to both the FCA Rules and the Investment Manager's conflicts of interest policy (a summary of which is included at Schedule 2 of this Agreement) the Investment Manager may make use of dealing commission arrangements in respect of deals undertaken for the Fund as may be disclosed to the Investor from time to time.
- 6.6 As an FCA authorised firm, the Investment Manager is required to take all reasonable steps to obtain the best possible result on behalf of clients when placing orders for execution that result from decisions by the Investment Manager. Set out in Schedule 3 is the Investment Manager's summary of its policy in respect of this requirement. Where applicable, the Investment Manager's decisions will normally be executed by the Custodian in accordance with its Execution Policy.

## **7. Reports and information**

- 7.2 The Investment Manager shall send the Investor a report relating to the Fund every three months, in compliance with the FCA rules.
- 7.3 The Investment Manager shall provide further information which is under its control as the Investor may reasonably require as soon as reasonably practicable after receipt of a request from the Investor for further information.
- 7.4 Reports will include a measure of performance in the later stages of the Fund once valuations are available. Any statements, reports or information provided by the Investment Manager will state the basis of any valuations.

## **8. Delegation**

- 8.1 The Investment Manager may delegate, in whole or in part, any of its functions, powers, and duties under this Agreement (other than functions, powers and duties connected with the exercise of discretion in relation to any Investments) to any suitably authorised person and in connection therewith may provide information about the Fund to any such person, in which case it will act in good faith and with due diligence in the selection, use and monitoring of any such person but otherwise shall have no liability in respect of such persons.
- 8.2 The Investment Manager may also employ agents to perform, or advise in relation to the performance by it or, any of the Services required to be performed or provided by it under this Agreement. The Investment Manager shall act in good faith and with reasonable skill and care in the selection, use and monitoring of any agent appointed under this Clause 8 but otherwise shall have no liability in respect of its agents.
- 8.3 The Investment Manager may from time to time change or amend the terms of the relationship with the Custodian, including the replacement thereof and negotiate such terms on an arm's length basis in good faith.

## **9. Assignment**

- 9.1 The Investment Manager may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to the Investor.
- 9.2 This Agreement is personal to the Investor and the Investor may not assign it or transfer it.

## **10. Obligations of the investor**

- 10.1 The Investor's Fund which is established by this Agreement is set up on the basis of the declaration made by the Investor in their Application Form which includes the following statements by the Investor:
- 10.1.1 the fact as to whether or not the Investor wishes to seek SEIS Reliefs for the Investments;
- 10.1.2 the Investor agrees to inform the Investment Manager if, within three years of the date of shares being issued, the Investor becomes connected with, or receives value from an Investee Company which is an Investment;
- 10.1.3 the Investor agrees to inform the Investment Manager if the Investor is or becomes connected with any of the Investee Companies of the Fund or makes an Investment pursuant to sections 166, 167, 170, 171 and (for SEIS) 257BF ITA 2007;
- 10.1.4 the Investor confirms to the Custodian and the Investment Manager that the information stated in the Application Form in relation to them is true and accurate as at the date of this Agreement; and
- 10.1.5 the Investor will provide their tax district, tax reference number and National Insurance number to the Custodian.
- 10.2 The Investor must immediately inform the Investment Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which Clause 10.1 above refers.
- 10.3 The Investor will provide to the Custodian or the Investment Manager relevant information in regard to the Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standard ("CRS") and similar as required.
- 10.4 The Investor hereby warrants and represents that:
- 10.4.1 they are a person of 18 years or older;
- 10.4.2 they have read and understood Investment Memorandum and risks involved; and
- 10.4.3 the information provided in the Investor's application (and all other) respects is true and accurate as at the date of this Agreement.

## **11. Management and Custodian obligations**

- 11.1 The Investment Manager shall dedicate such time and attention and have all necessary competent personnel and equipment as may be required to enable it to provide the Services properly and efficiently, and in compliance with the FCA Rules.

- 11.2 The Investment Manager shall appoint the Custodian as agent for the Investor to act as custodian of the cash and other assets of the Fund.
- 11.3 The Custodian shall not be liable to the Investment Manager or to any Investor for any act or omission in the course or in connection with the proper provision of the Services rendered by it in connection with the Fund or for any loss or damage which the Investment Manager or Investor may sustain or suffer as a result or in the course of the proper discharge by the Investment Manager or any delegate of its duties in connection with the Fund, in the absence of fraud, negligence, wilful default or breach of contract directly relating to such cost, expense or liability on the part of the Custodian or any delegate.
- 11.4 Except as disclosed in any memorandum issued in relation to the Fund and as otherwise provided in this Agreement (for example on early termination or early realisation), the Investment Manager shall take reasonable steps to not take any action which shall prejudice the tax position of the Investor insofar as it is aware of the relevant circumstances, and in particular which may prejudice obtaining the SEIS Reliefs for the Fund Investments.
- 11.5 The Investors or the Investment Manager shall pay or reimburse the Custodian from time to time on demand for any transfer taxes payable upon transfers, exchanges or deliveries of securities made under the custodian agreement in accordance with this Information Memorandum.
- 11.6 The Investor indemnifies the Custodian from and against any and all direct liabilities, obligations, losses, damages, penalties, actions against the Custodian, judgements, suits against the Custodian, proper costs and expenses or disbursements (other than those resulting from fraud, negligence, wilful default or breach of contract on the part of the Custodian) which may be imposed or incurred by or asserted against the Custodian in properly performing its obligations or duties to each Fund under the custodian agreement.
- 11.7 The Custodian will not co-mingle securities or other assets of the Investors with its own.
- 11.8 The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules contained in CASS 7 of the FCA Rules. Such cash balance will be deposited with an authorised credit institution in a bank account (or accounts) opened and maintained in the name of the Custodian. The Custodian at the direction of the Investment Manager may debit or credit the said account for all sums payable by the or to the Investor (including dividends receivable in cash and fees and other amounts payable by the Investor). Any interest payable on credit balances in the said account will be retained Custodian.
- 11.9 The Investor acknowledges that their investments will be registered in the name of the Nominee but it will be held on trust by the Nominee and the Investor will remain beneficial owner of the investments.
- 11.10 The Investor has accessed the Custodian's terms and conditions via the following URL:  
<https://cdn2.hubspot.net/hubfs/217255/WCSL/WCSL%20Terms%20and%20Conditions.pdf>  
and has read and understood the terms and confirms its acceptance to the terms and conditions of the Custodian.

## **12. Voting**

The Investment Manager shall have discretion to instruct the Custodian to exercise the voting and other rights attaching to the Investments made by the Fund save that the Investment Manager shall at no time exercise voting rights carrying more than fifty per cent. of all voting rights which may be cast at a general meeting of the Investee Company.

### 13. Fees and Expenses

The Investment Manager shall receive fees for its Services, and reimbursements of their costs and expenses, as set out in this Information Memorandum. To the extent that any of this fee is not paid for whatever reason by the relevant Investee Company, the Investment Manager reserves the right to instruct the Custodian to deduct such fees from an Investor's Subscription awaiting investment and/or from any disposal or dividend proceeds arising from his/her Investments save that an Investor shall never be liable for more than his proportionate share of such fees by reference to the other Investors in the Fund who have had Investments made on their behalf in the same Investee Company.

### 14. Liability

- 14.1 The Investment Manager shall not be liable in respect of any act or omission of any person, firm or company through whom transactions in Investments are effected for the account of the Investor (including the Custodian) or any other third party having custody or possession of the assets of the Investor from time to time, or of any clearance or settlement system.
- 14.2 The Investment Manager shall not be liable for any loss to the Investor arising from any investment decision made in accordance with the Investment Objectives and the Investment Restrictions or for other action in accordance with this Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Investment Manager or any of its employees.
- 14.3 The Investment Manager gives no representations or warranty as to the performance of the Fund. SEIS Investments are high risk Investments, being Non Readily Realisable Investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of investment in SEIS Investments carefully and note the risk warnings set out in this Information Memorandum.
- 14.4 The Investment Manager will not be responsible for any loss of opportunity whereby the value of the Investor's Fund could have been increased or for any decline in the value of the Investor's Investment howsoever arising, except to the extent that such loss or decline is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.
- 14.5 The Custodian shall not be liable in the event of the insolvency of any bank with which any funds of the Custodian have been deposited, nor in the event of any restriction on the ability of the Custodian to withdraw funds from such bank for reasons which are beyond its reasonable control.
- 14.6 If the Custodian should fail to deliver any necessary documents or to account for any Investments, the Investment 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 thereto to the Investment Manager's general duty of good faith, shall not be liable for such failure.
- 14.7 The Investment Manager may be separately engaged by some of the unquoted companies that the Fund will invest in to assist those companies to raise finance. The Investment Manager will receive a fee from each such unquoted company for its services.



- 14.8 The Investment Manager will not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it howsoever arising except to the extent that any such error or action (or the omission thereof) is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.
- 14.9 The Investment Manager shall be entitled to rely absolutely upon and shall not incur any liability (save for any liability resulting from the negligence, wilful default or fraud of the Investment Manager) in respect of any action taken or thing suffered in good faith in reliance upon any paper or document believed to be genuine and to have been signed and sealed by the proper parties or be in any way liable for any forged or unauthorised signature or seal affixed to any document and in discharging its duties hereunder the Investment Manager may, in the absence of manifest error, rely without enquiry upon all information supplied to it by the Investor, the Custodian, the Investment Consultant or any of their respective directors, officers, employees or agents. The Investment Manager may accept as sufficient evidence of any instructions, notice or other communication given to it by the Investor, the Custodian, Velocity Capital Advisors Limited or any of their respective directors, officers, employees or agents any document or paper signed or purporting to be signed on behalf of the Investor, the Custodian or Velocity Capital Advisors Limited or any of their respective directors, officers, employees or agents by such person or persons whose signature the Investment Manager is for the time being authorised to accept.
- 14.10 The Investor shall indemnify and keep indemnified the Investment Manager and the directors, officers, employees and agents of the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses (including legal expenses) which may be incurred by or asserted against the Investment Manager in its capacity as Investment Manager of the Fund other than those resulting from the negligence, wilful default or fraud on its or their part and other than expenses incurred by the Investment Manager for which it is responsible hereunder.
- 14.11 In the event of any failure, interruption or delay in the performance of the Investment Manager's obligations resulting from acts, events or circumstances not reasonably within the Investment Manager's control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest) the Investment Manager shall not be liable to the Investor for consequential loss in the value of, or failure to perform investment transactions or the account of, the Fund.
- 14.12 Nothing in this Agreement shall exclude or restrict any duty or liability to the Investor which the Investment Manager may have under the FCA Rules.

## **15. Termination**

- 15.1 The Investment Manager shall notify the Investor of the date on which the Fund will terminate. For the avoidance of doubt, this date will be determined by the Investment Manager. On termination of the Fund, all the shares in the Investor's Fund shall be transferred into the Investor's name or as the Investor shall otherwise direct.
- 15.2 The Investor is entitled to withdraw his Investments to the extent those Investments comprise:

- 15.2.1 Relevant Shares which are admitted to official listing in an EEA state or to dealings on a recognised investment exchange, at any time after the fifth anniversary of the date the Relevant Shares were issued;
- 15.2.2 other Relevant Shares, at any time after the seventh anniversary of the date of the Relevant Shares were issued;
- 15.2.3 shares other than Relevant Shares, at any time after the end of the period of six months beginning with the date those Relevant Shares ceased to be Relevant Shares (and the Investor will be notified in writing as soon as reasonably practicable after any shares comprised the Investor's Investment cease to be Relevant Shares); and
- 15.2.4 cash, at any time.

The Investment Manager will have a lien on all assets being withdrawn or distributed by the Investor and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging any liability of the Investor to the Investment Manager in respect of damages or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining investments will then be passed to the Investor. This Agreement shall terminate upon the completion of the withdrawal from the Fund of all Shares and cash which the Investor is entitled to receive under this Clause 15.2.

- 15.3 The Investment Manager may terminate this Agreement upon giving not less than three months written notice to the Investor.
- 15.4 If the Investment Manager does not give the Investor at least three months' written notice of its intention to end its role as Investment Manager under this Agreement or the Investment Manager becomes insolvent or the Investment Manager ceases to be suitably authorised by the FCA, the Investment Manager shall endeavour to make arrangements to transfer the Fund to another fund manager which is suitably authorised by the FCA, in which case that manager will assume the role of the Investment Manager under this Agreement, failing which the Agreement will terminate immediately and, subject to Clause 16, the Investments in the Investor's Fund will be transferred into the Investor's name or as the Investor may otherwise direct.
- 15.5 This agreement may also be terminated by written notice given by Investors representing not less than 75% of the cash subscribed to the Fund to the Investment Manager and which notice specifies another fund manager, which is suitably authorised by the FCA, which is prepared to act as the manager of the Fund in place of the Investment Manager in which case that manager will assume the role of the Investment Manager under this Agreement.
- 15.6 It is noted that any termination of Sapphire Capital Partners LLP as the Investment Manager shall not affect the performance fee due to it as detailed in Part Four: Fees and Costs. Therefore, Sapphire Capital Partners LLP's share of the performance fee will remain payable to Sapphire Capital Partners LLP in the case that a new manager assumes the role of the Investment Manager under this Agreement.

## **16. Consequences of Termination**

- 16.1 Pursuant to Clause 15 the Investment Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.

- 16.2 Termination of this Agreement will not affect any right intended to survive termination and will be without penalty or other additional payments save that the Investor will pay fees, expenses and costs properly incurred by the Investment Manager and the Custodian up to and including the date of termination and payable under the terms of this Agreement.
- 16.3 On termination, the Investment Manager may retain and/or realise Investments as may be required to settle transactions already instigated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under Clause 13 of this Agreement.

## **17. Risk warnings and further disclosures**

- 17.1 The Investor's attention is drawn to the risk factors set out in this Information Memorandum.
- 17.2 The Investment Manager will not borrow money on behalf of the Investor, nor lend securities or enter into stock lending or similar transactions. For clarity, the Investee Companies may borrow money or enter into similar transactions.
- 17.3 The Investment Manager cannot require Investors to add further monies to the Fund following the Subscription.

## **18. Conflicts of Interest**

- 18.1 The Services of the Investment Manager hereunder are not to be deemed exclusive. The Investor acknowledges that the Investment Manager and its members, officers, employees or persons connected with the Investment Manager will from time to time act as director, investment manager, manager, investment adviser or dealer in relation to, or be otherwise involved in, investments and investment funds. Members, officers, employees or persons connected with the Investment Manager may personally make Subscriptions to the Fund. In respect of such positions, the Investment Manager may have similar or different objectives to that of the Investor. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Investor. The Investment Manager will, at all times, have regard in such event to its obligations to the Investor and will endeavour to ensure that such conflicts are resolved fairly.
- 18.2 For the avoidance of doubt, under the circumstances set out in Clause 18.1, the Investment Manager shall not be required to account for any profits earned in connection therewith.
- 18.3 In accordance with the FCA Rules, the Investment Manager has in place a policy to manage conflicts of interest (the "Conflicts Policy") which sets out how it identifies and manages conflicts of interest. A summary of this policy is set out at Schedule 2.

## **19. Complaints**

The Investment Manager has in operation a written procedure in accordance with the FCA Rules for the effective consideration and proper handling of complaints from customers. Details of this procedure are available from the Investment Manager on request. Should the Investor have a complaint, they should contact the Investment Manager. If the Investment Manager is unable to resolve the complaint to the Investor's satisfaction, the Investor may be entitled to refer the complaint to the Financial Ombudsman authority.

## **20. Compensation**

Claims against the Investment Manager may be covered by the Financial Services Compensation Scheme (FSCS). Further information about the circumstances in which the FSCS cover is available can be found on the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk).

## **21. Applicable laws**

All transactions in Investments shall be subject to any applicable law, rules or regulations. If there is any conflict between this Agreement and any such rules, customs or applicable law, the latter shall prevail.

## **22. Confidentiality**

- 22.1 The Investment Manager is not obliged to disclose to the Investor or, in making any decision or taking any step in connection with the investment management of the Fund, to take into consideration information either:
- 22.1.1 the disclosure of which by it to the Investor would or might be a breach of duty or confidence to any other person; or
  - 22.1.2 which came to the notice of an employee, officer or agent of the Investment Manager, but does not come to the actual notice of the individual making the decision or taking the step in question.
- 22.2 The Investment Manager and the Investor shall at all times respect and protect the confidentiality of information acquired in consequence of this Agreement except pursuant to any right or obligation to or by which the Investment Manager or the Investor may be entitled or bound to disclose information under compulsion of law or pursuant to the requirements of competent regulatory authorities including, without limitation, the FCA.
- 22.3 Nothing in this Clause 22 shall prevent:
- 22.3.1 the disclosure of information by any party to its auditors, legal or other professional advisers in the proper performance of their duties;
  - 22.3.2 the disclosure by any party of information which has come into the public domain other than through its fault or the fault of any person to whom the information has been disclosed; or
  - 22.3.3 the disclosure of information that is authorised to be disclosed by the other party.
- 22.4 The Parties shall use all reasonable endeavours to prevent any breach of confidentiality under Clause 22.

## **23. Notices, instructions and communications**

- 23.1 Notices of instructions to the Investment Manager should be in writing and signed by the Investor, except as otherwise specifically indicated.

- 23.2 The Investment Manager may rely and act on any communication or instruction which purports to have been given by persons authorised to give instructions by the Investor under the Application Form 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 shall have been terminated. Communications shall be sent to the Investor (whether postal or electronic) to the last address notified to the Investment Manager and shall be deemed received by the Investor on the second day after posting or on the day after dispatch in the case of electronic communication.
- 23.3 Communications by the Investor shall be made in writing in English to the Investment Manager, addressed to "Sapphire Capital Partners LLP," and shall be sent to:
- 23.3.1 address: 28 Deramore Park, Malone, Belfast BT9 5JU;
- 23.3.2 e-mail: [boyd@sapphirecapitalpartners.co.uk](mailto:boyd@sapphirecapitalpartners.co.uk); and
- 23.3.3 marked for the attention of Boyd Carson.
- 23.4 Communications sent by the Investor will be deemed received only if actually received by the Investment Manager. The Investment Manager will not be liable for any delay or failure of delivery of any communication sent to the Investor.

## **24. Amendments**

- 24.1 The Investment Manager may amend the terms of this Agreement by giving the Investor not less than ten Business Days' written notice where such change reflects changes to market practice, administrative processes, computer systems or other such similar matters associated with managing the Fund.
- 24.2 The Investment Manager may also amend the terms of this Agreement with immediate effect by giving written notice if such an amendment is required in order to comply with HMRC requirements in order to maintain SEIS Reliefs or in order to comply with the FCA Rules.

## **25. Data protection**

- 25.1 All data which the Investor provides to the Investment Manager shall be processed by the Investment Manager in accordance with the Investment Manager's policy (as available online at <https://www.sapphirecapitalpartners.co.uk/privacy-policy> or on request) and the prevailing data protection and privacy laws is held by the Investment Manager subject to the Data Protection Act 2018.
- 25.2 The Investor permits that the Investment Manager and the Custodian may pass personal data:
- 25.2.1 to each other and to other parties insofar as is necessary in order for them to provide their Services as set out in this Agreement;
- 25.2.2 to the FCA and any regulatory authority which regulates them;
- 25.2.3 to Velocity Capital Advisors Limited or Investee Companies; and
- 25.2.4 in accordance with all other Applicable Laws

## **26. Entire Agreement**

This Agreement, together with the Application Form constitutes the entire agreement between the parties relating to its subject matter and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.

## **27. Severability**

If any term of this Agreement shall be held to be illegal, void, invalid or unenforceable to any extent, such term, shall not affect the legality, validity and enforceability of the remainder of this Agreement.

## **28. Contracts (Rights of Third Parties) Act 1999**

No person who is not a party to this Agreement shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **29. Governing Law and Jurisdiction**

29.1 This Agreement is governed by and shall be construed exclusively in accordance with English law.

29.2 In relation to any legal action or proceedings (whether in contract or in tort) arising out of or in connection with this Agreement, each of the parties irrevocably submits to the exclusive jurisdiction of the English courts.

## **Schedule 1:**

### **Fund Management Policy**

1. The Investment Manager shall authorise investment in Qualifying Companies in line with the Investment Objectives and Investment Restrictions of the Fund as set out in this Information Memorandum,
2. The Investment Manager understands that new shares in Investee Companies should be held for no less than the SEIS Three Year Period to obtain the benefits of SEIS.
3. The Investment Manager may consider exiting an investment before the expiration of the SEIS Three Year Period if the growth of an investment has outperformed the market and covers any loss of tax benefit. The Investment Manager may also exit an investment if an Investee Company is the subject of a trade sale.
4. After the expiration of the SEIS Three Year Period, the Investment Manager will review opportunities for exiting an investment as they arise.

## **Schedule 2:**

### **Policies to govern conflicts of interest**

As required by the FCA rules the Investment Manager has a policy to identify, prevent or manage effectively any conflicts of interest that may occur from its business. The Investment Manager considers:

- the conflicts that may arise between its own interests or those of persons linked to it such as employees and those of clients.
  - between different clients such as different funds it manages.
- ii• This consideration extends to reviewing potential gains and incentives. A log of what types of conflicts may arise is kept and actively monitored.

The Investment Manager revises the policy on an at least annual basis, and additionally undertakes ongoing monitoring of compliance with the policy.

### **Schedule 3:**

#### **Execution policy**

1. When executing orders on behalf of Investors, the Investment Manager is required to take all sufficient steps to obtain the best possible outcome. It is a requirement of the FCA that certain execution factors are taken into account including: price; costs; speed; likelihood of execution and settlement; size and nature of the order or any other consideration relevant to the execution of the order. The Investment Manager may give speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Investor.
2. The Investment Manager will use its commercial judgement and experience to determine the relative importance of the execution factors. In making such a determination the Investment Manager will consider the market information available and also take into account the execution criteria. The Investment Manager must take into account the following execution criteria for determining the relative importance of the execution factors: the characteristics of the client; the characteristics of the order; the characteristics of financial instruments that are the subject of that order and the characteristics of the execution venues to which that order can be directed.
3. The range of activities presently undertaken by the Investment Manager does not include placing orders with brokers or dealers. If the Investment Manager places orders with brokers or dealers for execution the investment Manager will satisfy itself that the broker or dealer has arrangements set up to enable the Investment Manager to act in accordance with its best execution obligations to its clients. Specific arrangements will be set up in order that brokers will confirm that they will treat the Investment Manager as a Professional Client and will therefore be required to provide best execution.

### **Schedule 4:**

#### **Custodian's Terms and Conditions**

Please read the Custodian's terms and conditions in full by clicking on the following link:  
<https://cdn2.hubspot.net/hubfs/217255/WCSL/WCSL%20Terms%20and%20Conditions.pdf>

# APPENDIX 3: COPY OF COBS 4.7.9R AND 4.7.10R

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## 1. COBS Rule 4.7.9R states:

"A certified high net worth investor, a certified sophisticated investor or a self-certified sophisticated investor is an individual who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the terms set out in the applicable rule listed below, substituting "non-readily realisable securities" for "non-mainstream pooled investments":

(1) certified high net worth investor: COBS 4.12.6 R;

(2) certified sophisticated investor: COBS 4.12.7 R;

(3) self-certified sophisticated investor: COBS 4.12.8 R.

## 2. COBS Rule 4.7.10R states:

A certified restricted investor is an individual who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the following terms:

"RESTRICTED INVESTOR STATEMENT"

I make this statement so that I can receive promotional communications relating to non-readily realisable securities as a restricted investor. I declare that I qualify as a restricted investor because:

(a) in the twelve months preceding the date below, I have not invested more than 10% of my net assets in non-readily realisable securities;

and

(b) I undertake that in the twelve months following the date below, I will not invest more than 10% of my net assets in non-readily realisable securities.

Net assets for these purposes do not include:

(a) the property which is my primary residence or any money raised through a loan secured on that property;

(b) any rights of mine under a qualifying contract of insurance; or

(c) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be entitled; or

(d) any withdrawals from my pension savings (except where the withdrawals are used directly for income in retirement).

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on non-readily realisable securities.

Signature:

Date:





VELOCITY

