

# INGENIOUS



## INGENIOUS ESTATE PLANNING (IEP)

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APEX INVESTOR AGREEMENT



This Investor Agreement (the Agreement) sets out;

- (i) the terms upon which we, the Manager, agree to invest your Subscription and manage your Portfolio for you, the Investor, and;
- (ii) the terms upon which the Insurance Policy has been entered into and will be administered by the Policyholder.

The Application Form forms part of this Agreement. Upon our acceptance of a signed Application Form, this Agreement, the Application Form and those parts of the Brochure referred to in this Agreement will;

- (a) in respect of the Service (but not to cover under the Insurance Policy) constitute the whole of the binding agreement between you and the Manager in respect of the Service described in the Brochure, and
- (b) in respect of the cover provided in connection with the Insurance Policy only, constitute the whole of the binding agreement between you and the Policyholder in respect of the Insurance Policy.

## 1. Introduction

- 1.1. The Manager is Ingenious Capital Management Limited, a company registered in England and Wales under company number 07728908, with its registered office at Parcels Building, 14 Bird St, London, W1U 1BU. The Manager is authorised and regulated by the FCA with firm reference number 562563.
- 1.2. Provision of the Service requires:
  - (a) the appointment of the Manager by the Investor upon the terms of this Agreement. The nature of the Service is that for each individual Investor, a discretionary investment management mandate, as described in the Brochure, is provided by the Manager for that Investor in accordance with the terms of their Investor Agreement in relation to IEP Apex. An Investor will have their portfolio of Shares in a Portfolio Company acquired and managed for the Investor on a segregated basis by the Manager in accordance with the terms of his or her Investor Agreement; and
  - (b) the appointment of third parties to hold the Investor's cash and Investments on behalf of the Investor; in respect of which the Manager has entered into certain agreements with the Custodian and the Nominee for the provision of these custodian, nominee, settlement and associated services; and
  - (c) the appointment of a third party to provide the IEP Care Service to the Investor, if available, in accordance with the terms of this Agreement; in respect of which the Manager has entered into an Agreement with the Care Adviser for the provision of the IEP Care Service; and
  - (d) the appointment of a third party to provide the EIDV Services to the Manager; in respect of which the Manager has entered into an agreement with the EIDV Service Provider for the provision of the EIDV Services.
- 1.3. The Policyholder is Ingenious (IEP Cover) Limited, a company registered in England and Wales under company number 10720594 with its registered office at Parcels Building, 14 Bird St, London, W1U 1BU. The Policyholder is an appointed representative of Howden Insurance Brokers Limited (HIBL), a company registered in England and Wales

(company registration number 00725875) whose registered office is at One Creechurch Place, London, EC3A 5AF, which is authorised and regulated by the Financial Conduct Authority with reference number 309639. For the avoidance of doubt, only the clauses of this Agreement which expressly refer to the Policyholder will apply between you and the Policyholder.

## 2. Definitions, construction and interpretation

- 2.1. Unless stated otherwise, capitalised words and phrases used in this Agreement have the meanings in the Definitions set out in Schedule 1 to this Agreement.
- 2.2. Words and expressions defined in the FCA Rules, which are not otherwise defined in this Agreement will, unless the context otherwise requires, have the same meaning in this Agreement.
- 2.3. Any reference to a statute, statutory instrument or to rules or regulations are references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 2.4. References to the singular also include the plural and vice versa and words denoting one gender also include any other gender.
- 2.5. Unless otherwise indicated, references to Clauses and Schedules are to Clauses and Schedules in this Agreement.
- 2.6. Headings to Clauses are for convenience only and do not affect the interpretation of this Agreement.

## 3. Making an investment

- 3.1. This Agreement comes into force on the date that the Manager accepts the Investor's Application Form. An Application Form is accepted when recorded on the register of applications maintained by the Manager.

- 3.2. An Application Form must be properly completed and executed by the Investor and received by the Manager before acceptance as an Investor. The specific details of acceptance to the Service are set out on pages 14 and 15 of the Brochure.
- 3.3. Where the Investor submits an Application Form which is accepted by the Manager, the Investor hereby appoints the Manager to fulfil its role in managing his or her Portfolio on the terms and subject to the conditions set out in this Agreement. The Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.

## 4. Cancellation rights and realisation of investment

- 4.1. The Investor has the right to cancel his or her Subscription provided that the Investor notifies the Manager in writing at the address set out in this Agreement within 14 days of the Manager accepting that Investor's Application Form.
- 4.2. If the Investor exercises the right to cancel his or her Subscription, the cancellation will take effect upon the Manager's receipt of the written notice specified in Clause 4.1 and the Manager will refund any monies paid by the Investor less any charges the Manager has already incurred in providing the services undertaken in accordance with the terms of this Agreement including payment of any stamp duty (if any) and less any sums paid to advisers and introducers (if any and as applicable). The Manager will endeavour to arrange the return of any such monies as soon as possible (and in any event, not more than 30 days following cancellation). The Investor will not be entitled to interest on such monies.
- 4.3. Where an Investor does not exercise the right to cancel within the requisite time period provided by Clause 4.1, any termination of this Agreement by the Investor will be governed by the conditions specified in Clause 19.
- 4.4. The Investor acknowledges that, notwithstanding the right to cancel his or her Subscription under the FCA Rules and this Agreement, he does not have the right to cancel, terminate and/or reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.
- 4.5. Annual Payments

The Investor has the right to request that the Manager and Custodian realise the proceeds from a cancellation, sale or transfer of Shares in the Investor's Portfolio for a certain value each calendar year on the following terms:

- (a) the Investor shall be entitled to make an Annual Payment Request by either submitting to the Manager a Payment Request Form for an Annual Payment no later than 31 December in any calendar year, or by making an Annual Payment Request in the Investor's Application Form;

- (b) the amount payable as an Annual Payment shall be subject in all respects to the discretion of the Manager, having regard to the amount of cash available in the applicable Portfolio Companies and/or potential transferees of the applicable Shares and the terms of Clause 4.10;
- (c) subject to Clause 4.10, the Manager shall use its reasonable endeavours to facilitate payment of the Annual Payment, it being acknowledged that the amount payable will be calculated with reference to the Published Reference Value of the applicable Shares being cancelled, sold or transferred as a whole and therefore the amount paid may be slightly higher or lower than the requested amount;
- (d) Subject to Clause 4.10, the Manager shall use its reasonable endeavors to facilitate the payment of the Annual Payment in February of the year following the year in which the Annual Payment Request is received (or as reasonably practicable thereafter) and in February of each year thereafter;
- (e) any Annual Payment Request shall be deemed to remain effective until withdrawn by the Investor in writing addressed to the Custodian and Manager or superseded by a subsequent Annual Payment Request for a different amount. In any period where the Investor serves more than one Annual Payment Request, the latest valid Annual Payment Request received by the Manager shall govern and be acted upon by the Manager.

### 4.6. Drawdown Payments

The Investor has the right to request that the Manager and Custodian realise the proceeds from a cancellation, sale or transfer of Shares in the Investor's Portfolio for a certain value linked to the growth in the value of the Investor's Portfolio (a Drawdown Election) on the following terms:

- (a) the Investor shall make a Drawdown Election by submitting to the Manager the applicable Payment Request Form or making the Drawdown Election in the Investor's Application Form;
- (b) the amount of the Drawdown Payment shall be equal to the amount by which the Investor's Shares have increased in value calculated (by reference to the NAV of such Shares) from the value on 31 December in any applicable year compared with the NAV of the same Shares on 31 December in the previous year, provided that the first Drawdown Payment shall be equal to the amount by which those Shares have increased in value calculated (by reference to the NAV of such Shares) from the value on 31 December in the applicable year compared with the NAV of the same Shares on the later of the date on which such Shares were acquired for the Investor's Portfolio or the date on which the Drawdown Election was received by the Manager;
- (c) the Manager shall make the payments of the sum realised from the Drawdown Election in respect of a particular year, after the deduction of any applicable Exit Fee, in February of the following year, commencing on the February after the date of receipt of the applicable Drawdown Election (provided the Drawdown Election is received on or before 31

December in the previous year); and

- (d) subject to Clause 4.10, the Manager shall use its reasonable endeavours to facilitate payment of the Drawdown Payment, it being acknowledged that the amount payable will be calculated with reference to the Published Reference Value of the applicable Shares being cancelled, sold or transferred as a whole and therefore the amount paid may be slightly lower than the exact increase in value specified in Clause 4.6(b).

#### 4.7. Withdrawals

**The Investor has the right to request that the Manager and Custodian realise the proceeds from a cancellation, sale or transfer of Shares in the Investor's Portfolio for a certain value (a Withdrawal Request) on the following terms:**

- (a) the Investor shall be entitled to make a Withdrawal Request at any time in writing by submitting to the Manager a Payment Request Form for a Withdrawal specifying the requested value of the Withdrawal;
- (b) the amount payable as a Withdrawal shall be subject in all respects to the discretion of the Manager, having regard to the amount of cash available in the Portfolio Companies and/or potential transferees of the applicable Shares and the terms of Clause 4.10; and
- (c) subject to Clause 4.10, the Manager shall use its reasonable endeavours to: (a) facilitate the Payment of the sum set out in the Withdrawal Request, it being acknowledged that the amount payable will be calculated with reference to the Published Reference Value of the applicable Shares being cancelled, sold or transferred as a whole and therefore the amount paid may be higher or lower than the requested amount; and (b) facilitate the payment of the Withdrawal within 1-6 months following receipt of a valid Withdrawal Request, it being acknowledged that the process may take longer than 6 calendar months.

#### 4.8. Redemptions

**Provided Investments have been held for a minimum of twelve (12) months (although this is subject to the Manager's discretion and the provisions of Clause 4.10), the Investor has the right to request that the Manager and Custodian realise the proceeds from a cancellation, sale or transfer of his or her entire Portfolio and terminate this Agreement (a Redemption Request) on the following terms:**

- (a) the Investor shall be entitled to make a Redemption Request at any time in writing by submitting a Payment Request Form to the Manager for Redemption;
- (b) save as otherwise specified, this Agreement will terminate and the provisions of Clause 19.4 will apply;
- (c) subject to Clause 4.10, the Manager shall use its reasonable endeavours to facilitate payment in satisfaction of the Redemption Request within 1-6 calendar months following the receipt of such request, it being acknowledged that the process may take longer than 6 calendar months;
- (d) the amount payable in response to a Redemption Request shall be subject to the Manager's appraisal of the amount of cash available from the applicable

Portfolio Company and/or potential transferees of the applicable Shares from time to time, which may necessitate Redemption by instalments;

- (e) the amount payable on a Redemption will be calculated with reference to the Published Reference Value of the applicable Shares being cancelled, sold or transferred as a whole;
- (f) the Manager's entitlement to the Investment Fee, the Dealing Fee and Exit Fee shall survive termination of this Agreement under this Clause 4.8.

#### 4.9. Valuation of Shares

**A calculation of Net Asset Value will be made by the Manager in respect of the Shares of each Portfolio Company in the Investor's Portfolio on no less than a quarterly basis and once calculated, each Net Asset Value will be published as soon as reasonably practicable. All transactions involving Shares being issued to the Investor's Portfolio or being sold, transferred or cancelled by, or at the direction of, the Manager (including by way of a capital reduction of a Portfolio Company's share capital for the purposes of the realisation of any of the Investor's Investment) pursuant to the terms of this Agreement shall be executed with reference to the Published Reference Value of the applicable Shares.**

#### 4.10. In respect of any Payment Request:

- (a) satisfaction of all Payment Requests are subject to the discretion of, and not binding upon, the Manager which shall be entitled to determine the timing and process for such Payments;
- (b) any Payments shall be reduced: (i) if necessary to ensure that the aggregate value of the Portfolio (calculated by reference to the Published Reference Value of the applicable Shares in each Portfolio Company in the Investor's Portfolio after the payment is made) shall not be less than £10,000 (except on Redemption); and (ii) by the Exit Fee and/or any other costs and expenses that are payable in accordance with this Agreement; and
- (c) in the event that the Manager elects in its discretion, and in accordance with this Agreement, not to realise any Shares in an Investor's Portfolio in response to a Payment Request, it shall promptly notify the Investor of such election and offer to the Investor the opportunity to:
- (i) withdraw the applicable Payment Request;
- (ii) make an alternative form of Payment Request (in which case the applicable terms of this Agreement shall apply to such alternative Payment Request as if the alternative Payment Request was validly made by the Investor on time); or
- (iii) allow the Investor to withdraw the applicable Shares from his or her Portfolio and from the management and control of the Manager by way of having transferred to the Investor the entire legal and beneficial ownership of the applicable Shares (and in the case where those shares constitute the Investor's entire Investment, this Agreement shall terminate and the provisions

of Clause 19.4 shall apply). For the avoidance of doubt, any Shares held in the name of the Investor that are not the subject of such withdrawal and transfer shall continue to be held in accordance with the terms of this Agreement.

## 5. Subscription

- 5.1. In order to subscribe to the Service, the Investor must make a Subscription of at least £25,000 at the same time as submitting his or her Application Form (subject to the Manager's discretion to accept a lower subscription).
- 5.2. Subject to the Manager's discretion, the Investor may make further Subscriptions of no less than £10,000 at any time.
- 5.3. The Custodian will hold Subscriptions until the Manager has completed its money laundering checks in respect of an Investor to its satisfaction. The Manager shall use its reasonable endeavours to deploy the full amount of a Subscription (less the Investment Fee and Dealing Fee) into Shares within twenty one (21) business days of the satisfaction (as determined by the Manager in its sole discretion) of all conditions to completion of a Subscription. Pending their application for Shares, Subscriptions received will be deposited in a bank account with the Custodian. The Subscription and any cash amounts held for an Investor's Portfolio by the Custodian from time to time will not bear interest.
- 5.4. The Investor acknowledges that the investment in, and disposal of, Shares by the Manager or the Custodian is at the Investor's risk and that neither the Manager nor any Custodian or Nominee, nor any director or officer of (or member of the same Group as) any of them, will be liable to the Investor in the event of any loss in value of such Investments or the insolvency of any bank with which Investor's funds are deposited, nor will they be so liable in the event of any restriction on their ability to withdraw funds from such bank or dispose of or realise Shares for reasons beyond the reasonable control of any of them.

## 6. Manager services

- 6.1. The Manager will manage the Investor's Subscription (less the Investment Fee and Dealing Fee) and Portfolio and exercise all discretionary investment powers in relation to the selection of or exercising rights relating to Investments including, for the avoidance of doubt, any issue, sale, cancellation, transfer or acquisition of Shares for the Investor's Portfolio and any conversion, subscription, voting or other rights relating to Investments (and the Investor hereby irrevocably authorises and empowers the Manager in this regard), in each case in accordance with the Investment Strategy in furtherance of the Investment Objectives and upon, and subject to, the terms of this Agreement.

- 6.2. The Investor acknowledges and agrees that the Custodian is not obliged to seek or accept any instruction or direction directly from the Investor in respect of the Custodian's execution of instructions from the Manager relating to the exercise of the Investor's rights relating to Investments and the Investor acknowledges and agrees that the Manager is authorised on behalf of the Investor to instruct or direct the Custodian to receive, distribute or transfer Investments including the Investor's cash on the basis set out in Clause 7.3, and otherwise liaise with the Custodian on the basis set out in Clause 7.
- 6.3. The Manager will not, except as expressly provided in this Agreement or unless otherwise authorised by or on behalf of the Investor, have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.
- 6.4. The Tax Benefits are dependent on an Investor's personal circumstances and Applicable Laws. The Manager does not provide legal, tax, financial or other advice and the Investor should seek independent advice to determine and understand the suitability of subscription to the Service, the Investment Strategy and any effect that this may have on the Investor's position generally.

## 7. Custodian services

- 7.1. The Manager will arrange for the Custodian to provide the Custodian Services in relation to the Investor's Subscription and assets held in the Investor's Portfolio and for the Custodian and the Nominee to provide the Nominee Services. The Custodian will act as custodian of the cash and other assets in the Portfolio and the Nominee will be the legal owner of applicable Shares and retain certain registers in respect of the same. The Custodian will operate and maintain an account in the name of the Policyholder for the proceeds of a successful claim under the Insurance Policy and the Policyholder is authorised to instruct the Custodian to receive, distribute or transfer any such proceeds in accordance with the Settlement.
- 7.2. The Manager will provide a copy of the Custodian Agreement and/or Nominee Agreement to the Investor as soon as reasonably practicable upon written request.
- 7.3. By accepting the terms of this Agreement, the Investor agrees that:
  - (a) the Manager is authorised to enter into the Custodian Agreement and Nominee Agreement on the Investor's behalf as the Investor's agent, to give instructions to the Custodian and Nominee and to agree any subsequent amendments to the Custodian Agreement and/or Nominee Agreement on the Investor's behalf, provided that the Manager notifies the Investor of such amendments in accordance with the FCA rules;
  - (b) the Investor is bound by the terms of the Custodian Agreement and Nominee Agreement and the

Investor has read and are bound by the Custodian and Nominee Investor Terms and Conditions and Custodian Privacy Policy;

- (c) the Custodian and Manager are each authorised to transfer cash or Investments from the Investor's account to meet the respective fees and settlement under this agreement or other obligations under the Custodian Agreement and the fees of the Custodian under the Nominee Agreement; and
  - (d) the Custodian and Policyholder are each authorised to transfer the proceeds of a successful claim under the Insurance Policy in accordance with the Settlement.
- 7.4. Under the Custodian Agreement, the Investor will remain the customer of the Manager, but will also become a customer of the Custodian for settlement nominee and custody purposes only. The Manager retains responsibility for compliance and regulatory requirements regarding the management of the Investor's Subscription and Portfolio. Neither the Custodian nor the Nominee provides investment advice, gives advice or offers any opinion regarding the suitability of any transaction. The Investor should direct all enquiries regarding the Service to the Manager and not to the Custodian or the Nominee. The Custodian and the Nominee will not accept instructions from the Investor directly.
- 7.5. The Manager is authorised at any time to replace the Custodian with an alternative custodian that is, in the Manager's opinion, suitable for the Service and capable of providing the settlement nominee and custody services described in the Brochure and/or to vary the terms from time to time, or terminate, the Custodian Agreement or Nominee Agreement. In each case, the Manager will endeavour to ensure that it does so on terms no less beneficial to the Investor. For the avoidance of doubt, in the event the Custodian is replaced then the Manager is authorised on behalf of the Investor to instruct the Custodian to transfer Investor's cash and/or Investments to a client money cash account or similar account operated and maintained by the replacement Custodian and approved by the FCA in accordance with the FCA's Client Assets Sourcebook and the Policyholder is authorised to instruct the Custodian to transfer the proceeds of a successful claim under the Insurance Policy to an account operated and maintained by the replacement Custodian in the name of the Policyholder or, pursuant Clauses 7.1 and 7.3(d), in accordance with the Settlement.
- 7.6. The Investor acknowledges that although the Custodian will not co-mingle securities with its own property, the Custodian may co-mingle the securities with securities held for other clients. In addition, securities deposited with a delegate of the Custodian or Nominee may be held in an omnibus account by the delegate of the Custodian or Nominee (as the case may be). In each case individual client entitlements may not be identifiable by separate certificates, or other physical documents by title, entries on the register or equivalent electronic records. If there is an

irreconcilable shortfall following any default by the Custodian or the Nominee or a delegate of the Custodian or Nominee, the Investor may not receive their full entitlement and may share in the shortfall pro rata among the Custodian's or Nominee's (as the case may be) other clients or the delegate's other clients.

## 8. IEP care service

- 8.1. The Investor has the right to access the IEP Care Service for the duration of the period in which the Manager manages the Investor's Investment in accordance with the terms of this Agreement. The Manager will arrange for the Care Adviser to provide the IEP Care Service to the Investor and the Investor's direct family on the terms of this Clause 8, Schedule 4 to this Investor Agreement and the terms of the Care Adviser Agreement.
- 8.2. By accepting the terms of this Agreement, the Investor agrees that:
- (a) the Manager:
    - (i) has entered into the Care Adviser Agreement so the IEP Care Service could be provided to the Investor and for the Investor's benefit,
    - (ii) could give instructions to the Care Adviser in respect of the provision of the IEP Care Service; and
    - (iii) may agree subsequent amendments to the terms of the Care Adviser Agreement; and
  - (b) the Manager is entitled to request that an Associate of the Manager assumes the Manager's obligation to pay the Care Advisor any fees to which the Care Adviser may be entitled under the Care Adviser Agreement provided that such fees shall only be paid out of the sums such Associate of the Manager receives as either Management Fee or Administration Fee and will not be borne by any Portfolio Company or Associate of a Portfolio Company, it being acknowledged that the Manager will remain primarily liable to pay such fees.
- 8.3. The Investor acknowledges and agrees that the Manager does not itself provide the IEP Care Service nor does the Manager provide advice or offer any opinion regarding the suitability of, the need for, or any other element of, the provision of care to the Investor, nor in respect of the Investor's (and/or the Investor's family's) rights and/or options in relation to the same. The Manager is accordingly not responsible for any advice given by the Care Adviser. The Investor should direct all enquiries regarding the IEP Care Service to the Care Adviser and not to the Manager.
- 8.4. Under the Care Adviser Agreement, the Investor will be entitled to access the IEP Care Service as specified in Clause 8 and Schedule 4 to this Investor Agreement. The Manager retains responsibility for compliance and regulatory requirements regarding the management of the Investor's Subscription

and Portfolio. The Care Adviser does not provide investment advice, give advice or offer any opinion regarding the suitability of any transaction involving the Investor's Investment or Portfolio. The Investor should direct all enquiries regarding the Service (save for enquiries about the IEP Care Service) to the Manager and not to the Care Adviser.

- 8.5. The Manager is authorised to replace the Care Adviser with a suitable alternative care adviser at any time and/or to vary the terms of the Care Adviser Agreement from time to time, and the Manager is entitled to terminate the Care Adviser Agreement upon notice at any time. In each case, the Manager will use its reasonable endeavours to ensure that it does so on terms no less beneficial to the Investor, however, the Investor acknowledges that the number of businesses providing care advisory services is limited and that there may be a delay in appointing, or (having used its reasonable endeavours) the Manager may never be in a position to appoint, a suitable alternative care adviser on terms which are within reasonable commercial parameters.

## 9. Delegation and assignment

- 9.1. The Manager and the Policyholder may engage agents, including Associates, to perform any administrative, custodial or ancillary services to assist the Manager in managing the Service, and assist the Policyholder in arranging or administering (or both) the Insurance Policy. The Manager and the Policyholder will act in good faith in the selection, use and monitoring of such agents and Associates, but otherwise will have no liability in respect of such agents and Associates. Any such engagement of agents and Associates will not affect the liability of the Manager or the Policyholder under the terms of this Agreement.
- 9.2. The Manager or the Policyholder may replace, substitute, assign or novate this Agreement to any appropriately authorised and regulated entity which is its Associate, and agrees to notify the Investor of such replacement, substitution, assignment or novation. The Manager or the Policyholder (and any of its duly appointed delegate or attorney), in acting within the terms of this Agreement, is duly authorised and empowered to approve, execute and/or deliver any and every such instrument or document for and on behalf of the Investor.
- 9.3. This Agreement is personal to the Investor and the Investor may not assign it.

## 10. Potential conflicts of interest and disclosure

- 10.1. The Manager, the Policyholder, the Nominee and the Custodian may provide services similar to IEP Apex, the relevant services provided by each of them under this Agreement or any other services

whatsoever to any other of their respective customers (including, without limitation, services similar to those being provided to the Investor under this Agreement, for example in relation to investments in Portfolio Companies on behalf of other clients) and none of the Manager, the Policyholder, the Nominee or the Custodian will in any circumstances be required to account to the Investor for any profits earned in connection therewith. So far as is deemed practicable by the Manager, the Policyholder, the Nominee or the Custodian, the Manager, the Policyholder, the Nominee or the Custodian will use all reasonable endeavours to ensure fair treatment as between the Investor and other customers in compliance with the FCA Rules.

- 10.2. The Investor confirms that he understands that the Manager will invest in Portfolio Companies whose board may include employees of an entity that is an Associate of the Manager and whose management may be outsourced to the Manager or an Associate of the Manager.
- 10.3. A summary of the Manager's conflicts of interest policy, which details how the Manager identifies and manages conflicts of interest, is set out in Schedule 2.

## 11. Manager authorisation, client categorisation, investor confirmations and obligations

- 11.1. Whether or not the Investor has been categorised as a professional client by his or her adviser for the purposes of the services provided by that adviser to the Investor in connection with his or her application to the Service (which may have included a personal recommendation by that adviser) the Investor is, nevertheless, categorised by the Manager as a "Retail Client" for the purposes of the services provided under this Agreement constitutes a "Client Agreement" for the purpose of the FCA Rules. The Investor has the right to request categorisation as a "Professional Client" by the Manager in connection with the Services. However, if the Investor does so and if the Manager agrees to such categorisation the Investor will lose certain protections afforded by FCA Rules. This may include, but may not be limited to the following:
- (a) Disclosures: Additional disclosures which must be provided to Retail Clients need not be provided to Professional Clients (for example, on costs, commissions, fees and charges, foreign exchange conversion rates and certain information on managing investments).
- (b) Suitability: When it is necessary to assess the suitability of an investment for the Investor, the Manager can assume that a Professional Client has the necessary experience and knowledge to understand the risks involved and in certain circumstances can assume it is able financially to bear any investment risks as set out in this Brochure.
- (c) Best execution: The obligation to obtain the best possible result when executing an order on behalf of

an Investor differs in its application between Retail Clients and Professional Clients.

- (d) Periodic statements: A Retail Client is entitled to receive more detailed information in periodic statements than a Professional Client, and a Retail Client may request to receive a statement of the Published Reference Value every three months.
- (e) The Financial Ombudsman Service (FOS): FOS is a point of referral under which certain complaints relating to regulated activities may be resolved quickly and with minimum formality by an independent person. Only Retail Clients are entitled to refer complaints to FOS.
- 11.2. The Investor confirms that they are suitably knowledgeable of the risks associated with non-Readily Realisable Investments.
- 11.3. The Investor confirms that he or she is not seeking advice from the Manager on any aspect of any investment in respect of the Service, including the Investment Strategy or the Investment Objectives or in relation to the decision to subscribe to the Service or in respect of any such matters as may subsequently be amended or altered pursuant to this Investor Agreement.
- 11.4. The Investor agrees that the Manager and the Policyholder may hold information about him or her and the Investor's affairs in order to verify the Investor's identity and financial standing or otherwise in the performance of the service (among other things the Manager may consult a credit or mutual reference agency, which may retain a record of the enquiry) or in connection with the Insurance Policy (among other things the Policyholder will pass information regarding the Investor and their responses to the Health Declaration to the Insurer in connection with the Insurance Policy).
- 11.5. The Manager and the Policyholder each has a duty, on an ongoing basis, to comply with the anti-money laundering provisions of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2019 and the FCA Rules and to perform appropriate sanctions checks in accordance with applicable sanctions, prohibitions or restrictions under Applicable Law, United Nations resolutions, or the trade and economic sanctions, law and regulations of the European Union or the United States of America (such legislation referred to in this Clause, together, the Relevant Financial Rules).
- 11.6. To ensure compliance with the Relevant Financial Rules, the Manager and the Policyholder must therefore verify the Investor's identity and, if applicable, report suspicious transactions to the appropriate enforcement agencies. If the Investor does not provide the identity verification information when requested by the Manager or the Policyholder, or the results of any verification and checks referred to in Clause 11.5 would result at any time in exposing the Manager, the Policyholder or the Insurer to a risk of breaching the Relevant Financial Rules by its provision of the services under this Agreement or relating to the Insurance Policy, the

Manager, the Policyholder or the Insurer may be unable to accept any instructions from the Investor, or provide the Investor with such services or any services or cover in relation to the Insurance Policy (including without limitation the provision of cover or a benefit, or the payment of a claim, under the Insurance Policy).

- 11.7. The services provided under this Agreement to the Investor are on the basis of the declaration made by the Investor in the Application Form, which includes the following statements by the Investor:
- (a) the Investor wishes to seek BR for the Investments;
- (b) the Investor agrees to notify the Manager if he/she is or becomes a US Person or becomes a resident for tax purposes of any jurisdiction other than the UK;
- (c) the Investor confirms that the information stated in the Application Form, including for the avoidance of doubt the Investor's answers given on the Health Declaration, is true and accurate as at the date of signing the Application Form and will be true and accurate as at the date of this Agreement; and
- 11.8. The Investor must, as soon as practicable but in no event later than 14 days from the date of such change, inform the Manager in writing of any material change in circumstance and any change in the information provided in the Application Form to which Clause 11.7 refers.
- 11.9. The Investor shall provide the Manager with any information that the Manager reasonably requests for the purposes of providing the Service pursuant to the terms of this Agreement.

## 12. Investment objectives

- 12.1. In managing the Service, the Manager will at all times have regard to and shall use its reasonable endeavours to comply with the Investment Objectives when seeking to execute the Investment Strategy and to comply with Applicable Laws.
- 12.2. The Manager reserves the right to return any surplus of cash if it concludes that it cannot be invested in appropriate investments, and it considers this to be in the best interests of the Investor.
- 12.3. In the event of a gradual realisation of Investments prior to termination of the Service under Clause 19, the cash proceeds of realised Investments may be placed on deposit (in a client account which does not bear interest).

## 13. Terms applicable to dealing

- 13.1. The Investor agrees and accepts that the Portfolio may be invested in a range of unlisted securities and that such securities generally do not trade on a Regulated Market or Multi-Lateral Trading



Facility. The Investor acknowledges there is no certainty that market makers will be prepared to deal in such securities and adequate information for determining the current value of such securities may be unavailable. The Manager will ensure that transactions in unlisted securities will be effected on the best commercial terms which can be secured.

- 13.2. The Investor acknowledges that the Subscription Value will be applied in the acquisition of the nearest possible whole number of Shares as may be acquired at the price which is calculated by reference to the Published Reference Value at the relevant time.
- 13.3. Subject to both the FCA Rules and the Manager's policy on the management of conflicts of interest, the Manager may make use of dealing commission arrangements in respect of deals undertaken by the Manager as may be disclosed to the Investor from time to time.
- 13.4. Subject to the FCA Rules the Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, will have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement.
- 13.5. The Manager shall take all reasonable steps to obtain the best possible result when executing orders on an Investor's behalf. This duty of best execution is owed by the Manager to an Investor only when the Manager has contractual or agency obligations to an Investor. An Investor should familiarise himself with the Best Execution Policy, provided at Schedule 3. The Manager is required to obtain each Investor's consent to this policy, which will be demonstrated by the relevant Investor submitting a completed Application Form to the Manager.
- 13.6. The Manager may aggregate an Investor's transactions for the Service with those of other customers and of its employees, in respect of transactions in Shares in which the Investor's Portfolio is invested in accordance with the FCA Rules. It is unlikely that the effect of such an allocation will work to an Investor's disadvantage; however, occasionally this may not be the case. The Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FCA Rules.

## 14. Reports and information

- 14.1. The Manager, in accordance with FCA Rules, will provide the Investor with a periodic statement at least once every three months and will provide reports which will include a measure of the Portfolio's performance.
- 14.2. The Manager will endeavour to supply such further information, which is in its possession or under its control as the Investor may reasonably request

in writing, upon reasonable notice and subject to any overriding duty of confidentiality to which the Manager may be subject in respect of the same.

- 14.3. The Investor confirms that confirmation of every transaction completed in respect of his or her Portfolio is not required. The Manager confirms and the Investor accepts that periodic statements sent by the Manager will include such information as is prescribed by the FCA Rules for confirmation of trades.

## 15. Fees and expenses

- 15.1. In consideration of the performance of the Service under this Agreement, the Manager will receive the Investment Fee and the Dealing Fee (as applicable) and the Policyholder will receive a share of that amount in relation to its costs in connection with this Agreement. For the avoidance of doubt, the Investor shall have no obligation to pay any premium, fees or charges to the Insurer in connection with the Insurance Policy, with all such amounts being paid by the Policyholder.
- 15.2. The Custodian will receive fees for the provision of the Custodian Services and Nominee Services, and reimbursement of its costs and expenses, under the Custodian Agreement and/or Nominee Agreement.
- 15.3. The Manager or an Associate of the Manager will be separately engaged by the Portfolio Companies to provide assistance in connection with the administration of the Portfolio Companies, including back office services and assistance in connection with the lending activities as required in consideration of which, it will receive one or more of the Management Fee and/or the Administration Fee.
- 15.4. The Management Fee will, in relation to an Investor's Portfolio:
  - (a) accrue on a daily basis and be paid in arrears at the end of each quarter; and
  - (b) remain payable to the Manager or the relevant Associate of the Manager by each Portfolio Company that enters into an agreement with that entity in accordance with the terms thereof, notwithstanding any Redemption Request served pursuant to Clause 4.8.
- 15.5. The Administration Fee will:
  - (a) be charged annually by the Manager or the applicable Associate of the Manager to Portfolio Companies for provision of administrative services;
  - (b) accrue on a daily basis and be paid in arrears at the end of each quarter of the Service's year, or on Redemption, if earlier; and
  - (c) remain payable to the Manager by each Portfolio Company that enters into an agreement with that entity in accordance with the terms thereof, notwithstanding any Redemption Request served pursuant to Clause 4.8 provided that the amount payable upon Redemption (and deducted from the Redemption sum paid to the Investor) will

be calculated as the pro rata portion of the full Administration Fee that has accrued on a daily basis since the last quarterly payment thereof.

- 15.6. An Exit Fee will be payable by the Investor when Shares are sold.
- 15.7. The Manager and/or an Associate of the Manager may provide or procure certain administration, management and other services, including custodian, nominee or similar services (as applicable), to or on behalf of the Investor and/or some or all of the Portfolio Companies (as applicable), including for example legal, accounting, company secretarial, taxation, audit, administration and transactional services, and assistance in the sourcing of opportunities, due diligence, monitoring and day-to-day trading operations, in consideration of which such companies shall be entitled to charge or recover (as the case may be) their reasonable costs and/or fees (save for those that are otherwise paid for from the Administration Fee).
- 15.8. The Manager shall maintain and regularly review conflict of interest management policies which are designed to ensure that the fee payment arrangements should not create any potential conflict of interest in respect of its obligations to its customers in providing discretionary management services and arranging related custody services for those customers' portfolios of investment in Portfolio Companies.
- 15.9. Any Subscription monies returned to the Investor will be returned net of any commission paid by the Manager to the Investor's financial adviser.

## 16. Insurance Cover

- 16.1. The Policyholder will not, except as expressly provided in this Agreement or unless otherwise authorised by or on behalf of the Investor, have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.
- 16.2. The Policyholder has taken out a group insurance policy with the Insurer as set out in the Brochure and Schedule 5 of this Agreement.
- 16.3. The Policyholder will use reasonable commercial endeavours to:
- procure that cover under the Insurance Policy includes the Investor as set out in the Brochure and Schedule 5 of this Agreement, including without limitation, up to the amount of the Sum Insured;
  - if applicable, make claims under the Insurance Policy subject to and in accordance with this Clause 16; and
  - to the extent only that the Policyholder has received proceeds of a successful claim under the Insurance Policy from the Insurer in relation to the Investor, pay such proceeds to the Investor's Beneficiaries.
- 16.4. The Insurance Policy has been taken out in the Policyholder's name with the benefit relating to the Investor of cover under the Insurance Policy being assigned to the Policyholder under the terms of the Settlement.
- 16.5. Provided that the Investor meets the Eligibility Criteria, cover under the Insurance Policy will commence on the date on which Shares are acquired for the Investor's Portfolio. For the avoidance of doubt, where an Investor dies after sending a completed, signed and dated Application Form but prior to the date on which Shares are acquired for the Investor's Portfolio, the Investor will not be covered under the Insurance Policy.
- 16.6. Where a joint application is made, both joint Investors must meet the Eligibility Criteria. Cover is provided on a joint life second death basis, so that a claim will only be paid following the death of both of the joint Investors.
- 16.7. The Sum Insured under the Insurance Policy will be 40% of the Subscription Value up to £500,000 (i.e. a Maximum Sum Insured of £200,000) whether or not the investment is by one Investor or joint Investors, less any subsequent Redemptions or Withdrawals (save in respect of any Withdrawal to pay any ongoing adviser or Manager charges with respect to the Subscription) and subject to the Insurance Policy terms and conditions. The maximum Sum Insured of £200,000 applies in aggregate across all of the Investor's Subscriptions in relation to IEP Apex.
- 16.8. Only the Policyholder will be able to claim under the Insurance Policy and neither the personal representatives of the Investor's estate nor the Beneficiaries will have any right to claim (directly or indirectly) under the Insurance Policy.
- 16.9. By signing the Application Form, the Investor (and where a joint application is made, each Investor) warrants and confirms that as at that date he/she satisfies the Eligibility Criteria set out in Schedule 1 and the Key Policy Terms in Schedule 5.
- 16.10. If the Investor or, in the case of joint Investors, both joint Investors, dies during the Term of Insurance:
- the personal representatives of the Investor's estate will be required as soon as reasonably practicable to notify the Policyholder. Following notification, the Policyholder will send the personal representatives a claim form from the Insurer and the personal representatives must complete and return the claim form to the Policyholder together with the original version of the Investor's death certificate. The Policyholder will not submit a claim under the Insurance Policy without receipt of a correctly completed claim form and the original version of the death certificate; and
  - the personal representatives of the Investor may be required, on request from the Insurer, to provide further information or documentation in connection with a claim. This may include (but is not limited to) proof of the Investor's age at the time that the Investor signed the Application Form and when

Shares for the Investor were allotted, medical reports and records, coroners and/or police reports, and such other information as the Insurer may reasonably require to assess the claim.

- 16.11. Where the Policyholder receives a request from the Insurer set out in Clause 16.10(b), the Policyholder will forward such requests to the personal representatives of the Investor's estate, and it will be the responsibility of the personal representatives to collate, respond and provide all such information and documentation as requested by the Insurer to the Policyholder or its Associates for the Policyholder or its Associates to forward the information or documentation to the Insurer.**
- 16.12. The Policyholder will not have any responsibility to progress a claim under the Insurance Policy other than as set out in this Agreement and only where the personal representatives of the Investor's estate have provided the information requested as set out in Clause 16.10 and 16.11. To the extent that the personal representatives of the Investor's estate are unable to provide the information requested, the claim under the Insurance Policy may fail (or the payment of a successful claim may be delayed).**
- 16.13. The Policyholder will not have any responsibility to progress a claim under the Insurance Policy, the Insurance Policy will not respond to a claim, and cover under the Insurance Policy in respect of an Investor will terminate where:**
- (a) the Investor did not meet the Eligibility Criteria or, in the case of joint Investors, either of the joint Investors did not meet the Eligibility Criteria;
  - (b) the death of the Investor (or either joint Investor) resulted directly or indirectly from the Investor's suicide, assisted suicide or intentional self-injury;
  - (c) the Investor (or either joint Investor) provided false information in respect of age, country of residence or any answers given on their Health Declaration;
  - (d) the Investor (or either joint Investor) or the personal representatives of the Investor's estate make a fraudulent claim to the Policyholder or the Insurer; or
  - (e) the provision of the insurance, or the payment of any claim or benefit by the Insurer under the Insurance Policy would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- 16.14. The Policyholder will only be obliged to pay the proceeds of a successful claim under the Insurance Policy to the Investor's Beneficiaries to the extent that the Policyholder receives such proceeds from the Insurer. This means that if, for whatever reason, the Insurer is unable or unwilling to pay a claim in relation to an Investor, the Policyholder will have no obligation to make any payment to the Investor's Beneficiaries.**
- 16.15. Other than as set out in Clause 16.14, the Policyholder will have no direct or indirect liability to**

**make any payment to the Investor's estate and/or the Beneficiaries.**

**16.16. The Investor hereby acknowledges that:**

- (a) the cover under the Insurance Policy will commence on the date on which Shares are acquired for the Investor's Portfolio and will terminate on the expiry of the Term of Insurance or, if earlier, the date this Agreement is terminated or the Investor makes a Redemption;
- (b) if the Investor makes a Redemption prior to the expiry of the Term of Insurance, the cover under the Insurance Policy will cease on the date the Redemption is made;
- (c) the Sum Insured is based on the Subscription Value less any subsequent Withdrawals, rather than the value of the Portfolio at the time of the Investor's death. The Sum Insured may be less than the amount to which the Investor's estate is subject to IHT in respect of the applicable Shares held in the Investor's Portfolio;
- (d) the maximum Sum Insured is £200,000 across all of an Investor's Subscriptions in relation to IEP Apex and if the Investor makes a Withdrawal during the Term of Insurance (other than to meet ongoing adviser charges), the Sum Insured under the Insurance Policy will be reduced proportionately;
- (e) the Policyholder will not be obliged to pay any claim to the Investor's Beneficiaries if it has not received the proceeds in relation to that claim from the Insurer. Neither the Policyholder nor any Associate of the Policyholder gives any representation or warranty as to the solvency or ability to pay claims of the Insurer or anyone acting on its behalf; and
- (f) the Custodian is not obliged to seek or accept instructions or direction directly from the Investor and/or the Beneficiaries in respect of the proceeds of a successful claim under the Insurance Policy and the Policyholder is authorised to instruct the Custodian to receive, distribute or transfer the proceeds of a valid claim under the Insurance Policy in accordance with the Settlement.

**16.17. By signing the Application Form and upon Shares being acquired for the Investor's Portfolio, the Investor automatically assigns its beneficial interest in the Insurance Policy to the Policyholder as trustee on the terms of the Settlement and the Policyholder hereby accepts the role of trustee of the Settlement and with the powers and discretions more particularly set out therein. The terms of the Settlement are set out in Schedule 6.**

**16.18. The Investor shall provide the Policyholder with any information that the Policyholder or the Insurer reasonably requests for the purposes of the Insurance Policy or the administration and other services provided by the Policyholder under this Agreement in connection with the Insurance Policy or the Settlement.**

## 17. Statement of demands and needs

- 17.1. By signing the confirmation within the Application Form, the Investor agrees that the Insurance Policy meets the general demands and needs of an Investor that wants to reduce their Beneficiaries' inheritance tax liabilities should the Investor die during the Term of Insurance.
- 17.2. The Policyholder does not provide legal, tax, financial or other advice and the Investor should seek independent advice to determine and understand the suitability of the Insurance Policy and the Settlement and any effect that this may have on the Investor's position generally.
- 17.3. The Investor confirms that he is not seeking advice from the Policyholder on any aspect of the Insurance Policy or the Settlement, the terms of the Insurance Policy and the manner in which any payments by the Insurer under the Insurance Policy may be made to the Policyholder and subsequently by the Policyholder to the Investor's Beneficiaries.

## 18. Liability

- 18.1. Each of the Manager, the Policyholder and Custodian will at all times act in good faith and with reasonable care.
- 18.2. The Investor agrees that neither the Manager, Policyholder nor any Associate of the Manager or Policyholder shall have any liability to the Investor, the Beneficiaries or the Investor's estate for any direct or indirect loss, damage, costs, charges, expenses or other claims of whatsoever nature arising under, or in connection with, things done or omitted to be done by it or them pursuant to this Agreement, the Settlement or in connection with the Insurance Policy, including (but not limited to) loss or damage incurred as result of
- (a) HM Revenue and Customs (HMRC) not granting Tax Benefits or withdrawing Tax Benefits previously claimed in relation to shares in Portfolio Companies,
- (b) any amounts payable by the Policyholder to the Beneficiaries being subject to inheritance tax charge or any other tax charge,
- (c) changes in legislation since the date of this Agreement, third party claims, and any failure or refusal by the Insurer or anyone acting on its behalf to settle any claim or pay any amount to the Policyholder in connection with the Insurance Policy, provided, that nothing in this Agreement will operate to exclude or limit any liability of the Manager or Policyholder
- (i) in respect of fraud on its or the applicable Associate of the Manager's or Policyholder's part, or
- (ii) in respect of death or personal injury arising from its or their negligence, or
- (iii) which otherwise cannot lawfully be omitted or

excluded (including any duty or liability owed to the Investor under the FCA Rules), or

- (iv) which is finally and judicially determined to have resulted from its or their wilful default or negligence.

- 18.3. The liability of each of the Manager, Policyholder and the applicable Associate of the Manager or Policyholder respectively under or in connection with this Agreement is limited to the fees paid to the Manager or the applicable Associate of the Manager (as the case may be) under Clause 15, to the extent permitted by COBS 2.5.
- 18.4. The Investor hereby undertakes to indemnify and keep fully and effectively indemnified the Manager and the Policyholder on demand from and against any and all liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses imposed upon, incurred by or asserted against either of them arising from or in connection with performance of its or their obligations under this Agreement or arising from breach by an Investor of any of its obligations or duties or representations it may be deemed to have given under this Agreement and/or the Application Form, provided that the Investor will not be required to so indemnify the Manager or the Policyholder where such liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses are finally and judicially determined to have been caused by the fraud, wilful default or negligence of the Manager or the Policyholder (as the case may be).
- 18.5. None of the Manager, any of the Associate of the Manager, the Custodian and/or the Nominee will be liable for the default of any counterparty, agent, banker, nominee, custodian or other person or entity which holds money, investments or documents of title for the Service provided that any such agent, banker, nominee, custodian, person or entity was selected, appointed or retained by the Manager in good faith and applying reasonable care.
- 18.6. The Investor acknowledges and agrees that:
- (a) neither the Manager, nor any Associate of the Manager gives any representation or warranty as to the performance of the "Portfolio", or the success or failure to meet the Investment Objectives for the "Portfolio;" and the Investor has not relied upon any agreement, understanding or representation made to, by or with the Manager or any of the Associates of the Manager when entering into this Agreement or in his or her decision to make the Investment;
- (b) the Investor acknowledges that the Shares are not Readily Realisable Investments and as such are high risk investments for which there is a restricted market and that it may be difficult to cancel or transfer the Investments or to obtain reliable information about their value; and
- (c) has considered the suitability of subscribing to the Service carefully, has not relied upon any advice from the Manager, and has read and accepts the contents of the risk factors and important information sections of the Brochure.

- 18.7. If the Custodian should fail, for any reason, to deliver any necessary documents or to account for any Investments or cash to the Manager, the Manager will take all reasonable steps on the Investor's behalf to recover such documents or Investments or any sums due or compensation in lieu thereof but, subject to the Manager's general duty of good faith, will not be liable for such failure.
- 18.8. Neither the Manager nor the Policyholder will be liable to the Investor for any failure, interruption or delay in the performance of the Manager's or the Policyholder's obligations under this Agreement resulting from any occurrence not reasonably within the Manager's or the Policyholder's control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; storm, accident or fire; lock-out or strike; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest). The Manager will not be liable to the Investor for any consequent impact on the Portfolio or any consequent damage or loss suffered or incurred by the Investor. In such circumstances, all amounts due to the Manager under this Agreement will continue to be paid as and when due.

## 19. Termination

- 19.1. In addition to the Investor's right to terminate this Agreement pursuant to the provisions of clause 4.8, the Manager may, at its discretion, determine the expiry of the Service and prior to such expiry the Manager will set, and notify the Investor of, an estimated date upon which the Service will come to an end and the Manager will begin to realise Investments (dependent on the liquidity of the particular Investments).
- 19.2. The Manager may at any time terminate this Agreement on no fewer than three months' written notice to the Investor or on immediate notice if required by any competent regulatory authority.
- 19.3. This Agreement will terminate if the Manager ceases to be appropriately authorised by the FCA or becomes insolvent and is not replaced by another appropriately authorised and regulated entity in accordance with Clause 9.2.
- 19.4. On termination of this Agreement:
- all of the fees set out in this Agreement shall remain payable and those parties entitled to the reimbursement of costs or expenses under this Agreement shall remain so entitled notwithstanding the termination of this Agreement;
  - the Investments (including any cash) will be transferred into the Investor's name (or into such other name as the Investor may direct) and the Investor will be liable to pay the cost of any such transfers;
  - the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously;
  - the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including any of the fees, costs and expenses referred to

above; and

- The Investor's cover under the Insurance Policy will terminate.
- 19.5. Termination will not affect any accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments (save as set out in Clause 19.4).

## 20. Data protection and confidential information

- 20.1. Ingenious Capital Management Limited collects data from you in the relevant Application Form, in order to provide you with investment management services. We will use the information to process your application, manage your account, communicate with you about your investments and, if you agree, to provide you with information on other products we offer. In addition, the Manager in its capacity as a data controller and in connection with the Service may provide personal data to the Policyholder in relation to the Policyholder entering into, administering or making a claim under the Insurance Policy. Pursuant to this arrangement, the Manager may transfer the Investor's personal data collected in the Application Form to the Policyholder or the Policyholder may directly collect personal data from the Investor.

This processing shall be conducted in accordance with the terms of our privacy policy on our website. You can find more details about how we treat your information on our website [www.theingeniousgroup.co.uk/privacy-policy/](http://www.theingeniousgroup.co.uk/privacy-policy/).

## 21. Complaints and compensation

- 21.1. Any complaint the Investor may have in relation to the Service provided under the terms of this Agreement should be made in writing to:

Ingenious Capital Management Limited For the attention of: The Compliance Officer Address: Parcels Building, 14 Bird St, London, W1U 1BU

- 21.2. Any complaint the Investor may have in relation to the provision or administration of the Insurance Policy should be made in writing to the address below:

Howden Insurance Brokers Limited Address: One Creechurch Place, London, EC3A 5AF, For the attention of: The Compliance Officer.

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

Woodside Corporate Services Limited For the attention of: The Compliance Officer Address: 1st Floor, 12-14 Mason's Avenue, London, EC2V 5BT

- 21.4. Complaints to the Manager and/or HIBL and/or the Nominee and/or the Custodian (as applicable) will be dealt with in accordance with the applicable FCA Rules. The Manager and/or HIBL and/or the Nominee and/or the Custodian (as applicable) will endeavour to resolve an Investor's complaint as quickly as possible, but in any event, will acknowledge receipt of an Investor's letter of complaint within five business days of receipt. Where the Investor is categorised by the Manager as a Retail Client for the purposes of the services provided by the Manager to the Investor in connection with the Service, or services provided by the Policyholder in relation to the Insurance Policy then, if for any reason the Investor is dissatisfied with the final response of the Manager and/or HIBL and/or the Nominee and/or the Custodian (as applicable), the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the final response of the Manager and/or HIBL and/or the Nominee and/or the Custodian (as applicable).
- 21.5. Details of the internal complaints handling procedures of the Manager and/or HIBL and/or the Nominee and/or the Custodian (as applicable) are available upon request and will be provided upon receipt of a complaint.
- 21.6. The Manager and the Custodian are each covered by the Financial Services Compensation Scheme (as that term is defined under the Act). The Investor may be entitled to compensation from the scheme if any of the Manager or the Custodian cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £85,000. Further information about compensation arrangements is available on request from the Manager, or from the Financial Services Compensation Scheme.
- the business day next following the day on which such (facsimile/email) was transmitted (save where receipt has not been confirmed) and if by electronic mail, the business day next following the day on which such (facsimile/email) was transmitted (save where notice of a failure to deliver the facsimile/email has been received by the sender).
- 22.2. The address and fax number of the Manager for the purpose of Clause 22.1 is:
- Ingenious Capital Management Limited  
For the attention of: The Company Secretary Address:  
Parcels Building, 14 Bird St, London, W1U 1BU  
Fax number: + 44 (0)20 7319 4001  
Email: clientservices@theingeniousgroup.co.uk
- 22.3. The address and fax number of the Policyholder for the purpose of Clause 22.1 is:
- Ingenious (IEP Cover) Limited  
For the attention of: The Company Secretary Address:  
Parcels Building, 14 Bird St, London, W1U 1BU  
Fax number: + 44 (0)20 7319 4001  
Email: groupcosec@theingeniousgroup.co.uk
- The Manager will notify the Investor of the address and fax number of the Custodian and the Nominee for the purpose of Clause 22.1 which, at the date of this Agreement is:
- Woodside Corporate Services Limited  
For the attention of: The Company Secretary Address:  
1st Floor, 12-14 Mason's Avenue, London, EC2V 5BT  
Fax number: + 44 (0)20 3216 2002  
Email: ingenious@woodsidesecretaries.co.uk
- 22.4. The Manager will notify the Investor of the address of the Care Adviser for the purpose of Clause 22.1. As at the date of this notification, it is currently:
- Cain and Paton Limited, trading as Grace Consulting  
Address: Orchard House, The Street, Albury, Surrey  
GU5 9AG  
For the attention of: The Company Secretary

## 22. Notices, instructions and communications

- 22.1. Any notice or other communication given or made under this Agreement will be in writing and delivered to the relevant party (i) by hand or (ii) by first class post to the address of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or (iii) by fax to the fax number of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or, (iv) in the case of an Investor, the Custodian or the Care Adviser, by electronic mail to the email address specified in that Investor's Application Form (or specified in Clause 22.4 below, in respect of the Care Adviser), or in each case, to such other address or number in England as may be notified hereunder by that party from time to time and in each case shall be effective notwithstanding any change of address not so notified. Unless the contrary shall be proved, each such notice or communication shall be deemed to have been given or made and delivered, if by UK first class letter, 48 hours after posting, if by delivery, when left at the relevant address, if by facsimile transmission,
- 22.5. The Manager and the Policyholder may rely and act on any instruction or communication, which purports to have been given by persons authorised to give instructions by the Investor under this Agreement (or the Application Form as the case may be), or subsequently notified by the Investor from time to time and, unless the relevant party receives written notice to the contrary, whether or not the authority of such person has been terminated
- 22.6. Neither the Manager nor the Policyholder will be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.
- 22.7. The Investor shall communicate with the Manager in the English language. Any documents or other information provided by the Manager or the Policyholder will be in English.
- 22.8. The Manager and the Policyholder may amend the terms and conditions in this Agreement from time to time by giving the Investor not less than ten business days' written notice prior to amendment. The Manager

and the Policyholder may also amend these terms by giving the Investor written notice with immediate effect if this is necessary in order to comply with HMRC requirements in order to maintain the Tax Benefits or in order to comply with the FCA Rules.

## 23. Entire agreement

- 23.1. This Agreement, together with the Application Form and those sections of the Brochure referred to herein comprises the entire agreement (i) between the Manager and the Investor relating to the provision of the Service (other than relating to the cover provided in connection with the Insurance Policy), and (ii) between the Policyholder and the Investor relating to the cover provided in connection with the Insurance Policy.

## 24. Rights of third parties

- 24.1. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party, which exists or is available apart from that Act.
- 24.2. For the purposes of Clause 24.1:
- (a) the Custodian shall have the benefit of, and be deemed a party to, Clauses 5.4, 18, 21, 22, 25 and 26; and
  - (b) Associates of the Manager and the Policyholder and the EIDV Provider shall each have the benefit of, and be deemed a party to, Clauses 18, 25 and 26, in each case, as though named therein mutatis mutandis.
  - (c) The Care Adviser shall have the benefit of, and be deemed a party to, Clauses 8.4, 22, 25 and 26, in each case, as though named therein mutatis mutandis.

## 25. Severability

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

## 26. Governing law

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

## Schedule 1: Definitions

For the avoidance of doubt, where any definition in the Brochure or Application Form conflicts with this Schedule, this Schedule shall prevail.

### Act

Means the Financial Services and Markets Act 2000;

### Administration Fee

Means, in relation to an Investor's Portfolio, 0.25% of the value of the Investor's Portfolio (as assessed by reference to the Gross Reference Value), subject to the terms of Clause 15.5, together with any applicable VAT;

### Annual Payment

Means a realisation from his or her Investment in the Service by an Investor pursuant to the terms of Clause 4.5 of an Investor Agreement;

### Annual Payment Request

Means a request made by the Investor in accordance with Clause 4.5 of an Investor Agreement;

### Applicable Laws

Means all relevant English laws, regulations and rules, including those of the FCA;

### Application Form

An application form provided by the Manager to invest in the Service completed by the investor and (where applicable) their adviser or introducer;

### Associate(s) Of The Manager

Means any entity that is the ultimate parent of the Manager, Fernlakes Limited or any of their direct or indirect subsidiary undertakings from time to time, including the Policyholder for the purposes of Clauses 18.2, 18.3, 18.5 and 18.6 and/or any employee, director, consultant or officer of any such entity;

### Beneficiaries

Means:

- (a) the persons specified in the Investor's expression of wishes in the Application Form,
- (b) the persons entitled on the Investor's death to share in the distribution of the Investor's estate; and
- (c) such persons as are added as Beneficiaries in accordance with Clause 5 of the Settlement;

Neither the Investor nor their spouse nor civil partner may be Beneficiaries;

### BR

Means "Business Relief" which provides relief from inheritance tax to the extent that a "transfer of value" is attributable to a transfer of "relevant business property" as such terms are used in sections 104 and 105 of the Inheritance Taxes Act 1984;

### Brochure

Means the brochure issued by the Manager and the Policyholder in connection with the Service;

### Care Adviser

Means Cain and Paton Limited, trading as Grace Consulting, registered in England under company number 01961181, and whose registered office is at Orchard House, The Street, Albury, Surrey, GU5 9AG (or such other address from time to time) or such other care adviser as may be appointed by the Manager for the Care Advisory Service from time to time;

### Care Adviser Agreement

Means the agreement between the Manager and the Care Adviser in respect of the IEP Care Service;

### CGT

Capital Gains Tax;

### COBS

The FCA's Conduct of Business Sourcebook;

### Custodian

Means Woodside Corporate Services Limited, registered in England under company number 6171085, and whose registered office is at 1st Floor, 12-14 Mason's Avenue London, EC2V 5BT, (or such other address from time to time) or such other custodian as may be appointed by the Manager for the Service from time to time;

### Custodian Agreement

The agreement between the Custodian and the Manager setting out the agreed terms for safe custody, Custodial, Nominee and administrative services to be provided by the Custodian in respect of the Service;



## Custodian and Nominee Investor Terms and Conditions

Means the terms and conditions of the Custodian and Nominee, which can be found in the following link: [www.woodsidecorporateservices.co.uk/WCSL\\_Investor-Terms-and-Conditions.pdf](http://www.woodsidecorporateservices.co.uk/WCSL_Investor-Terms-and-Conditions.pdf);

## Custodian Privacy Policy

Means the privacy policy of the Custodian, which can be found in the following link: [www.woodsidecorporateservices.co.uk/WCSL\\_Privacy-Policy.pdf](http://www.woodsidecorporateservices.co.uk/WCSL_Privacy-Policy.pdf);

## Custodian Services

Means the services provided by the Custodian to the Investor under the Custodian Agreement;

## Dealing Fee

Means 1% of the amount of each Subscription by the Investor to the Service, charged by the Manager on the date that Shares are acquired for the Investor's Portfolio;

## Drawdown Election

A direction in a payment request form under which an investor makes a drawdown election as described in the Brochure and made in accordance with Clause 4.6 of an Investor Agreement;

## Drawdown Payment

Has the meaning given to it in Clause 4.6 of an Investor Agreement;

## EIDV Service Provider

Means GB Group plc or such other third party service provider as may be engaged by the Manager and/or GB Group plc from time to time to provide the EIDV Services or similar services;

## EIDV Services

Means the electronic identity verification services provided by the EIDV Service Provider as part of the identification process as set out in the Application Form;

## Eligibility Criteria

Means the following criteria with which an Investor must comply (or, in the case of Joint Investors, each Investor must comply) to be eligible for cover under the Insurance Policy:

(a) the Investor must be aged 18 up to 86 years on the date that the Investor signs the Application Form;

- (b) the Investor must be no older than 86 years plus two calendar months on the date the Shares for the Investor are allotted;
- (c) the Investor must fully complete and sign a Health Declaration when completing their Application Form and satisfy each of the requirements set out in the Health Declaration;
- (d) the Investor must be a natural person;
- (e) the Investor must be a resident in the UK on the date that Shares for the Investor are allotted; and
- (f) the Investor must be registered with a UK doctor;

## Exit Fee

Means 0.5% of the value of Shares sold by an Investor.

In addition to the Exit Fee, Investors will be charged for the stamp duty cost associated with their Share disposals at the prevailing rate (currently 0.5%);

## FCA

The Financial Conduct Authority. The address for the FCA is 12 Endeavour Square, London, E20 1JN;

## FCA Rules

Means the rules of the FCA as set out in the FCA's Handbook of Rules and Guidance and any other rules and guidance issued by the FCA from time to time;

## Gross Reference Value

Means the latest NAV, taking into account all Subscriptions made and Redemptions achieved at any time during the applicable year, and calculated prior to the deduction or accrual of the Management Fee and the Administration Fee;

## Health Declaration

Means the 'Health Declaration' document relating to the Insurance Policy contained within the Application Form, Brochure and Schedule 5;

## IEP Care Service

Means the services provided to the Investor and their family by the Care Adviser as set out in further detail in Schedule 4 to the Investor Agreement;

## IEP Apex

Means the discretionary investment management service referred to as IEP Apex, as more particularly described in the Brochure and this Investor Agreement;

## Ingenious or Ingenious Group

The group of entities or individuals comprising associates of the Manager from time to time;

## Ingenious Capital Management Limited or ICML or Ingenious Investments or The Manager

Means Ingenious Capital Management Limited, registered in England and Wales under company number 07728908, with its registered office at Parcels Building, 14 Bird St, London, W1U 1BU, which is authorised and regulated by the Financial Conduct Authority;

## Insurance Policy

Means the group life insurance policy taken out by the Policyholder with the Insurer, details of which are provided in Clause 16, Schedule 5 and the Brochure;

## Insurer

Means 1Edge Insurance PCC Limited or such other insurer as may be selected by the Policyholder from time to time. 1Edge Insurance PCC Limited is a Guernsey Insurer based in Suite 1 North, 1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ and is licensed by the Guernsey Financial Services Commission (reference 2771296) and regulated by the Insurance Business (Bailiwick of Guernsey) Law, 2002 (including all amendments). The Insurer is a subsidiary of Stubben Edge Group Limited registered in England and Wales at Fourth Floor, 77 Cornhill, London, EC3V 3QQ.

## Investment

Means cash from a Subscription or Shares acquired by the Manager, in each case held by the Custodian on behalf of the Investor;

## Investment Fee

1.5% of the amount of the Investor's Subscription payable to the Manager upon the date of the first acquisition of Shares on behalf of the Investor, together with any applicable VAT;

## Investment Objectives

The objectives in respect of an Investor's Portfolio, which are to seek to:

- achieve capital preservation and stable growth in the value of the Investor's Portfolio in line with the targets set out in the Brochure (although no such targets are guaranteed to be achieved); and
- attract the Tax Benefits (as outlined in the Brochure) in each case as further specified in the Investor Agreement;

## Investment Strategy

The investment strategy pursued by the Manager in respect of an Investor's Portfolio in pursuit of the Investment Objectives on the basis set out in the Brochure and which shall involve investment in a portfolio of Shares for the Investor in one or more Portfolio Companies undertaking a trade in accordance with the principles outlined on page 7 of the Brochure, as may be adjusted from time to time at the Manager's discretion upon notice to the investor if the Manager considers such change to be necessary to achieve the Investor's Investment Objectives;

## Investor

An investor who has applied for the Service and whose application has been accepted by the Manager;

## Investor Agreement

The agreement to be entered into between the Investor and the Manager in relation to the Service;

## Investors Relief or 'IR'

Means Investors Relief defined in s. 169VC TCGA which enables holders of qualifying shares to claim a 10% rate of CGT on any gains made on a disposal of the shares after 3 years;

## Management Fee

Means, in relation to an Investor's Portfolio up to 1% of the value of the Investor's Portfolio (as assessed by reference to the Gross Reference Value), subject to the terms of Clause 15.4 of the Investor Agreement, together with any applicable VAT;

## MIFID II

Means EU Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments Directive (recast) ("MiFID II") 3 January 2018, as subsequently amended;

## Multi-lateral trading facility or 'MTF'

Means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID II;

## Net Asset Value or 'NAV'

Means a sum equal to the net aggregate value of the assets of a Portfolio Company (as determined by the Manager on no less than a quarterly basis using such accounting principles and methods as it considers appropriate) divided

by the number of Shares of the applicable class in issue at the time of calculation;

## Nominee

Means WCS Nominees Limited, registered in England under company number 6002307, with its registered office at 1st Floor, 12-14 Mason's Avenue, London, EC2V 5BT or such other nominee as may be appointed by the applicable Custodian from time to time;

## Nominee Agreement

The agreement between the Nominee, Custodian and Manager setting out the agreed terms for Nominee Services to be provided by the Custodian and Nominee in respect of the Service;

## Nominee Services

Means the services provided by the Nominee under the Nominee Agreement;

## Payment

Means a payment made by the Manager in satisfaction of a Payment Request;

## Payment Request

Means a Withdrawal Request, an Annual Payment Request, a Drawdown Election or a Redemption Request (as applicable);

## Payment Request Form

Means a notice constituting a Payment Request in the form accepted by the Manager;

## Policyholder

Has the meaning set out in Clause 1.3:

## Portfolio

In respect of an individual investor, his or her portfolio of Shares acquired and managed for the investor on a segregated basis by the Manager in accordance with the terms of their Investor Agreement;

## Portfolio Company

An unquoted company of which a number of ordinary shares are beneficially acquired by an investor and are included in the investor's Portfolio, and the shares in which are intended to qualify for BR;

## Professional Client

Has the meaning given to it in COBS;

## Published Reference Value

Means the latest published NAV, which shall be the Gross Reference Value calculated after the deduction or accrual of the Management Fee and the Administration Fee;

## Readily Realisable Investments

Means;

- (a) a packaged product (i.e. a life policy, a unit in a Regulated Collective Investment Scheme, an interest in an investment trust savings scheme or a stakeholder pension scheme or a personal pension scheme); or
- (b) a government or public security denominated in the currency of the country of its issuer; or
- (c) any other security which is:
  - (i) admitted to trading on an exchange in a European Economic Area State; or
  - (ii) regularly traded on or under the rules of such an exchange; or
  - (iii) regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange; or
  - (iv) a newly issued security, which can reasonably be expected to fall within (c) when it begins to be traded;

## Redemption

The redemption of an investor's entire Portfolio and cash and termination of the Service, as described in the Investor Agreement;

## Redemption Request

A request made by an individual investor to realise his or her entire Portfolio and terminate the Service by filling out a Payment Request Form;

## Regulated Collective Investment Scheme

Means:

- (a) "an authorised open-ended investment company" as defined in Section 237(3) of the Act; or
- (b) "an authorised unit trust scheme" as defined in Section 237(3) of the Act; or
- (c) "an authorised contractual scheme" as defined in Section 237(3) of the Act; or
- (d) "a recognised scheme" under Sections 264 or 272 of the Act;

## Regulated Market

Means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non- discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID II;

## Retail Client

Has the meaning given to it in COBS;

## Service

For each individual investor, a discretionary mandate as described in the Brochure and executed by the Manager for that investor in accordance with clause 6 and other terms of his or her Investor Agreement in relation to IEP Apex, but for the avoidance of doubt the Service shall not include any services relating to the Insurance Policy;

## Settlement

Means the trust established by the Investor in the form set out in Schedule 6 pursuant to Clause 16.4;

## Shares

Means Shares in a Portfolio Company that are intended to qualify as “relevant business property” under s105 of the Inheritance Taxes Act 1984, and in respect of which transfers of such shares are intended to qualify for BR in cases where the shares have been owned for the requisite period;

## Subscription

Means a subscription to the Service by the Investor pursuant to Clause 5 of the Investor Agreement;

## Subscription Value

Means an amount equal to the gross amount invested by an Investor as a Subscription in the Service less the aggregate of:

- (a) the amount of the Investment Fee; and
- (b) the amount of any Dealing Fee that is payable to the Manager on the date such Subscription is invested by the Manager in Shares;

## Sum Insured

Has the meaning set out in Clause 16.7;

## Tax Benefits

Means the tax benefit of BR and IR, which may be available in respect of holdings of Shares;

## TCGA

Taxation of Chargeable Gains Act 1992;

## Term of Insurance

Means the period of two years commencing on the date on which Shares are acquired for the Investor’s Portfolio;

## TMT

Means Technology, Media & Telecoms;

## US Person

Includes:

- (1) individuals who are United States of America (US) citizens (including dual citizens) or resident, US passport holders, green card holders, individuals born in the US who have not renounced their citizenship, permanent residents of the US and those with a “substantial presence” in the US as defined in US tax law;
- (2) a partnership or corporation organised in the US or under the laws of the US;
- (3) certain trusts with a US nexus;
- (4) and a non- US entity which is controlled by US Persons (if the Investor is in any doubt as to whether he is a US Person he should consult an adviser);

## Withdrawal

Means a withdrawal from his or her Investment in the Service by an Investor pursuant to the terms of Clause 4.7 of an Investor Agreement;

## Withdrawal Request

A request made by the investor in accordance with Clause 4.7 of the Investor Agreement to realise a portion of his or her Portfolio by filling out a Payment Request Form.

## Schedule 2: Conflicts of interest policy

### 1. What is a conflict of interest?

A conflict of interest may arise when providing a service or activity to a client and:

- we gain a benefit and there is also a possible disadvantage to the client; or
- one client, to whom we owe a duty of care, makes a gain or avoids a loss and there is an associated possible loss to another client.

**We must take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Alternative Investment Funds (AIFs) and their investors, and to ensure that the AIFs they manage are fairly treated. To do this we will:**

- maintain and operate effective organisational and administrative arrangements, with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs and their investors;
- segregate, within their own operating environment, tasks and responsibilities that may be regarded as incompatible with each other or that may potentially generate systematic conflicts of interest;
- assess whether their operating conditions may involve any other material conflicts of interest; and
- disclose them to the AIF's investors.

### 2. How do we identify conflicts of interest?

We must take all appropriate steps to identify, prevent or manage any conflicts of interest between:

- Ingenious, which includes our employees, directors, and any person directly, or indirectly, linked to our firm as a controller and our clients; and
- two clients of Ingenious
- Ingenious, including managers, employees or any person directly or indirectly linked to Ingenious by control, and an Alternative Investment Fund (AIF) managed by Ingenious or the investors in that AIF;
- an AIF or the investors in that AIF, and another AIF or the investors in that AIF;
- an AIF or the investors in that AIF, and another client of Ingenious; and
- clients of Ingenious.

### 2.1. What are appropriate steps?

As a minimum, we will consider the following factors to identify, if by providing the service or activity, we might:

- likely make a financial gain, or avoid a financial loss, at the expense of the client;
- have an interest in the outcome of a service or transaction provided to the client which is distinct from the client's interest in that outcome;
- have a financial, or other incentive, to favour the interest of another client, or group of clients, over the interests of the client;
- carry on the same business as the client; or
- receive, or will receive, from a person other than the client, an inducement relating to a service provided to the client, in the form of monies, goods, services, other than the standard commission or fee for that service.

### 2.2. Other situations where there may be conflicts of interest

**Conflicts of interest may also result from other activities conducted by us or by other members of our group. We will also identify if there are conflicts in the following circumstances:**

- when we are approving a new business line or product;
- if we consider any activities, or combination of activities, creates a heightened risk of conflicts impacting our client's interests – both at the start and during the client relationship.

### 2.3. New conflicts of interest

**The Compliance Officer in conjunction with relevant investment staff and where relevant the Board will assess all new identified conflicts and make a decision whether:**

- existing control mechanisms are sufficient to mitigate it;
- new/additional controls are required; and
- we should disclose the conflict to relevant clients so that they are able to take an informed decision as regards the related service.

### 3. Recording conflicts

**We will keep and maintain a record of the types of services and activities carried out by us, or on our behalf, where a conflict has been identified that may result in a material risk of damage to the interests of our clients. This includes potential and actual conflicts and any that might arise when providing an ongoing service to our clients.**

## 4. Managing conflicts

We will always put in place arrangements that demonstrate we have taken all appropriate steps to prevent a conflict from adversely affecting the interests of our clients. We use the following types of arrangements in place to mitigate our conflicts:

- a remuneration policy that sets out Ingenious' arrangements to ensure that our compensation arrangements will not give rise to conflicts;
- a staff dealing policy that sets the conditions under which its staff may engage in investment activity for their own account;
- an Inducements, gifts and hospitality policy that sets out Ingenious' arrangements. In general, Ingenious must not pay to, or accept from, a third party any fee, commission or other benefit in relation to business undertaken for a client;
- appropriate restrictions on outside interests, such as directorships of other companies;
- independent management structures and reporting lines which only meet at board level.

**ICML maintains and operates effective organisational and administrative arrangements with a view to preventing conflicts of interest from constituting or giving rise to a material risk of damage to the interest of its clients.**

These arrangements may include the following:

- Systems and controls – to try to prevent or limit any Employee from exercising undue influence over the way in which others carry out services or activities we use clear job descriptions, reporting lines and independent oversight and monitoring by Compliance and the Audit and Risk Committee;
- Insider List – ICML employees may come into sensitive information e.g. through confidentiality agreements with a firm, where ICML is planning or making a potentially sensitive transaction or where individuals are 'wall crossed' by other firms. Compliance maintains this information via an Insider List and advises on the appropriate measures to be put in place e.g. Information Barriers;
- Information Barriers - are the physical, control, administrative and cultural barriers designed to prevent the flow of confidential and insider information. They are commonly referred to as 'Chinese Walls'. ICML respects the confidentiality of information it receives about its clients operating a "Need to Know" approach and complying with all applicable laws with respect to the handling of that information. Chinese Walls are a key part of each Regulated Entity's conflicts management policy and are used to isolate the business area that has confidential information or inside information Where it can clearly be demonstrated that the Chinese Walls have been observed, then no other party on the 'other side' will be considered to have acted 'with knowledge' of the confidential information or inside information held by the other party. Chinese Walls operate at Regulated Entity level, both around and within each Regulated Entity. Where it is determined that ICML is unable to effectively manage an actual or potential conflict of interest which has arisen or may arise, ICML may have to choose to decline to act for the client.

## 5. Disclosure of conflicts

If we are unable to put in place arrangements that are sufficient to prevent conflicts from adversely affecting our client's interests, we must disclose this to the client before carrying out any business on their behalf. Any disclosure made under this section will be as a last resort, we expect to have effective organisational and administrative arrangements in place to prevent or manage conflicts. We will not make a disclosure before we have properly considered how we can reasonably manage a conflict to reduce the potential damage to the client's interests. If we need to disclose, then we must disclose the general nature and source of the conflicts of interest and the steps we have taken to mitigate any risks. This disclosure must:

- be made in a durable medium (a letter or email);
- clearly state that we are reasonably confident the organisational and administrative arrangements we have in place will not prevent the risk of damage to the client's interest;
- include a specific description of the conflict explain what risks to the client might arise as a result of the conflict;
- made before business is undertaken for the client;
- relate to specific conflicts of interest; and
- include sufficient detail to enable the client to take an informed decision about whether to proceed with the service offered by the firm.

**The Compliance Officer and a member of the Board must sign off the disclosure before being issued. If the organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented, the AIFM must both:**

- Clearly disclose the general nature or sources of conflicts of interest to the investors before undertaking business on their behalf
- Develop appropriate policies and procedures

## 6. Record keeping and review

ICML keeps, and regularly updates a conflicts of interest register. Periodic reviews are undertaken to identify any further potential conflicts. On at least an annual basis, and whenever else required, the Conflicts of Interest Policy is reviewed and updated by Compliance. Monitoring of adherence to this policy and the procedures in place around conflicts is conducted by Compliance and reported to the Audit and Risk Committee and the ICML board.

### Schedule 3: Best Execution policy

The Best Execution rules will apply to the firm where it is receiving and transmits orders on behalf of its clients such as where the firm negotiates and arranges a transaction for its client, or where it executes orders for clients by entering into an agreement on their behalf.

When executing orders, a firm must take all sufficient steps to obtain the best possible results for its clients taking into account factors including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

The obligation to deliver the best possible result when executing client orders applies in relation to all types of financial instruments including transferable securities and units in collective investment undertakings.

All of the transactions that we undertake relate to shares in unlisted special purpose corporate vehicles. Best Execution obligations should therefore be applied to take into account the different circumstances surrounding the execution of orders for particular types of financial instruments. For example, transactions involving a sale and purchase agreement for the shares of a private special purpose vehicle may not be comparable for Best Execution purposes with transactions involving shares traded on public exchanges. When negotiating a deal, however, we do attempt to secure an outcome in terms of price and other factors that is in the best interests of our investors.

## Schedule 4: IEP Care Service

### 1. Service levels

The levels of service to be provided to Investor by the Care Adviser as part of the IEP Care Service (or Grace Care Service) are set out below.

### 2. Grace Care Service description

#### Grace Care Guidance

Comprehensive expert help and advice about all aspects of care including:

- all appropriate care options
- guarding against potential future crises
- how to find ideal providers of care
- state benefits
- state funding of care
- all relevant associated matters

#### Grace Care Search

As above, plus detailed tailored research, identification and report on the most appropriate care providers matching the Investor's personal needs and wishes, plus continued help and assistance until the care issue is resolved

#### Grace Care Visit

As for the Grace Care Search service above, albeit provided as a part of a personal visit by a Care Adviser

#### Grace Care Accompaniment

As for the Grace Care Visit service above, plus accompanied visits to view care homes or interview home carers, or for overseas Investors, visits to vet specific rooms in care homes

#### Grace Care Assessment & Monitoring

A personal visit by a Care Adviser to carry out a detailed care or nursing assessment, with a full report

#### Grace Care Concierge Service

As for the Grace Care Visit service above, plus a written assessment of care needs, a follow up visit by the Care Adviser to monitor care once in place and ongoing telephone availability for 6 months

### 3. Review

The decision as to which level of service will be provided to each individual Investor will be determined by the Care Adviser following a detailed review of the Investor's circumstances and requirements. Such decision will only take into consideration the best interests of the relevant Investor and the applicable family member(s) having discussed the same with the Investor and/or family member(s) (as applicable), and shall not have regard to the cost to the Care Adviser in providing such service.

### 4. Consultation

The full provision of the Care Advisory Service to an Investor and/or family member(s) (as applicable) may involve multiple consultations with the Care Adviser, provided at no additional cost to the Investor and/or family member(s) (as applicable) or to the Manager.

### 5. Family

The above services are available to the Investor with regard to any member of his/her direct family (which in this context means the Investor, the Investor's spouse, the Investor's civil partner, the Investor's children and the Investor's parents, grandparents, parents-in-law and grandparents-in-law).

### 6. Hours of service

Grace Care Service's operational hours are Monday - Friday, 9.00 to 17.00, except public holidays.



## Schedule 5: Insurance Policy Summary

This Schedule sets out the principal terms of the Insurance Policy between the Policyholder and the Insurer in so far as they relate to the Investor, and forms part of the Agreement between the Policyholder and the Investor.

### 1. Before you enter this Agreement

Before an application is made:

- (a) all Investors should seek advice from a suitably qualified adviser. Neither the Manager nor the Policyholder provides advice in respect of any aspect of the Insurance Policy; and
- (b) all Investors should ensure that they satisfy the Eligibility Criteria.

### 2. Key Policy Terms

**Cover:** A benefit payable upon death of an Investor or, in the case of joint Investors, the death of the last surviving Investor, in each case during the Term of Insurance (subject to exclusions).

**Benefit (the Sum Insured):** The Insurance Policy gives protection of 40% of the Subscription Value up to £500,000 (i.e. a maximum amount of £200,000). If an Investor Withdraws funds from the Service or makes a Redemption during the term of cover, the amount of cover under the Insurance Policy will be reduced pro-rata. The maximum Sum Insured of £200,000 applies in aggregate across all of the Investor's Subscriptions in relation to IEP Apex.

**Commencement:** The cover provided under the Insurance Policy for an Investor will commence upon the allotment of applicable Shares to the Investor. Prior to the acquisition of Shares, Investors will not be covered by the Insurance Policy. If an Investor dies between the date on which the Application Form is signed and the date on which Shares are allotted, the Investor will not be covered under the Insurance Policy.

**Duration:** Two years from the date of allotment of Shares to the Investor.

**Eligibility Criteria:** In order for cover to be provided under the Insurance Policy each Investor must meet the following Eligibility Criteria. If an Investor (or, in the case of joint Investors, either Investor) does not meet the Eligibility Criteria, no cover will be provided and no benefits will be paid by the Insurer.

- (a) the Investor must be aged 18 up to 86 years on the date that the Investor signs the Application Form;
- (b) the Investor must be no older than 86 years plus two calendar months on the date the Shares for the Investor are allotted;
- (c) the Investor must fully complete and sign a Health Declaration when completing their Application Form and satisfy each of the requirements set out in the Health Declaration;
- (d) the Investor must be a natural person;

- (e) the Investor must be a resident in the UK on the date that Shares for the Investor are allotted; and
- (f) the Investor must be registered with a UK doctor.

### 3. Health Declaration

The Investor must carefully read the key medical terms to ensure they fully understand the definition of named conditions, in many instances these will only relate to certain symptoms or severity of illness. The Health Declaration must be completed and dated no more than six weeks prior to the date of Share allotment in order for it to be valid.

- The Investor must not have been diagnosed by a qualified medical doctor:
  - (a) With any form of Terminal Illness
  - (b) With a Life Limiting Illness
- Within the last ten years, the Investor must not have been diagnosed with or received treatment for:
  - (a) Diabetes, Multiple Sclerosis, any Kidney or Liver Diseases
  - (b) Cancer, Stroke, Heart Disease or Chronic Lung Condition
- The Investor must not be currently undergoing or awaiting to undergo any medical investigations, other than those exceptions below\*
- The Investor must not be awaiting any form of hospitalisation or awaiting any form of surgery, other than those exceptions below\*
- The Investor must not be living with the need for help with Daily Activities

**\*EXCEPTIONS : For the purposes of this health declaration please ignore the following;**

- (1) Any conditions (unless specifically mentioned in this Health Declaration) which DO NOT require hospital or specialist investigation or attention
- (2) Musculo-skeletal conditions or problems
- (3) Hearing or sight conditions or problems
- (4) Benign prostatic hypertrophy
- (5) Benign skin conditions
- (6) Any routine check-ups and reviews.

## 4. Key Medical Terms

**Terminal Illness** – an illness that has no known cure or progressed to the point where it cannot be cured and in the opinion of a registered UK doctor the illness is expected to lead to death within 2 years

**Life Limiting Illness** – a medical condition for which there is no known cure and it is expected that death will be a direct consequence of the specified illness

**Daily Activities** – dressing, using the toilet, feeding yourself, bathing/showering **AND** the ability to get around independently

**Cancer** - any malignant tumours, carcinoma, leukaemia, sarcoma and lymphoma

**Stroke** – any cerebrovascular incident including infarction of brain tissue, cerebral and subarachnoid haemorrhage, intracerebral embolism and cerebral thrombosis including Transient Ischaemic Attack (TIA)

**Heart Disease** – including heart attack (myocardial infarction, cardiac arrest), angina, cardiomyopathy, heart surgery and/or heart failure

**Chronic Lung Condition** – requiring the need for regular oxygen treatment and/or oral corticosteroids and/or hospitalisation

**Diabetes** – where there is proliferative retinopathy or circulatory problems or within the past one year, hypoglycaemic or hyperglycaemic episodes

**Multiple Sclerosis** – where mobility is affected and assisted ambulation i.e., sticks are required or there are any speech (dysphagia) or swallowing (dysarthria) symptoms

**Kidney Disease** - where the severity of the disease is worse than stage 4  
[www.nhs.uk/conditions/kidney-disease/diagnosis/](http://www.nhs.uk/conditions/kidney-disease/diagnosis/)

**Liver Disease** – where there is evidence of cirrhosis.

## 5. Making a claim

If the Investor or, in the case of joint Investors, both joint Investors die during the Term of Insurance, the personal representatives of the Investor's estate (or in the case of joint Investors, the personal representatives of the last surviving Investor's estate) must notify the Policyholder as soon as reasonably practicable using the details below:

Ingenious (IEP Cover) Limited  
For the attention of: The Company Secretary  
Address: Parcels Building, 14 Bird St, London, W1U 1BU  
Fax number: + 44 (0)20 7319 4001  
Email: [groupcosec@theingeniousgroup.co.uk](mailto:groupcosec@theingeniousgroup.co.uk)

Following notification, the Policyholder will send the personal representatives a claim form from the Insurer and the personal representatives must complete and return the claim form to the Policyholder together with the original version of the Investor's death certificate. The Policyholder will not submit a claim under the Insurance Policy without receipt of a correctly completed claim form and the original version of the death certificate.

The personal representatives of the Investor may be required, on request from the Insurer, to provide further information or

documentation in connection with a claim. This may include (but is not limited to) proof of each Investor's age on the date that the Investor signed the Application Form and when Shares for the Investor were allotted, medical reports and records, coroners and/or police reports, and such other information as the Insurer may reasonably require to assess the claim.

It is the responsibility of the personal representatives to collate, respond and provide all information and documentation as requested by the Insurer to the Policyholder or its Associates.

To the extent that the personal representatives of the Investor's estate are unable to provide the information requested, the claim under the Insurance Policy may fail (or the payment of a successful claim may be delayed).

## 6. Exclusions/termination

No cover is provided under the Insurance Policy, and the Insurer will not pay any claims, where:

- The Investor (or, in the case of joint Investors, either Investor) did not meet the Eligibility Criteria;
- The death of the Investor (or, in the case of joint Investors, either Investor) resulted directly or indirectly from the Investor's suicide, assisted suicide or intentional self-injury;
- The Investor has made a Redemption;
- The Investor (or, in the case of joint Investors, either Investor) provided false information in respect of age, country of residence or any answers given on their Health Declaration;
- The personal representatives of the estate of a deceased Investor fail to meet the Insurer's information requests;
- The Investor or the personal representatives of the Investor's estate (or either Investor in the case of joint Investors) make a fraudulent claim;
- The Investor Agreement between the Manager and the Investor has terminated or is cancelled; or
- The provision of the insurance, or the payment of any claim or benefit by the Insurer under the Insurance Policy would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Where an Investor has made any Withdrawals from the Service, cover will be reduced pro-rata, so the Investor will only be eligible for a lower Sum Insured in the event of a claim.

**Premiums:** All premiums will be payable by the Policyholder and no additional premium payments are required from the Investor.

**Joint applicants:** Joint applicants will be eligible provided that each Investor meets the Eligibility Criteria. Cover under the Insurance Policy will be limited to a maximum of £200,000 (i.e. 40% of a £500,000 Subscription Value) whether or not the investment is by one Investor or joint Investors. The insurance cover applies upon the death of the last surviving of the joint Investors, provided this occurs during the Term of Insurance. This means that no cover is provided under the Insurance Policy upon the death of only one of the joint Investors during the Term of Insurance.

Policy payments: The proceeds of the Sum Insured under the Insurance Policy are payable by the Insurer to the Policyholder. Upon receipt of the payment from the Insurer, the Policyholder will pay these proceeds to the Beneficiaries of the Investor or, in the case of joint Investors, the Beneficiaries of the last surviving Investor.

These payments may be less than the amount to which the Investor's estate is subject to IHT in respect of the applicable Shares held in the Investor's Portfolio.

The Policyholder will only be obliged to pay the proceeds of a successful claim under the Insurance Policy to the Investor's Beneficiaries to the extent that the Policyholder receives such proceeds from the Insurer. This means that if, for whatever reason, the Insurer is unable or unwilling to pay a claim in relation to an Investor, the Policyholder will have no obligation to make any payment to the Investor's Beneficiaries.

Neither the Policyholder nor any Associate of the Policyholder gives any representation or warranty as to the solvency or ability to pay claims of the Insurer or anyone acting on its behalf.

## 7. Cancellation

Coverage under the Insurance Policy will cease if the Agreement between the Manager and the Investor has terminated or is cancelled. Please see Clause 4 (cancellation rights and realisation of investment) and Clause 19 (termination) of the Agreement for more information.

## 8. Financial Services and Compensation Scheme (FSCS)

Investors will not be entitled to compensation from the FSCS in connection with the Insurance Policy if the insurer cannot meet its obligations. However, the Policyholder would use reasonable endeavours to secure any recovery that may be available to it.

## 9. Complaints

Please see Clause 21 of the Agreement for details of how to make a complaint.

## 10. Taxation of insurance proceeds

The proceeds of the Insurance Policy are payable by the Insurer to the Policyholder. The Policyholder will pay these proceeds to such of the family or Beneficiaries as it selects, taking into account the persons nominated in the Application Form. This should ensure that any proceeds so distributed from a successful claim under the Insurance Policy should fall outside of the estate and so should not be subject to IHT.

There should not be any taxation implications for the Beneficiaries on the receipt of a pay out under the Insurance Policy.

## Schedule 6: Settlement Agreement

### 1. Introduction

- 1.1. The Investor (the Settlor) has assigned absolutely to the Policyholder (the Trustee) all of their beneficial interest in or relating to the trust established in respect of an Insurance Policy (as defined in the Investor Agreement) (the Property) for the Trustee to hold on trust subject to the terms of this settlement (Settlement).
- 1.2. It is intended that this Settlement shall be irrevocable.
- 1.3. The parties to this Settlement accept that the Insurance Policy shall have no settlement or surrender value and provides protection only on death, subject to the terms of the Insurance Policy.
- 1.4. No rights or obligations under this Settlement may be assigned by any party.

### 2. Definitions, construction and interpretation

- 2.1. The following words and phrases have the following meanings when used in this Settlement:

**Terms and Conditions:** means the Brochure, the Investor Agreement and the Application Form issued by Ingenious Capital Management Limited and the Trustee as at the date on which the Application Form is signed by the Settlor.

**Trust Fund** means:

- (a) the Property; and
- (b) any interest earned by the Trustee on the Property and any other accumulations of income added to the Property, all of which shall be held subject to the powers and provisions of this Settlement.

**Trust Period:** means the period ending on the earlier of:

- (a) the last day of the period of 125 years from the date of this Settlement; and
  - (b) such date as shall for the time being be specified pursuant to the power conferred by clause 8 of this Settlement.
- 2.2. Otherwise, the words and phrases used in this Settlement shall have the meaning ascribed to them in the Investor Agreement.

### 3. Assignment

- 3.1. The Settlor hereby assigns absolutely and irrevocably to the Trustee all the Settlor's interest in the Property in consideration of the Trustee

paying £1 to the Settlor, receipt of which is hereby acknowledged (the Assignment).

### 4. Effective date

- 4.1. This Assignment and Settlement shall take effect on the date on which Shares are acquired for the Settlor's Portfolio and shall apply to the Property to the extent that it relates to such Shares.

### 5. Power to add beneficiaries

- 5.1. The Settlor, or his survivor, or such person as the Settlor or his survivor shall have nominated in writing, or if none, the Trustee may, at any time during the Trust Period, add to the Beneficiaries such persons as the person making the addition shall determine, subject to the application, if any, of the rule against perpetuities,
- 5.2. Any such addition shall be made in writing to the Trustee:
  - (a) naming the persons to be added; and
  - (b) specifying the date or event, being before the end of the Trust Period, on the happening of which the addition shall take effect.
- 5.3. This power shall not be exercised so as to add to the Beneficiaries the Settlor or any person who shall previously have added property to the Trust Fund or the spouse or civil partner for the time being of the Settlor or any such person.

### 6. Discretionary Trust of Capital and Income

- 6.1. The Trustee, whilst agreeing to use reasonable endeavours to act in accordance with the Settlor's wishes set out in the Settlor's Application Form, shall hold the capital and income of the Trust Fund upon trust for or for the benefit of such of the Beneficiaries in such manner, and to make payments to the Beneficiaries at such times, as the Trustee shall in its absolute discretion determine.
- 6.2. The exercise of the Trustee's powers under clause 6.1 of this Settlement shall be subject to the application of the rule against perpetuities.

### 7. Trusts in Default of Appointment

- 7.1. Subject to the provisions of clause 5 of this

Settlement, the trustee shall hold the capital and income of the Trust Fund upon trust absolutely for such of the children and remoter issue of the Settlor as shall be living at the end of the Trust Period and, if more than one, in equal shares per stirpes, so that no person shall take if any of his ascendants is alive and so capable of taking.

- 7.2. If at the end of the Trust Period, there is no one who meets the requirements of clause 7.1 of this Settlement, the Trustee shall hold the capital and income of the Trust Fund on trust absolutely for a charity of the Trustee's choosing.

## 8. Power to Alter Trust Period

- 8.1. The Trustee may, at any time during the Trust Period, specify by deed, in relation to the whole or any part of the Trust Fund, a date for the purposes of paragraph (b) of the definition of Trust Period in clause 2.1 of this Settlement.
- 8.2. The date specified shall not be earlier than the date of execution of such deed or later than the date on which the applicable perpetuity period expires.

## 9. Administrative Powers

- 9.1. The Trustee shall, in addition and without prejudice to all statutory powers, have the powers and immunities set out in this Settlement.
- 9.2. No power conferred on the Trustee shall be exercised so as to conflict with the beneficial provisions of this Settlement and the powers conferred on the Trustee shall be exercisable only during the Trust Period and subject to the application, if any, of the rule against perpetuities.

## 10. Exclusion of Settlor and Spouse or Civil Partner

- 10.1. No discretion or power conferred on the Trustee or any other person by this Settlement or by law shall be exercised, and no provision of this Settlement shall operate directly or indirectly, so as to cause or permit any part of the capital or income of the Trust Fund to become in any way payable to or applicable for the benefit of the Settlor or any person who shall previously have added property to the Trust Fund or the spouse or civil partner for the time being of the Settlor or any such person.
- 10.2. The prohibition in this clause shall apply notwithstanding anything else contained or implied in this Settlement.

## 11. Power or Investment and Management

- 11.1. The Trustee may apply any money to be invested in the purchase or acquisition of such property, of whatever nature and wherever situate and whether of a wasting nature, involving liabilities or producing income or not, or in making such loans with or without security, as they think fit so that they shall have the same powers to apply money to be invested as if they were an absolute beneficial owner.
- 11.2. The Trustee shall not be required to diversify the investment of the Trust Fund.
- 11.3. The Trustee shall have all the powers of an absolute beneficial owner in relation to the management and administration of the Trust Fund.

## 12. Power to Insure Property

- 12.1. The Trustee may insure all or any part of the Trust Fund against any risk, for any amount and on such terms as they think fit but shall not be bound to do so.

## 13. Payment of Expenses

- 13.1. The Trustee shall have power to pay out of income or capital, as it may in its discretion determine, any expenses relating to the Trust Fund (or any assets comprised within it) or its administration.

## 14. Power to Appoint Agents

- 14.1. The Trustee may employ and pay at the expense of the Trust Fund any agent in any part of the world to transact any business in connection with this Trust Fund without being responsible for the fraud, dishonesty or negligence of such agent if employed in good faith.