

# GUINNESS **EIS**

INFORMATION MEMORANDUM

INVESTED IN SUCCESS

**Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

**Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.**

**What are the key risks?**

**1. You could lose all the money you invest**

- If the businesses that this product invests in fail, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

**2. You are unlikely to be protected if something goes wrong**

Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker at [www.fscs.org.uk/check/investment-protection-checker](http://www.fscs.org.uk/check/investment-protection-checker)

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection at [www.financial-ombudsman.org.uk/consumers](http://www.financial-ombudsman.org.uk/consumers)

**3. You won't get your money back quickly**

- Even if the businesses that this product invests in are successful, in some scenarios it may take several years to sell your investments and for you to be able to access your money.
- The most likely way to get your money back is if a business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

- If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these.

**4. Don't put all your eggs in one basket**

- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments. [www.fca.org.uk/investsmart/5-questions-askyou-invest](http://www.fca.org.uk/investsmart/5-questions-askyou-invest)

**5. The value of your investment can be reduced**

- The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.
- These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

**If you are interested in learning more about how to protect yourself, visit the FCA's website at [www.fca.org.uk/investsmart](http://www.fca.org.uk/investsmart)**

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# Welcome to Guinness

Guinness Asset Management was founded in 2003 as an independent fund manager specialising in long-only equity funds and unlisted private investments.

Guinness Ventures first invested in early-stage businesses in 2010. Since 2017 our flagship Guinness EIS Service has been wholly focussed on investing into the most exciting British growth companies that require capital to scale their businesses.

We look to build diversified portfolios for our investors and do this by investing across a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food & drink. We target scale-up companies with at least £1 million of historic revenues so that we can focus on companies that have already proved their product, service or technology.

Our experienced team source, review, invest and actively manage investment portfolios. We have quarterly tranche closes and look to fully invest the funds raised in the same tax year. We take pride in providing our investors with a thorough, professional service and many clients invest with us year after year.



**Shane Gallwey**  
Head of Ventures

**November 2023**



# About Guinness

Our focus is on investment management, and we have built up a team of experts who actively manage investments for a range of customers including individuals, companies and institutional investors. We strive to provide our investors with the very best levels of service and solutions that address their investment needs.



**Guinness Global Investors**, a trading name of Guinness Asset Management Limited, is a specialist fund manager with £7 billion funds under management.



**Guinness Ventures**, a trading name of Guinness Asset Management Limited, has been investing in early-stage businesses since 2010. We focus on providing scale-up capital to exciting British companies, with more than £280 million invested into over 180 companies.



based in **London** since **2003**



We have invested **over £280m in EIS & IHT** qualifying companies



The Guinness Group manages **over £7.1 billion** for investors



We have **over 70 staff** employed

## The Enterprise Investment Scheme

**The Enterprise Investment Scheme is a popular investment choice for UK investors and is considered in the context of wider tax planning by financial advisers.**

Since its launch in 1994, the scheme has raised £30 billion in funds that have been invested in 53,000 individual companies. Recent data from HMRC shows that companies raised a total of £2.3 billion of funds under the EIS scheme in the 2021/22 tax year (*Source: HMRC Statistics, May 2023*).

### Investing with EIS

The Guinness EIS Service looks to invest in a portfolio of around ten carefully selected investments into growth companies across a range of sectors.

EIS investments qualify for tax reliefs (detailed on the next page) that help mitigate the risks investors are taking by investing in smaller, unlisted companies.

### EIS Qualification

Only certain companies qualify for the EIS tax breaks, and in order to qualify an investment needs to be held for at least three years. We indicate to investors that we expect to exit investments within four to five years of making an investment. It can take up to 12 months to invest an investor's subscription fully, so investors must be prepared to invest for at least the medium term.



## Overview of Tax Benefits

**The main tax benefits that may be claimed by Investors in the Guinness EIS Service, depending on their individual circumstances:**

### Income Tax Relief

Investors may receive an income tax rebate of up to 30% of their EIS investments from HMRC. An individual may invest a maximum of £1 million per tax year for EIS Income Tax Relief purposes. However, an additional £1 million can also be invested in Knowledge intensive companies, making the total permitted investment into EIS reach £2 million per person. Qualifying Investors may claim income tax relief in the tax year in which shares in an Investee Company are issued to them, or carry the relief back to the tax year immediately preceding the Investment.

### Capital Gains Tax Deferral

Where investors have made a capital gain on previous investments, they could face a Capital Gains Tax bill when they sell those investments. EIS may enable investors to defer those gains for the life of the EIS investment. The CGT liability can be eliminated if the investment is held at death, and there is no limit on the amount of capital gains tax liability that can be deferred.

Qualifying Investors can defer capital gains that have arisen within 12 months before or 36 months after an investment has been made in an EIS Invested Company.

### Inheritance Tax Relief

Once an Investment has been held for at least two years, EIS shares are likely to qualify for Business Relief which can provide up to 100% relief from Inheritance Tax.

**Depending on how your investment performs, there may be other tax reliefs available:**

### Capital Gains Tax Exemption on Profits

Qualifying Investors will not pay Capital Gains Tax on gains from the disposal of shares in EIS Qualifying Companies, provided EIS Income Tax Relief is retained and the disposal occurs after the end of the EIS Three Year Period following the Investment.

### Loss Relief

If shares in an EIS Qualifying Company are disposed of at a loss (net of any EIS Income Tax Relief already claimed), Investors may be eligible to claim loss relief at their marginal rate of tax (up to 45%).

**Please note that tax treatment depends on individual circumstances and may change in the future. Investors should speak to their financial adviser or tax accountant with regard to their specific circumstances.**



## Guinness EIS Summary

<b>Investment Focus</b>	Generalist fund investing scale-up capital
<b>Target Size</b>	£30 million in 2023/24 tax year
<b>Closing Dates</b>	Quarterly
<b>Target Investment Period</b>	Targeting full investment in same tax year
<b>Target Return (before tax reliefs)</b>	Targeting 2x* portfolio return after fees
<b>Minimum Investment</b>	£20,000
<b>Expected Life of Service</b>	5 years+

### Investing in the potential of growing British companies

Our generalist investment approach means we consider the potential growth of companies and their market opportunities across a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food & drink.

Over £280 million has been invested into companies from the Guinness EIS and Guinness AIM EIS Services since 2010 and over £100 million has already been returned to investors.

Guinness Ventures has invested into 45 unlisted growth companies across 14 sectors from the Guinness EIS Service. Some examples of these are detailed in this brochure and are typical of the type of investment the Guinness EIS will make.

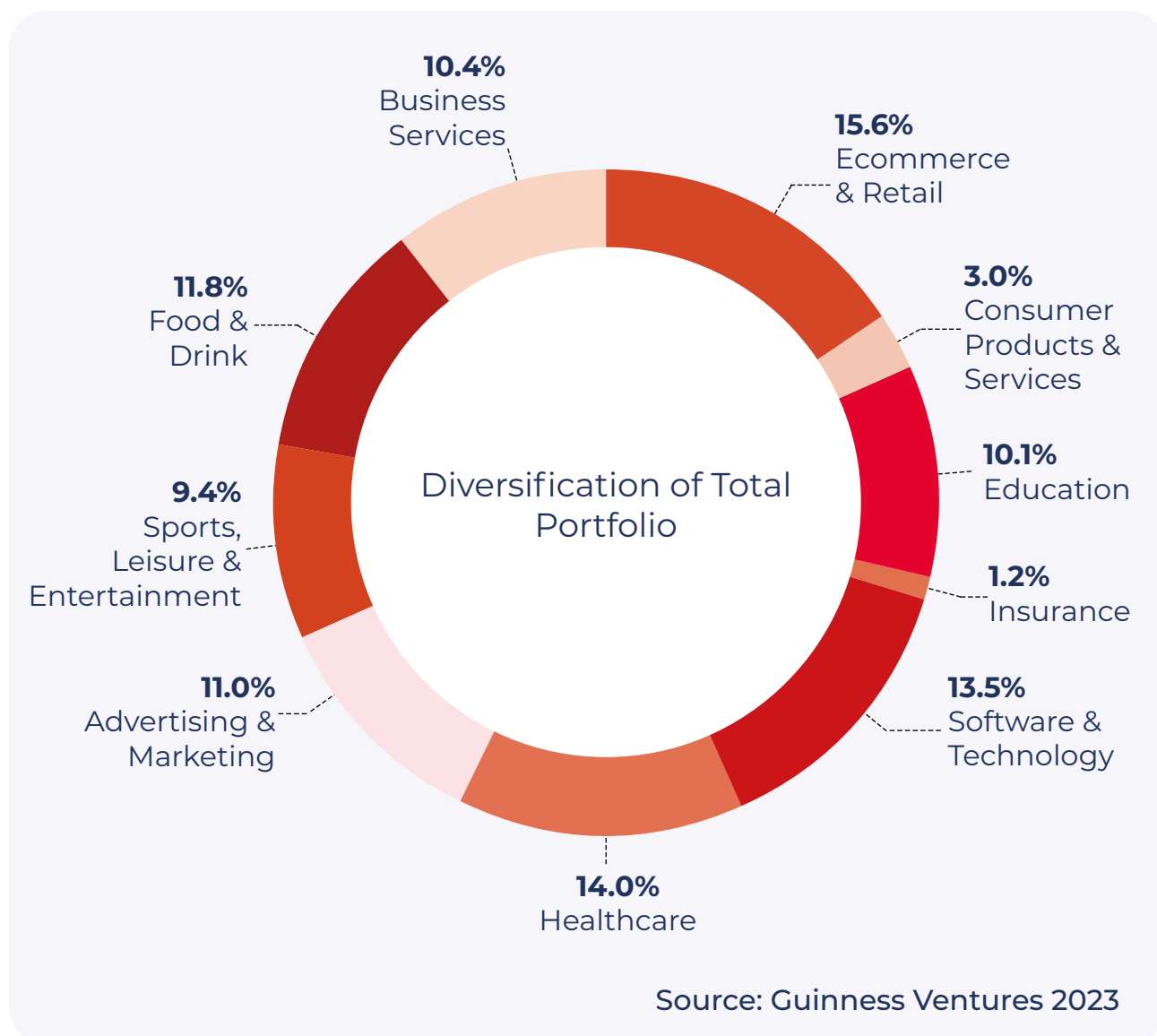
The value of an investment may fall as well as rise and you may not get back the full amount of your investment.

Past performance is not a guide to future performance.

\* Target returns should not be relied upon to predict actual returns and are not an indication of future performance.

## Building a Diversified Portfolio

We seek to invest in a portfolio of businesses that we believe provide the opportunity for growth and value appreciation. Currently, the Guinness EIS is an active investor in over 40 private growth companies across 14 sectors.



## Investment Criteria

Our generalist approach provides a balanced and diversified portfolio to our investors. We look for exciting and interesting businesses that we believe have potential to grow.

### Strong management teams

Experienced and competent management teams with a strong understanding of their market and competitive position, and with a track record of building and selling companies.

### Exceptional growth prospects

A realistic business plan supported by good operations and technology.

### Strong competitive positions

A business with the ability to sustain a competitive advantage, with unique attributes that are difficult to replicate or substitute.

### Future prospects

A business with the potential to attract investment or buyers in the future, at a multiple on the initial cost of investment.



Our structured investment process is designed to deliver growth creation for our portfolio companies and maximise value appreciation for our investors.

### ○ **Origination of opportunities**

The investment team reviews hundreds of business plans each year, received through our extensive networks as well as direct approaches from entrepreneurs that feed into a broad pipeline of investment opportunities.

### ○ **Due diligence**

Every private company that is selected for potential investment is required to pass through a comprehensive due diligence process which aims to test its business plan, technology and financials as well as reviewing EIS eligibility. Our investment committee meets regularly to assess and approve investments.

### ○ **Monitoring and impact**






Once the company is part of our portfolio we work closely with the management team, providing a support framework to help the business achieve its growth potential.

### ○ **Exit strategy**

Exit opportunities are assessed and reviewed right from the start of the investment process. Opportunities for exits of individual investments are taken into consideration throughout the lifetime of the investment as part of our focus on achieving value for our investors.

## Example Portfolio

Below is a portfolio illustration, showing a £100,000 EIS subscription with £10,000 invested into each of ten companies. This example shows how to utilise the tax reliefs available when investing into Guinness EIS.

						TOTAL
Number of companies	1	2	2	2	3	10
						
Return of each investment	10x	4x	2x	1x	0x (write off)	
Amount invested (£10k per company)	£10,000	£20,000	£20,000	£20,000	£30,000	<b>£100,000</b>
Proceeds from sales	£100,000	£80,000	£40,000	£20,000	-	<b>£240,000</b>
Less: Performance Fee (20%+VAT)						<b>-£33,600</b>
Net Return						<b>£206,400</b>
Plus : EIS Income Tax Relief	£3,000	£6,000	£6,000	£6,000	£9,000	<b>£30,000</b>
Plus: Share Loss Relief (40%)					£8,400	<b>£8,400</b>
Return with tax reliefs						<b>£244,800</b>

This illustration should be used for reference only to show the impact of fees and the potential tax treatment of an investment in the Service. Some businesses may fail and an actual investment in the Service may return more or less than this example.

## Making an investment

The Guinness EIS is structured as a Service, whereby your subscriptions are held in an account at our custodian, Mainspring Financial Services, and funds are drawn down as each investment is made.

### Application ○

Application details can be found on our website

<https://www.guinnessgi.com/eis>

Or call

020 222 3475

for further assistance ○

### Welcome Letter & Contract Notes

You will receive a welcome letter from Guinness within 1 to 2 weeks with your account details and instructions on how to access our online investor portal. When investments are made, you will receive contract notes.

### EIS Form ○

An EIS 3 form will be generated for each investment made. These will contain all the relevant details to enable you to claim EIS Income Tax Relief and/or Capital Gains Tax Deferral Relief. Please note that the majority of EIS 3 certificates are received within 6 months of making an investment, however some can take longer.

### Investor Updates & Valuation Statements

Valuation statements will be produced quarterly and Investor Update will be produced every six months throughout the life of the investment and are accessible via our investor portal.

### Exits & Contract Notes ○

Contract notes will be provided for each share sale.



## Portfolio

Over £280 million has been invested into companies from the Guinness EIS Service since 2010 and more than £70 million has already been returned to investors. Funds managed by Guinness have invested into 47 unlisted growth companies across 14 sectors from the Guinness EIS Service. Some successful examples of these are detailed below and are typical of the type of investment targeted by the Guinness EIS Service.

### Popsa

Photobooks created in minutes

Popsa is a photobook application for iOS and Android that, through the use of proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from 2 hours to an average of just 6 minutes. Popsa now has a team of more than 40 people and receives tens of thousands of orders per month.



Sector: eCommerce

Website: [www.popsa.com](http://www.popsa.com)

Guinness EIS Investment to Date:  
£3.9 million

Current Valuation:  
2.8x

### Distributed

Quality driven tech teams. On demand.

Distributed enables enterprises to work with fully managed, globally distributed software development teams. It provides companies with access to top quality developer talent by eliminating cultural, language, and geographical barriers, giving freelancers greater access to work and opportunities for career progression.



Sector: Technology

Website: [www.distributed.com](http://www.distributed.com)

Guinness EIS Investment to Date:  
£4.4 million

Current Valuation:  
1.7x



## Revolutionising Care at Home

Cera Care was co-founded in 2015 by Ben Maruthappu and Marek Sacha to fix the provision of domiciliary care in the UK, using technology to automate a traditionally slow and manual industry.

Cera Care uses technology to provide better and more affordable care for elderly and vulnerable patients in the comfort of their own home. In August 2022, Cera Care raised £260 million through equity and debt.



Sector: Healthcare

Website: [www.cerahq.com](http://www.cerahq.com)

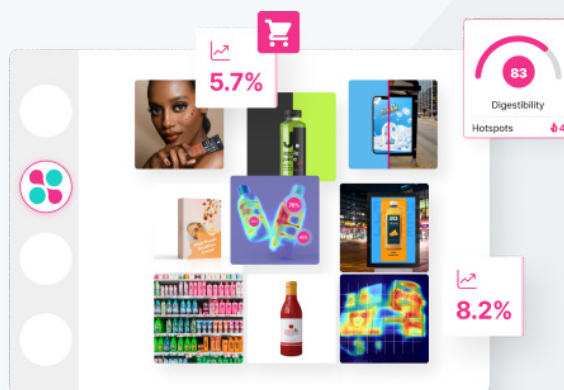
Guinness EIS Investment to Date:  
£6.3 million

Current Valuation:  
7.5x



## Measuring advertising performance

Dragonfly AI uses cutting-edge neuroscience to accurately and instantly show what attracts the audience's attention first across all forms of content. This enables companies and marketing agencies to optimise and improve the content they produce. Dragonfly has a number of high-profile clients and has already established a presence in the US. The company was spun out from Queen Mary University London which has developed technology used by brands and agencies to understand how design decisions impact consumer attention.



Sector: Advertising & Marketing

Website: [www.dragonflyai.co](http://www.dragonflyai.co)

Guinness EIS Investment to Date:  
£2.6 million

Current Valuation:  
1.0x

## Successful Exits



### Fresh artisan pasta

Pasta Evangelists is a luxury pasta delivery service. The company delivers pasta direct to customer's homes nationwide and prides itself on using the freshest ingredients and recipes sourced from various regions in Italy. In January 2021, Pasta Evangelists was acquired by the Barilla Group for £40 million.



Full Exit

Guinness EIS Investment to Date:  
£3 million

Money multiple:  
3.0x

Returned to investors:  
£9 million



### Social media made simple

ContentCal is a content management and publishing workflow tool that allows marketing teams to plan, co-ordinate and efficiently deliver marketing content to target audiences. ContentCal was acquired by Adobe in December 2021.



Full Exit

Guinness EIS Investment to Date:  
£2 million

Money multiple:  
4.7x

Returned to investors:  
£9.4 million

Warning: Past performance is not necessarily an indicator of future results. Your capital is at risk.



## Adding Value

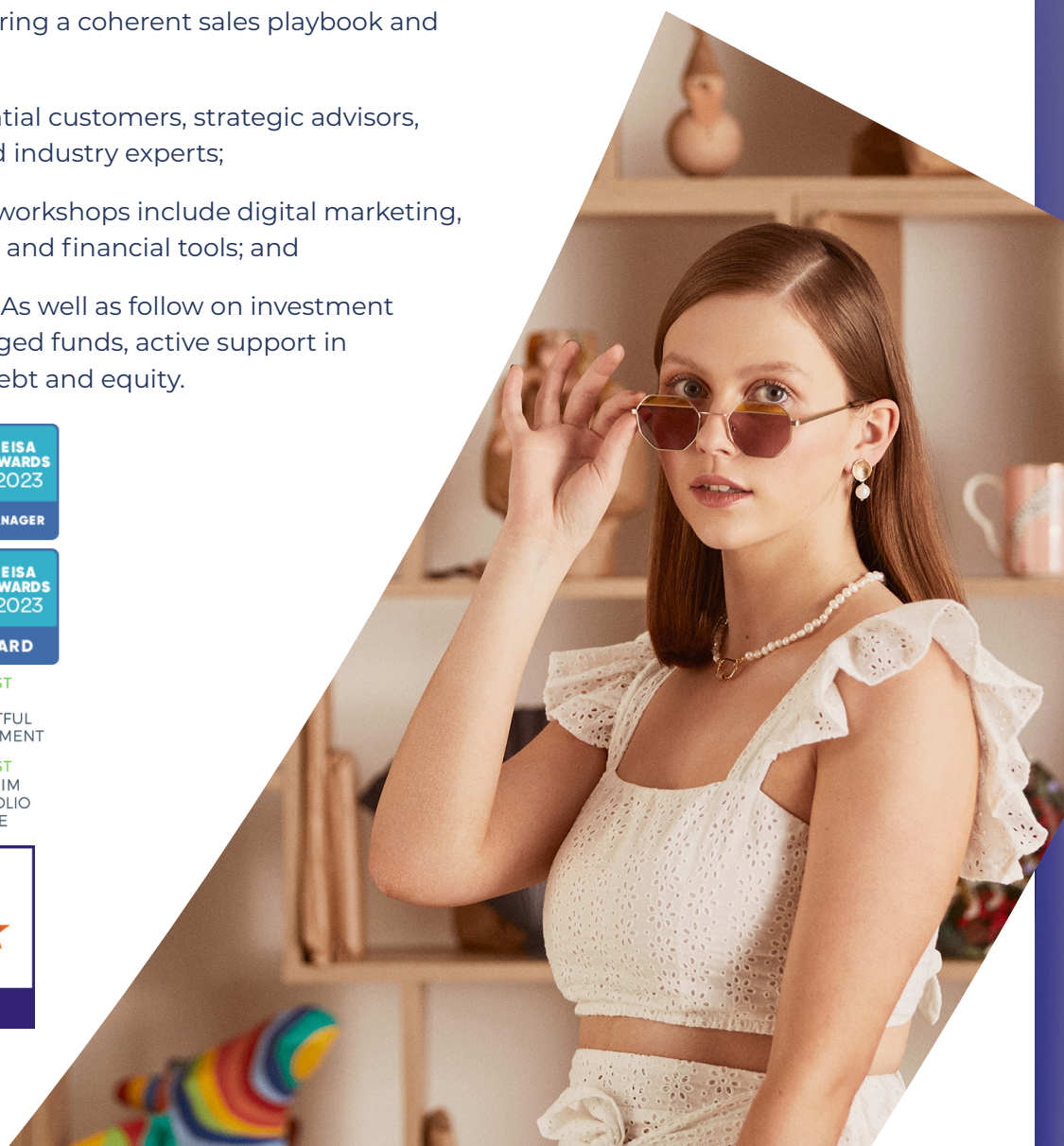
We work closely with the management teams of the companies that we invest in and seek to maximise value, by focusing on the following pillars:

- **Management Information** - Developing key performance indicators and reporting to enhance evidence-based decision making;
- **Professionalisation** - Improving middle-office and back-office systems and processes;
- **Hiring Strategy** - Helping companies identify the best talent;
- **Strategic Planning** - Bringing our generalist support and connections to help refine decision making;
- **Value Creation** - Implementing the plans to maximise value for all shareholders;
- **Digital Marketing** – Monitoring and boosting marketing ratios;
- **Sales Strategy** - Ensuring a coherent sales playbook and effective targeting;
- **Introductions** - Potential customers, strategic advisors, specialist support and industry experts;
- **Workshops** - Recent workshops include digital marketing, sales strategy, pricing and financial tools; and
- **Future Fundraising** - As well as follow on investment from Guinness managed funds, active support in sourcing additional debt and equity.



## Adding Value

We add value to our portfolio companies by drawing on the extensive investment management, venture capital and private equity experience of our fund managers, collectively totalling over 150 years of combined experience working with growth stage businesses.





## Experienced Team

The investment management team bring together complementary skillsets and experience that help us make high quality, well evidenced investment decisions. The team supports the portfolio companies throughout the lifetime of our investment and endeavours to translate the potential of our companies into growth and returns for our investors.



### Shane Gallwey CFA

#### Head of Ventures

In 2010, Shane founded the Ventures team having advised growth companies at Northland Capital Partners. From 1996 to 2002 he worked in Telecoms & Technology at HSBC Investment Bank and later at Trafalgar Financial Futures. Shane is a CFA Charterholder and graduated with a Master's degree from the University of Edinburgh.



### Dr Malcolm King

#### Fund Manager

Before joining Guinness in 2013, Malcolm worked at the Carbon Trust and CT Investment Partners, leading transactions in cleantech and renewables. From 2006 to 2008, he was a Consultant at Angle Technology plc, managing the Carbon Trust Angle Incubator, Europe's leading cleantech incubator. Malcolm holds a PhD in Physical Chemistry from Cambridge University and a BSc (Hons) in Chemistry.



### Hugo Vaux

#### Fund Manager

Hugo covers private and AIM-focused EIS and VCT funds at Guinness. Before joining Guinness in 2013, he conducted macro-economic analysis at SandAire, gaining prior experience in corporate finance and investment at Lend Lease and Aldersgate Investment Managers. Hugo holds an MSc in Finance and Investment and a BA in Economics.



### Ashley Abrahams

#### Fund Manager

Ashley brings extensive experience from CBPE Capital and CIL Management Consultants, specializing in diverse sectors and supporting growth strategies for SMEs. A University of Cambridge graduate with a joint honours MA (Cantab.) in Management Studies and History, Ashley joined Guinness in 2018. In the same year, he completed an MBA with the Quantic School of Business and Technology, a disruptive learning platform.





## Adam Barker

### Senior Associate

Adam oversees sourcing, screening, structuring, and managing due diligence for Guinness Ventures fund. Joining in 2018, he brought experience from internships in financial services, including venture capital and equity analysis, following his 2016 graduation with a degree in Mathematics.



## James Fox

### Associate

Since 2021, James, with a physics background, has been an Associate at Guinness. He specializes in businesses leveraging AI for innovation, with a diverse portfolio in SAAS, AdTech, Sport Tech, EdTech, and Food & Drink. James holds a Master's Degree in Physics & Astronomy and is a Chartered Accountant.



## Joe Staunton

### Associate

Joe joined Guinness Ventures in March 2023 as an Associate. Prior to this, Joe spent two and a half years working in a Northern focused Venture Capital fund at Mercia Asset Management. He holds a First-Class degree in Economics from University of Durham.



## Bernice Brooks

### Analyst

Bernice joined in February 2023, initially starting as an intern and then progressing to the role of Analyst. Prior to this, Bernice worked for two years at Triton Partners Private Equity before transitioning to the venture capital industry as an investment consultant. She holds a first-class degree in Economics from Goldsmith University.



## George Whear

### Analyst

George joined as an Analyst in the Guinness Ventures team in 2022, working on the Guinness AIM EIS and Guinness EIS Services. George graduated with a First Class Degree in History from the University of Durham and gained experience with an internship in venture capital.



## Sara Yachou

### Finance Assistant

Sara joined Guinness Ventures as a Finance Assistant in February 2023. Before joining Guinness, Sara spent five years working in the Finance Department at AllSaints. She is currently studying towards the ACCA qualification.



## Edward Guinness

### Chief Executive

Edward, a former merger arbitrage analyst at the Tiedemann Investment Group in New York, also gained experience in Corporate Finance, Energy & Utilities, and Telecoms & Technology at HSBC Investment Bank. He holds a Master's degree in Engineering and Management Studies from the University of Cambridge.

The investment management team compiles bi-annual reports for each portfolio company, providing a detailed overview of performance and strategic outlook. Additionally, we offer comprehensive portfolio reviews, including valuations and breakdowns, offering stakeholders a clear understanding of the portfolio's position for informed decision-making.





## Fees

	Direct Investor	Advised Investor
Direct Investor Fee	3%	-
Initial Fees*	2.2%	2.2%
Management Fees*	2% per annum	2% per annum
Custodial Fees*	0.2% per annum	0.2% per annum
Custodial Sales Fee	0.3%	0.3%
Performance Fee	20% + VAT	20% + VAT

\*Charged to Investee Companies

### Initial Fee

An Initial Fee of 2.2% of the Subscription amount is charged to EIS Investee Companies at the time of investment. This covers the transaction costs and ancillary fees charged by the Custodian.

### Management Fee

A Management Fee of 2% per annum of the amount Subscribed is charged to EIS Companies.

### Custodial Fees

A Custodial fee of 0.2% per annum of the amount invested in an Investee Company is charged by Guinness to Investee Companies. A custodial fee of 0.3% of the sale proceeds is charged on sale transactions.

### Performance Fee

A performance fee of 20% plus VAT is applied to profits on the total portfolio return. No Performance Fee is payable until an Investor has received back cash proceeds equivalent to the amount invested in Investee Companies.

### Direct Investors only

A Direct Investor Fee of 3% of the Subscription amount is payable to Guinness once the Subscription is accepted. This is charged prior to investments being made.

## FAQs

### How do I invest in Guinness EIS?

Please find application details on our website. This provides information on how to transfer funds and any identity verification documents that may be required.

### What happens once I have invested?

Within two weeks of accepting your application and receiving funds you will receive a welcome letter from Guinness within 1 to 2 weeks with your account details and instructions on how to access our online investor portal.

### How can I check the progress of my investments?

You will receive an Investment Update every six months, which will include a portfolio valuation statement, showing the acquisition price and latest valuation for each Investment in your portfolio, as well as your cash balance.

### How are investments valued?

Valuations are undertaken twice a year, as of 5 April and 5 October. The Investment Manager follows the International Private Equity & Venture Capital Valuation Guidelines when valuing private companies. Valuations are reviewed on a quarterly basis, with ad hoc changes required, for example, when new shares are issued at a different price.



### How long do shares need to be held in order to qualify for EIS tax reliefs?

In order for an Investment to qualify for EIS Income Tax Relief and Capital Gains Tax Deferral Relief, shares in an Investee Company must be held for the EIS Three Year Period.

The qualifying three year period starts with the subscription for shares and ends after three years, or three years from commencement of trade if that is later.

### Will Guinness pay my financial intermediary fees?

Guinness can apply a proportion of your total subscription towards meeting Financial Intermediary Fees incurred by you in subscribing to the Service. These will be deducted from your subscription before any investments are made. Please indicate in your Application whether you would like us to facilitate Financial Intermediary Fees.

### When do I get my EIS tax reliefs?

EIS Tax Reliefs can be claimed once investments have been made into underlying Investee Companies, and HMRC has issued EIS 3 certificates. The majority of EIS 3 certificates are received within 6 months of investment, but some can take longer.

### How long should I be prepared to invest for?

Allowing for time to fully invest your subscription and to fully exit the portfolio, you should be prepared to invest your money for at least five years. Some investee companies may take considerably longer to exit.

### For application enquires or to ask a question:

Call: 020 7222 3475

Email: [eis@guinnessfunds.com](mailto:eis@guinnessfunds.com)

Visit: [www.guinnessgi.com/eis](http://www.guinnessgi.com/eis)

Phone calls are recorded. We are unable to give advice on whether it's suitable for you to invest in the Guinness EIS. Please speak to your financial and tax advisers before investing.



## Key Risks

**Before making any decision to subscribe, prospective Investors should carefully consider all the information contained in this Information Memorandum including the risks attached to a Subscription in the Service, particularly those factors as described below.**

### Investment Risk

The Investment Manager may be unable to make sufficient investments in suitable Investee Companies. If sufficient investments are not made, the returns achieved by the Service could be materially impacted.

### Exit

The Investment Manager will rely on achieving an exit for the Investments in order to generate a return for Investors. Minority holdings in unquoted Investments may be difficult to protect and difficult to realise. The timing of realisations of Investments by the Service cannot therefore be predicted. There is no guarantee that exits will be available to generate returns anticipated by the Investment Manager.

### Performance

Past performance of Guinness Ventures is no guarantee of future performance. The target return should not be relied upon to predict actual returns and is not an indication of the future performance of investee companies. The value of shares in

any Investee Company may go down as well as up and Investors may not get back the full amount invested. Investors should not consider subscribing unless they can afford a total loss of their subscription.

### Liquidity

It may be difficult to sell or realise the Investment or obtain reliable information about their value. Investors should not consider investing funds which are, or may be, required during the life of the Service.

### Diversification

The Investment Manager intends to invest in at least ten companies which will give only limited diversification.

### Tax

The tax reliefs referred to in this Information Memorandum are those currently applicable. However, Investors should be aware that tax rates and available reliefs can change or be withdrawn.

Their applicability and value will depend upon the individual circumstances of a given Investor. Investors should seek their own independent professional advice on their particular tax situation and the application of such tax reliefs prior to making a Subscription in the Service.

## Changes to Tax Legislation

Investee Companies are vulnerable to government actions and changes in statute. In particular, there may be changes to the EIS legislation which may affect Investors' tax positions or returns.

It is the intention of the Investment Manager to invest in companies which qualify under the EIS legislation but there is no guarantee that EIS status can be maintained throughout the life of each Investment. Both Investee Companies and Investors need to comply with the requirements of the EIS legislation in order to maintain EIS Income Tax Relief, CGT free disposal and CGT Deferral Relief. Non-compliance may result in the loss or partial clawback of EIS Income Tax Relief and/or CGT Deferral Relief, and potential interest and penalties.

## Business Relief

Shares in companies which qualify under the EIS legislation will normally qualify for Business Relief for Inheritance Tax purposes. In order to secure this relief Qualifying Investors must retain their shareholding in an Investee Company for a minimum of two years.

The Investment Manager intends to invest in companies which qualify for EIS Income Tax Relief, EIS CGT Deferral Relief and IHT Business Relief, although there is a possibility that Investments will not qualify for one or more of these. It is the intention of the Investment Manager that Investments will be held for the EIS Three Year Period, however, the Investment Manager reserves the right to realise individual Investments prior to the end of the EIS Three Year Period if it believes it is in the best interests of Investors.

Investee companies may require additional funding. Failure to raise sufficient additional capital could have a material impact on returns.





## EIS Parties and Advisors

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<b>Investment Manager</b>	Guinness Asset Management Limited 18 Smith Square Westminster London SW1P 3HZ Telephone: 020 7222 3475 Email: eis@guinnessfunds.com Website: www.guinnessfunds.com
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<b>Custodian</b>	Mainspring Nominees Limited 6th Floor 125 London Wall London EC2Y 5AS
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<b>Nominee</b>	GAM MNL Nominees Limited 6th Floor 125 London Wall London EC2Y 5AS
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<b>Promoter</b>	RAM Capital Partners LLP 18 Soho Square London W1D 3ZL
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<b>Tax Advisors</b>	Philip Hare & Associates LLP Hamilton House 1 Temple Avenue London EC4Y 0HA
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## Definitions

<b>AIFMD</b>	Alternative Investment Fund Managers Directive.
<b>Application or Application Form</b>	An application form, online or otherwise, to participate in the Service to be completed by a prospective investor.
<b>Business Relief or Inheritance Tax Relief</b>	Relief from IHT pursuant to sections 103-114 Inheritance Tax Act 1984.
<b>Capital Gains Tax Deferral Relief or CGT Deferral Relief</b>	Relief by way of deferral of CGT (Section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992).
<b>CGT</b>	Capital gains tax.
<b>Closing Date</b>	A date by which Subscriptions may be accepted by the Investment Manager for the creation of Portfolios.
<b>Custodian</b>	Mainspring Nominees Limited or another suitably authorised administrator that is appointed under the Investor Agreement from time to time. Mainspring Nominees Limited is authorised and regulated by the Financial Conduct Authority (FRN: 591814), is registered in England and Wales with registration number 08255713 and its registered address is 6th Floor, 125 London Wall, London EC2Y 5AS.
<b>EIS</b>	The Enterprise Investment Scheme as set out in Part 5 of the Income Tax Act 2007.
<b>EIS Income Tax Relief</b>	Relief from income tax available under the EIS on subscription for shares.
<b>EIS Qualifying Company</b>	A company that meets criteria enabling eligible investors to obtain tax relief.
<b>EIS Relief</b>	Relief from income tax available under EIS, related CGT relief on disposal and Loss Relief.
<b>EIS Three Year Period</b>	The period commencing when a subscription for shares is made in an Investee Company, and ending three years after that date, or three years from the commencement of the Investee Company's trade, whichever is later.
<b>Financial Intermediary</b>	A person such as a financial advisor or broker, that introduces investors to the fund.
<b>Financial Intermediary Fee</b>	A fee agreed by an Investor that is payable to their Financial Intermediary for either provision of a personal investment recommendation or for arranging a Subscription for the Investor.
<b>FCA</b>	The Financial Conduct Authority.
<b>Guinness Asset Management Limited</b>	The entity that is managing the fund at launch. It is authorised and regulated by the Financial Conduct Authority (FRN: 223077).
<b>Guinness Ventures</b>	The trading name being used by Guinness Asset Management Limited and Guinness Ventures Limited.

<b>Guinness Ventures Limited</b>	The entity which sources deals, makes recommendations to the Investment Manager, and arranges the investments that have been selected for the fund's portfolio. It is an appointed representative of Guinness Asset Management Limited.
<b>HMRC</b>	HM Revenue & Customs.
<b>IHT</b>	Inheritance Tax.
<b>Income Tax or ITA</b>	Income Tax Act 2007.
<b>Information Memorandum</b>	The Information Memorandum issued in relation to the Fund.
<b>Investee Company</b>	A company in which the Service invests on behalf of Investors.
<b>Investment</b>	Investments made through the Service on behalf of Investors.
<b>Investment Manager</b>	The entity responsible for the management of the fund. References to Investment Manager mean Guinness Asset Management Limited or another entity within the Guinness group that is suitably authorised by the FCA to manage the fund.
<b>Investor</b>	Any client who is accepted by the Investment Manager and enters into an Investor Agreement and invests through the Service.
<b>Investor Agreement</b>	An investor agreement to be entered into by each Investor, in the terms set out in this Information Memorandum.
<b>Loss Relief</b>	Relief in respect of income tax for allowable losses pursuant to section 131 of the Income Tax Act 2007.
<b>Nominee</b>	GAM MNL Nominees Limited which is registered in England and Wales with registration number 12960841 and registered address at 6th Floor, 125 London Wall, London EC2Y 5AS, or such other nominee as the Manager may appoint from time to time. The Nominee is a separate legal entity and is wholly owned by the Custodian.
<b>Portfolio</b>	In respect of an Investor, the Investments made through the Service which are allocated to them in consideration for their Subscription (together with any uninvested cash from time to time constituting a part of that Subscription) and which shall at all material times be registered in the name of the Nominee on the investor's behalf.
<b>Qualifying Investors</b>	UK taxpayers eligible to claim EIS Relief and EIS CGT Deferral Relief.
<b>Service or Guinness EIS Service</b>	Guinness EIS, an Alternative Investment Fund set up to enable Investors to invest in EIS Qualifying Companies.
<b>Subscription</b>	A valid subscription made to the Service, net of any Financial Intermediary Fee, on the terms set out in this Information Memorandum.



# Investor Agreement

This Investor Agreement (the “Agreement”) sets out the terms and conditions for the Guinness EIS Service as agreed between the Investor (also referred to as “you” and Guinness Ventures (also referred to as “we” or “us”). Acceptance of an Investor’s Application Form by Guinness Ventures will constitute the commencement of this binding agreement between the Investor and the Guinness Ventures.

## 1. Definitions

- 1.1 Unless otherwise stated in this Agreement, this Agreement employs the same defined terms as are found in the Definitions section of the Information Memorandum.
- 1.2 Words and expressions defined in the Handbook of Rules and Guidance of the FCA (“FCA Rules”) which are not otherwise defined in this Agreement shall, unless the context otherwise requires, have the same meaning in this Agreement.
- 1.3 References to the singular only shall include the plural and vice versa.
- 1.4 Unless otherwise indicated, references to Clauses shall be to Clauses in this Agreement.
- 1.5 References to our “Associates” shall mean any holding or subsidiary company of Guinness Ventures.

## 2. Investing in Guinness EIS

- 2.1 By signing the declaration contained in the Application Form, the Investor agrees to be bound by the terms and conditions of this Agreement.
- 2.2 The Investor hereby appoints the Investment Manager to manage the Portfolio for the Investor on the terms set out in this Agreement. The Investment Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.
- 2.3 The Investor is classified as a retail client for the purposes of the FCA Rules. The Investor has the right to request a different client categorisation. However, if the Investor does so and if Guinness Ventures agrees to such categorisation the Investor will lose protections afforded to retail clients by certain FCA Rules.
- 2.4 The Investor has the right to cancel this Agreement for a period of up to 14 days from the day on which Guinness Ventures accepts the Investor’s Application Form. If the Investor wishes to cancel this agreement, he must submit a cancellation request in writing to the Custodian. In the event of cancellation:
  - 2.4.1 The Investor will receive back from the Custodian his Subscription, net of the Custodian’s reasonable processing costs, within 28 days of the Custodian receiving the cancellation request; and

- 2.4.2 All further provisions of this Agreement shall cease to apply on cancellation.

- 2.5 The right to cancel under the FCA Rules does not give the Investor the right to cancel, terminate or reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.

## 3. Subscriptions

- 3.1 In respect of the Service:
  - 3.1.1 The minimum Subscription is £20,000. There is no maximum Subscription.
  - 3.1.2 The investor may make further Subscriptions to the Service up to and including the closing date.
- 3.2 The Investor may only terminate the Agreement pursuant to Clause 15 below.
- 3.3 The Custodian shall deposit Subscriptions received in an interest bearing client account pursuant to Clause 7, pending their investment.
- 3.4 Guinness Ventures reserves the right not to proceed with the Service, in which case clause 2.4 above applies to the monies subscribed, as if the Investor had cancelled his Subscription in accordance with clause 2.4.

## 4. Services

- 4.1 Guinness Ventures will manage the Service as from the Closing Date on the terms set out in this Agreement. The Investment Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Agreement.
- 4.2 Guinness Ventures has engaged the Custodian to provide custody services in relation to the Portfolio Investments and the cash.
- 4.3 Guinness Ventures shall not, however, except as expressly provided in this Agreement or unless otherwise authorised, have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.

## 5. Investment Objectives

- 5.1 In performing its services, Guinness Ventures shall have regard to the need for the Investments to attract EIS Income Tax Relief and/or CGT Deferral Relief.
- 5.2 Guinness Ventures reserves the right to return

uninvested cash if it concludes that it cannot be properly invested for the Investor and it considers it to be in the best interests of the Investor to do so having regard to availability of EIS Relief and CGT Deferral Relief for the Investor.

- 5.3 In the event of a gradual realisation of Investments prior to termination of the Service under Clause 15.1, the cash proceeds of realised EIS Investments may be held in an interest-bearing client account or invested in UK government securities or in other investments of a similar risk profile.

## 6. Terms Applicable to Dealing

- 6.1 Subject to clause 6.3, in effecting transactions for the Service, Guinness Ventures will act in accordance with the FCA Rules and will ensure that best execution is sought at all times (i.e. that we will take all reasonable steps to obtain the best possible results for clients in accordance with FCA Rules and the relevant execution factors specified in FCA Rules) and deals are made on such markets and exchanges and with such counterparties as Guinness Ventures thinks fit.
- 6.2 Subject to clause 6.3, all transactions in Investments will be subject to the rules and customs of the exchange or market and/or clearing house through which the transactions are executed. If there is any conflict between the provisions of this Agreement and any such rules, customs or Applicable Laws, the latter shall prevail.
- 6.3 The Investor acknowledges that the Portfolio will be invested in a range of unlisted securities and, there is generally no relevant market or exchange and consequently limited or no rules and customs for such securities, and there will be varying practices for different securities. Transactions in shares of such securities will be effected on the best commercial terms which can reasonably be secured.
- 6.4 Subject to the FCA Rules, transactions for the Portfolio may be aggregated with those of other clients (including other Investors), as well as employees and Associates (including their employees) of Guinness Ventures. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, but the Investor acknowledges that the effect of aggregation may work on some occasions to their disadvantage.
- 6.5 Guinness Ventures shall have absolute

discretion as to the number of shares in an EIS Qualifying Company allocated to the Investor, provided that Investors shall not have fractions of shares. Minor rounding up or down may be allowed to prevent Investors being deemed to be interested in fractions of shares.

- 6.6 Certain categories of professional persons are required to be excluded from any Investments to which they or their employer are connected, for the purposes of prevailing EIS legislation. If this applies to the Investor, his Investment will be redistributed across all other Investors as equitably as practically possible, and an equivalent cash amount will be re-credited to his Portfolio.
- 6.7 Guinness Ventures 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.
- 6.8 Proceeds from purchasing or selling Investments will be credited to Investor accounts when settlement is effected in full. Where settlement is not effected in full, the Investor will:
- 6.8.1 if purchasing Investments, be entitled to Investments actually delivered by the relevant counterparty and thereafter to a cash sum from the client settlement bank account equal to the balance of the bargain made for the Investor; and
- 6.8.2 if selling Investments, be entitled to cash actually paid by the counterparty and thereafter to Investments held by the Custodian in respect of the balance of the value of the bargain made for the Investor.
- 6.9 Subject to this Agreement, there are no restrictions on the amount or value of any one Investment or on the proportion of the Portfolio which any one Investment may constitute.

## 7. Custody and Administration Arrangements

- 7.1 Guinness Ventures has engaged the Custodian to provide a custody, safe-keeping and administration service for Investors and the Service. The Custodian engages with each Investor pursuant to the Custody Agreement, a copy of which may be obtained from the Custodian's website at <https://systems.mainspringfs.com/documents/guinness/custody-agreement/15p> or on request from Guinness Ventures. The Nominee is a body corporate owned by the Custodian whose business consists solely of acting as a nominee

holder of investments or other property. This Clause 7 summarizes some of the provisions of the Custody Agreement but in the event that this Investor Agreement is inconsistent with the Custody Agreement, the Custody Agreement shall prevail.

- 7.2 For the avoidance of doubt, the Investor authorises Guinness Ventures as their agent to enter into or agree any terms of business with the Custodian (including any amendments to any such terms of business or agreement) and/or appoint any successor to the Custodian in relation to this Agreement and the Service.
- 7.3 The Investor agrees that Guinness Ventures will give all instructions to the Custodian in relation to the Portfolio and the Service and that (except in the very limited circumstances stated otherwise in the Custody Agreement) Guinness Ventures will be the sole source of contact with the Custodian.
- 7.4 The Custodian will be responsible for the safe keeping of Investments and cash comprised in the Service, including the settlement of transactions, collection of income and the effecting of other administrative actions in relation to the Investments.
- 7.5 Investments will be registered in the name of the Nominee on behalf of the Investor but will be held on trust by the Nominee. Investments will, therefore be beneficially owned by the Investor at all times, but the Nominee will be the legal owner of the Investments in the Portfolio.
- 7.6 The Custodian will hold any title documents or documents evidencing title to the Investments. Investments or title documents may not be lent to a third party and nor may there be any borrowing against the security of the Investments or such documents.
- 7.7 An Investment may be realised in order to discharge an obligation of the Investor under this Agreement, for example in relation to payment of fees, costs and expenses. The Custodian may debit from any monies held on behalf of the Investor any fees and charges due to the Custodian or Guinness Ventures as and when such charges become due and payable.
- 7.8 The Custodian will arrange for the Investor to receive (via Guinness Ventures) details of any meetings of shareholders in Investee Companies and any other information issued to shareholders in Investee Companies if the Investor at any time in writing requests such details and information (either specifically in relation to a particular Investment or generally in respect of all Investments). Please refer to

clause 14 of the Custody Agreement for more details on this.

The Investor shall be entitled, as a matter of right, to require Guinness Ventures to instruct the Nominee to appoint the Investor as his proxy to vote as the Investor may see fit at any meeting of shareholders in a company in which an Investment is held for the Investor in respect of such Investor's beneficial shareholding. In the case of an Investor who is not validly appointed as the Nominee's proxy for the purposes of a meeting of the shareholders of a company in which an Investment is held for that Investor, Guinness Ventures will instruct the Nominee to appoint Guinness Ventures Limited as its proxy to vote at that meeting. Guinness Ventures will act as proxy to the extent that the voting and other rights exercisable by Guinness Ventures shall not exceed 50% of the aggregate rights relating to any Investee Company.

- 7.9 The Custodian will hold cash subscribed by or held on behalf of the Investor in accordance with the FCA Client Money Rules. Such cash balances will be deposited with an authorised credit institution in the name of the Custodian. The account in which cash is held will be a segregated omnibus account which will have trust status and will therefore be kept separate from any money belonging to the Custodian. The Custodian may debit or credit the Investor's account for all sums payable by or to the Investor (including dividends receivable in cash and fees and other amounts payable by the Investor). Interest will be payable on credit balances in the bank account at a rate of two percent (2%) below the Royal Bank of Scotland interest rate or nil if negative. Due to the pooled nature of client money and the operation of the FCA Rules, if there is a shortfall in client money held by the Custodian, then all of the clients whose money is pooled will share in the loss, even if there is no shortfall in their specific contribution to the client money pool.
- 7.10 Investments and cash held by the Custodian shall be subject to a general lien and right to offset against all amounts owing to the Custodian or Guinness Ventures from time to time.
- 7.11 Investments may be held in an omnibus account by the Custodian with investments held for certain other third parties. In these circumstances, your entitlements may not be separately identifiable, and accordingly in the event of an irreconcilable shortfall, any shortfall may be shared pro-rata among all who have an interest in such omnibus account- see clause 6.7 of the Custody Agreement for further details

of this.

## 8. Reports and Information

- 8.1 Subject to Clause 8.5, Guinness Ventures shall send Investment Updates (i.e. reports and valuations required by FCA Rules) at least every six months. Reports will include a measure of performance. The Investor has a right to request Investment Updates every three months.
- 8.2 Details of dividends which are received in respect of the Investments will be provided in respect of each tax year ending 5 April and appropriate statements sent to the Investor.
- 8.3 Contract notes will be provided for each transaction for the Investor's Portfolio.
- 8.4 Guinness Ventures shall supply (or arrange for the Custodian to supply in accordance with the Custody Agreement) such further information which is in its possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.
- 8.5 Any statements, reports or information provided under this clause 8.1 to the Investor will state the basis of any valuations of Investments provided.
- 8.6 Investor Updates will be available via a secure portal ("Investor Portal") operated by the Custodian at <https://guinness.mainspringfs.com/>.

## 9. Fees and Expenses

- 9.1 Guinness Ventures shall receive fees for its services, and reimbursements of costs and expenses, as set out in the Information Memorandum relating to your Subscription.
- 9.2 The Custodian shall receive a sales transaction fee of 0.3%, payable from the proceeds of investments.
- 9.3 Financial Intermediary Fees are costs you have agreed to pay to your Adviser. Payment of these can be facilitated by Guinness Ventures if you indicate on your Application Form that you would like us to do this. It is the responsibility of the Investor and their Adviser to notify us if ongoing payments to Advisers should cease. Guinness Ventures reserves the right to cease these payments for any reason in its absolute discretion.
- 9.4 You may be liable to pay other costs and expenses arising from time to time on an ad hoc basis, not being fees and charges payable for the services of Guinness Ventures. While it is not possible to set out all such charges, examples may include (but are not limited

to) professional fees incurred by Guinness Ventures and/or the Custodian in protecting or enforcing your rights in relation to an Investment or in exiting an Investment.

## 10. Management and Administration Obligations

- 10.1 Guinness Ventures shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective services properly, efficiently and in compliance with the FCA Rules.
- 10.2 Except as disclosed in the Information Memorandum and as otherwise provided in this Agreement (for example on early termination), Guinness Ventures will not take any action which may prejudice the tax position of the Investor insofar as they are aware of the relevant circumstances, and in particular which may prejudice obtaining the EIS Relief and/or CGT Deferral Relief for the Investments.
- 10.3 The Custodian will perform its services in accordance with the Custody Agreement (including the Standard of Care defined in the Custody Agreement).

## 11. Obligations of the Investor

- 11.1 The Investor's participation in the Service shall be on the basis of the declaration made by the Investor in your Application.
- 11.2 The Investor agrees to notify Guinness Ventures if any Investment is made in a company with which the Investor is connected within section 163 and sections 166 to 171 of the Income Tax Act 2007, (in which case Clause 6.6 of this Agreement will apply at once).
- 11.3 The Investor agrees to notify Guinness Ventures if, within three years of the date of issue of shares to his Portfolio in an EIS Qualifying Company or within three years of commencement of trade if later, the Investor becomes connected with the company (in accordance with the definitions referred to in Clause 11.2) or receives value from such company (in which case Clause 6.6 will apply at that time).
- 11.4 The Investor agrees to provide Guinness Ventures with any information which it reasonably requests for the purposes of managing the Service pursuant to the terms of this Agreement.
- 11.5 If the Investor has requested in the Application that Guinness Ventures should facilitate the payment of Financial Intermediary Fees, the Investor shall ensure that the details of such Financial Intermediary Fees are clearly



specified to Guinness Ventures.

- 11.6 The Investor is responsible for informing Guinness Ventures if the Investor terminates his relationship with any Financial Intermediary and wishes Guinness Ventures to cease payment of any Financial Intermediary Fees to the Financial Intermediary.

## 12. Delegation and Assignment

- 12.1 Guinness Ventures may, where reasonable, employ agents, including Associates, to perform any administrative, custodial or ancillary services to assist Guinness Ventures in performing its services, in which case it will act in good faith and with due diligence in the selection, use and monitoring of agents. Any such employment of agents shall not affect the liability of Guinness Ventures under the terms of this Agreement.

## 13. Potential Conflicts of Interest and Disclosure

- 13.1 Guinness Ventures may:
- 13.1.1 provide similar or other services to any other client; and
  - 13.1.2 effect transactions in which Guinness Ventures has directly or indirectly a material interest or a relationship with another party which may involve a conflict with the duty owed to any Investor and/or the Service.
- 13.2 So far, as is deemed practicable, Guinness Ventures will use all reasonable endeavours to ensure fair treatment as between the Investor and other clients in compliance with the FCA Rules. Guinness Ventures has in place a conflict of interest policy (the "Conflicts Policy") pursuant to the FCA Rules which sets out how it prevents, identifies and manages conflicts of interest. Under the Conflicts Policy, Guinness Ventures is required to take all reasonable steps to prevent identify and manage conflicts of interest between:
- 13.2.1 Guinness Ventures, including its employees and contracted consultants, or any person directly or indirectly linked to them by control, and a client of the Guinness Ventures; or
  - 13.2.2 one client of Guinness Ventures and another client.
- 13.3 Details of potential conflicts of interest that may arise in relation to the Service are also set out in the Information Memorandum.

## 14. Liability of Guinness Ventures

- 14.1 Guinness Ventures will at all times act in good faith and with reasonable care and due

diligence. Nothing in this Agreement shall exclude or restrict any duty or liability owed to the Investor by Guinness Ventures under the FCA Rules.

- 14.2 Guinness Ventures shall not be liable for any loss to the Investor arising from any investment decision 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 Guinness Ventures or of its Associates or any of their respective employees.

- 14.3 Subject to Clauses 6.7 and 12 and FCA Rules Guinness Ventures shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title for the Service or any Investor, other than where such party is an Associate.

- 14.4 In the event of any failure, interruption or delay in the performance of Guinness Ventures's obligations resulting from acts, events or circumstances not reasonably within its control including but not limited to acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, Guinness Ventures shall not be liable or have any responsibility of any kind to any loss or damage thereby incurred or suffered by the Investor.

- 14.5 Where a Financial Intermediary has not advised the Investor, Guinness Ventures will carry out an assessment of the appropriateness of the Service for the Investor using the questionnaire accompanying the Information Memorandum. However, Guinness Ventures does not give any representations or warranty as to the performance of the Portfolio. The Investor acknowledges that EIS Investments are High Risk Investments, being non-readily realisable investments. This is because 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. The Investor undertakes that he has considered the suitability of investment in EIS Qualifying Companies carefully and has noted the risk warnings set out in the Information Memorandum.

## 15. Termination

- 15.1 Guinness Ventures shall set a date, which it shall notify to the Investor, on which the Service will terminate, which is likely to be after the fifth anniversary of the Closing Date. On termination of the Service, all shares held in the Portfolio will either be sold and cash transferred to the Investor and/or the shares will be transferred

into the Investor's name or as the Investor may otherwise direct.

- 15.2 An Investor may terminate the appointment of Guinness Ventures at any time by not less than 14 days written notice to Guinness Ventures. Where an Investor gives such notice of termination Guinness Ventures will not sell the underlying Investments and instead will provide instructions to the Custodian to transfer to the Investor any Investments and cash held on the Investor's behalf. In such circumstances, the Investor acknowledges:
- 15.2.1 that they may lose EIS Relief and/or CGT Deferral Relief in respect of Investments sold on the Investor's instructions; and
  - 15.2.2 the Investor cannot instruct Guinness Ventures to sell particular shares of an Investee Company on their behalf in conjunction with such termination;
  - 15.2.3 Guinness Ventures has a lien on all assets within the Investor's Portfolio and shall be entitled prior to the effective date of termination to dispose of some or all of the Portfolio in order to discharge any liability of the Investor to Guinness Ventures.
- 15.3 If an Investor wishes to withdraw any Investments or cash from the Investor's Portfolio prior to the date established by Guinness Ventures under clause 15.1 above, the Investor must give notice of termination of the Service to Guinness Ventures in accordance with clause 15.2 above.
- 15.4 If Guinness Ventures:
- 15.4.1 gives to the Investor not less than three months' written notice of its intention to terminate its role as Investment Manager or Investment Adviser under this Agreement; or
  - 15.4.2 ceases to be appropriately authorised by the FCA or becomes insolvent then Guinness Ventures shall endeavour to make arrangements to transfer the Service to another appropriately constituted and authorised fund manager in which case that fund manager shall assume the role of the Investment Manager under this Agreement. Failing which this Agreement shall terminate forthwith and, subject to Clause 16, the Investments in the Portfolio shall be transferred into the Investor's name or as the Investor may otherwise direct.

## 16. Consequences of Termination

- 16.1 On termination of this Agreement pursuant to Clause 15, Guinness Ventures will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.
- 16.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that the Portfolio will bear the cost of fees, expenses and costs properly incurred by Guinness Ventures or the Custodian up to and including the date of termination and payable under the terms of this Agreement.
- 16.3 On termination, Guinness Ventures 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 fees, costs and expenses payable under Clause 9 of this Agreement.

## 17. Confidential Information

- 17.1 Neither Guinness Ventures nor the Investor shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.
- 17.2 Guinness Ventures shall not be required to take into consideration information which comes to the notice of an employee, officer or agent of Guinness Ventures or of any associate, which has not been designated to provide services under this Agreement.
- 17.3 Guinness Ventures will at all times keep confidential all information acquired in consequence of this Agreement, except for information which
- 17.3.1 is public knowledge; or
  - 17.3.2 which may be entitled or bound to be disclosed under compulsion of law; or
  - 17.3.3 required to be disclosed by regulatory agencies; or
  - 17.3.4 is given to its professional advisers where reasonably necessary for the performance of their professional services;
  - 17.3.5 needs to be shared with the Custodian for the proper performance of this Agreement; or
  - 17.3.6 is authorised to be disclosed by the

other party and shall use all reasonable endeavours to prevent any breach of this sub-clause.

## 18. Complaints and Compensation

- 18.1 Guinness Ventures and the Custodian have established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should an Investor have a complaint (including a complaint about the Custodian) he should contact Guinness Ventures. If Guinness Ventures cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service. The Financial Ombudsman can be contacted at: Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) Tel: 0800 023 4567.
- 18.2 Both the Investment Manager and the Custodian participate in the Financial Services Compensation Scheme ("FSCS") established under the Financial Services and Markets Act 2000, which provides compensation to eligible Investors in the event of a firm being unable to meet its customer liabilities. Further information is available in the Custody Agreement (in relation to the Custodian) or on request from us. You can also consult the FSCS website at <https://www.fscs.org.uk/>.

## 19. Notices, Instructions and Communications

- 19.1 Notices of instructions to Guinness Ventures should be in writing, except as otherwise specifically indicated.
- 19.2 Guinness Ventures may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by the Investor in their Application 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.
- 19.3 Communications given by us in writing may be sent by post, by email or by hand delivery. Subject to applicable law, you also agree to receive information from us by means of our Investor Portal accessible at <https://guinness.mainspringfs.com/>. We can also send you hard copy documents if you request this. We will charge £20 per quarter (including VAT) to cover the cost of sending hard copy documents unless you notify us that the provisions of the Equality Act (or equivalent legislation) apply.

## 20. Amendments

- 20.1 Guinness Ventures may amend this Agreement by giving the Investor not less than ten

business days' written notice. We will only vary this Agreement under this Clause for one or more of the following reasons:

- 20.1.1 making the Agreement clearer and no less favourable to you;
- 20.1.2 providing for the introduction of new systems, services, changes in technology and products, changes in economic or commercial conditions or the overall cost of providing the Service to you;
- 20.1.3 to reflect other increases in costs (or reductions) arising in relation to the Service;
- 20.1.4 rectifying any mistakes that may be discovered in due course; and/or
- 20.1.5 making consequential changes where we have appointed a successor to the Custodian, Nominee or Investment Manager.

## 21. Data Protection

- 21.1 All data which the Investor provides to Guinness Ventures is held by Guinness Ventures subject to applicable requirements as to data protection including the General Data Protection Regulation ((EU) 2016/679) and the Data Protection Act 2018. The parties record their belief that Guinness Ventures may act as data controller in respect of any personal data it may receive from you in accordance with this Agreement and may pass such personal data to other parties (including but not limited to the Custodian) insofar as is necessary in order for it to provide the Service as set out in this Agreement and may also pass personal data to the FCA and any regulatory authority which regulates it and in accordance with all other applicable laws. Guinness Ventures's current Privacy Policy is available on our website at <https://www.guinnessgi.com/privacy-policy>.

## 22. Entire Agreement

- 22.1 This Agreement, together with information shared in the Application process, comprises the entire agreement of Guinness Ventures with the Investor relating to the provision of the Service and supersedes all earlier meetings, any correspondences, or discussions that may have taken place preceding the signing of the Application.
- 22.2 This agreement is without prejudice to the Custody Agreement.
- 22.3 Aside from the Custodian, who may enforce provisions of this Agreement which refer to it by name and to its rights and obligations in relation to the Investor, a person who is not a

party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

### 23. Severability

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

### 24. Governing Law

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

**For application enquires or to ask a question:**

Call: 020 7222 3475

Email: [eis@guinnessfunds.com](mailto:eis@guinnessfunds.com)

Visit: [www.guinnessgi.com/eis](http://www.guinnessgi.com/eis)

Phone calls are recorded. We don't give advice on whether it's suitable for you to invest in the Guinness EIS. Please speak to your financial and tax advisers before investing.



**FOR PROMOTER AND INTERMEDIARY ENQUIRIES**



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Guinness Ventures is a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.