

The Seneca AIM EIS Fund

Exit focused

Terms & Conditions



Section 1: Product terms

1. About this document

- 1.1 This document (referred to throughout as the "Terms and Conditions") is important and you should read it carefully.
- 1.2 These Terms and Conditions, together with the Application Form and Information Memorandum provided to each Investor, constitute the agreement which Seneca Partners has with each Investor in the Seneca AIM EIS Fund in relation to the discretionary investment management service to be carried out on the Investor's behalf by the Fund Manager (together, the "Agreement"). If, for any reason, there is any inconsistency between these Terms and Conditions and the other documents which constitute the Agreement, the provisions of these Terms and Conditions shall take precedence.
- 1.3 These Terms and Conditions use certain defined terms, which are explained further in Section 4 of these Terms and Conditions.
- 1.4 We appreciate that there is a lot of information contained in these Terms and Conditions (and the rest of the documents which constitute the Agreement) but it is important that you read and understand the entirety of the Agreement before you complete and return your Application Form. If you are in any doubt as to the action you should take following receipt of the Agreement, we strongly recommend that you consult with a financial adviser who is appropriately qualified and authorised to give investment advice.
- 1.5 Any documents or communications we issue, whether written or verbal, will be in English.

2. Investing in the Seneca AIM EIS Fund

- 2.1 By completing and returning the Application Form, you are agreeing to be bound by the terms of the Agreement. This means that there will be a legally binding contract between you and Seneca Partners under which rights and obligations are owed to each other. These Terms and Conditions supersede any previous agreement or terms and conditions which may have previously governed the basis on which we provide the Seneca AIM EIS Fund.
- 2.2 By entering into the Agreement, you hereby appoint Seneca Partners to manage your Portfolio at its sole discretion and without further reference to you or your adviser as part of a common discretionary investment fund making Investments in Qualifying Companies. Seneca Partners agrees to accept its appointment and obligations on the terms set out in the Agreement and shall manage those Investments on behalf of all Investors collectively.
- 2.3 Seneca Partners is incorporated in England and Wales with company number 07196273 and its registered office is at 9 The Parks, Newton-le-Willows WA12 0JQ. Seneca Partners is authorised and regulated by the FCA with registration number 583361. Details of this registration can be located via the FCA's website at www.fca.org.uk. The FCA is currently situated at 12 Endeavour Square, London, E20 1JN.
- 2.4 We have categorised you as a retail client for the purposes of the FCA Rules. This categorisation has been determined following our internal client categorisation process. You may request a different categorisation but, as retail clients are generally afforded a higher degree of protection than other categories of clients, we reserve the right to reject such requests. If we do accept such a request, you will lose the protection afforded to you as a retail client under the regulatory regime in the UK.
- 2.5 You have the right to cancel the Agreement for a period of up to 14 days from the date on which we accept your Application Form. If you wish to cancel the Agreement, you must submit a cancellation request in writing to the Fund Manager within this time limit. In the event of cancellation, you will receive back from the Custodian the amount subscribed to the Seneca AIM EIS Fund (the "Subscription"), net of the Custodian's reasonable processing costs, within 28 days of receipt of the cancellation request. All further provisions of the Agreement shall then cease to apply.

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

3. Amount of Subscriptions

In respect of the Seneca AIM EIS Fund:

- 3.1 As noted in the Information Memorandum, if you wish to participate in the Seneca AIM EIS Fund, you shall be required make an initial Subscription at the same time as submitting your Application Form.
- 3.2 There is no maximum Subscription which can be made by you into the Seneca AIM EIS Fund but you should note that EIS Income Tax Relief is limited to investments up to £1,000,000 in any one tax year. This may be carried back to a previous tax year to the extent of unused EIS Carry Back Relief.
- 3.3 You may make further Subscriptions to the Fund at any time prior to termination. The Fund Manager intends to invest Subscriptions (net of fees) within 12 months of receipt.
- 3.4 You may only terminate the Agreement (after the cancellation period referred to in paragraph 2.5 above) in accordance with the provisions of paragraph 15 below.

4. Operation of the Fund

- 4.1 Seneca Partners will provide the Fund, and the Agreement will commence with effect from the date being 14 days after acceptance of your Application Form.
- 4.2 In providing the Fund, we will (normally acting as your agent) have complete discretion to exercise powers in relation to the selection of, or exercising rights relating to, investments to be made or which have been made on your behalf via the Fund (the "Investments"). This discretion shall include, without limitation, the exercise of all conversion, subscription, voting and other rights such as may arise in respect of the Investments and any decision to sell, redeem or otherwise realise all or any part of the Investments on your behalf.
- 4.3 We have engaged the Custodian to provide administration and safe custody services in relation to the Investments and cash received by way of Subscriptions or otherwise.
- 4.4 Except as expressly provided in the Agreement (or unless otherwise authorised), Seneca Partners shall not have any authority to act on your behalf or to act as your agent.
- 4.5 In providing the Fund, we will also arrange transactions in relation to the Investments and we have agreed to undertake various responsibilities such as sourcing potential Investments, conducting due diligence, monitoring performance and arranging appropriate exits. We have appointed an Investment Committee who shall maintain oversight in relation to such matters and details of those persons who form this committee upon your acceptance into the Fund are set out in the Information Memorandum.

5. Investment Objectives and Investment Restrictions

- 5.1 Whilst acting as Fund Manager, we shall have regard to, and shall comply with, the Investment Objectives and the Investment Restrictions set out in Section 2 of these Terms and Conditions.
- 5.2 Whilst acting as Fund Manager, we shall (at all times) have regard to:
- 5.2.1 maximising returns (or potential returns) on Investments (and, in making such decisions, considering (a) the risk that the value of Investments may fluctuate over time; and (b) the liquidity risk associated with such Investments);
- 5.2.2 subject to paragraph 5.2.1 above, the intention for Subscriptions to the Fund to attract EIS Income Tax Relief and/or CGT Deferral Relief to the extent possible; and
- 5.2.3 all Applicable Laws.

- 5.3 Generally, we reserve the right to return any uninvested cash from your Subscription if we conclude that it cannot be properly invested on your behalf and if we consider it to be in your best interests having regard to the availability of EIS Income Tax Relief and CGT Deferral Relief.
- 5.4 In the event of a gradual realisation of Investments prior to termination of the Fund in accordance with the provisions of paragraph 15.1, the cash proceeds of realised Investments will be returned to you after deduction of any fees payable, subject to any reasonable requirements we or our Custodian may have at the time such proceeds become available.

6. Terms applicable to dealing

- 6.1 In effecting transactions in relation to the Investments, we will act in accordance with the FCA Rules and take all reasonable steps to ensure that "best execution" is sought at all times and that deals are made on such markets and exchanges, and with such counterparties, as Seneca Partners thinks fit.
- 6.2 Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of the relevant market or exchange applicable to an Investment and otherwise in accordance with good market practice. All transactions in Investments will be subject to the rules and customs of the exchange or market applicable to such Investment and/or the clearing house(s) through which the transactions are executed and to all Applicable Laws so that:
 - 6.2.1 If there is any conflict between the provisions of the Agreement and any such rules, customs or Applicable Laws, the latter shall prevail; and
 - 6.2.2 action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Laws. You acknowledge that when your Portfolio is invested in unquoted securities there is generally no relevant market or exchange and consequent rules and customs, and there will be varying practices for different securities. Transactions in such securities will be effected on the best commercial terms which can be secured.
- 6.3 Subject to the FCA Rules, transactions for your Portfolio will be aggregated with those of other participants in the Fund and may be aggregated with those of the Fund Manager's employees, Associates and their employees and other customers of the Fund Manager. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and reasonable endeavours will be made to ensure that the aggregation will work to the advantage of each of the participants in the Fund, but you acknowledge that the effect of aggregation may work on some occasions to your disadvantage.
- 6.4 Where transactions for you are aggregated with transactions undertaken for other participants in the Fund, Seneca Partners shall have absolute discretion as to the number of shares in a Qualifying Company held as an Investment for each participant in the Fund, provided that no participant shall be allocated fractions of shares. Minor rounding up or down may be allowed to prevent participants in the Fund being deemed to be interested in fractions of shares and the aggregate of fractional entitlements may be held by the Custodian for the Fund Manager but you will always be the beneficial owner of the shares held in your Portfolio.
- 6.5 Certain categories of professional persons are required to be excluded from any Investments to which they or their employer are connected, for the purposes of current EIS legislation. If this applies to you, your Investment will be transferred to other participants in the Fund, and an equivalent cash amount will be re-credited to your Portfolio.
- 6.6 Seneca Partners will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under the Agreement.
- 6.7 It is acknowledged and agreed that, where Seneca Partners reasonably consider such action to be consistent with the general principle of the Fund set out in paragraph 5.2.1 above (and this view is supported by the Investment Committee), Investments may be sold, redeemed or otherwise realised at any time (which may include before the end of the Three Year Period required for EIS Income Tax Relief or CGT Deferral Relief) notwithstanding the impact this may have on the tax position of participants in the Fund.

7. Custody and administration arrangements

- 7.1 Seneca Partners has engaged the Custodian and the Nominee to provide a custody, safe-keeping and administration services for participants in the Fund. The Custodian engages with each such participant pursuant to its own terms of business, which can be located at https://woodsidecorporateservices.co.uk/WCSL_Investor-Terms-and-Conditions.pdf.
- 7.2 Seneca Partners may from time to time during the continuance of the Agreement (by giving written notice to you) appoint any appropriate person as a replacement Custodian and/or Nominee to provide custody, safe-keeping and administration services in which case new terms of business with that replacement Custodian and/or Nominee shall apply (and a copy of which will be provided to you in such circumstances).
- 7.3 The Custodian will be responsible for the safe keeping of Investments and cash comprised in your Portfolio, including the settlement of transactions, the collection of income and the effecting of other administrative actions in relation to the Investments.
- 7.4 Investments will be registered in the name of the Nominee on your behalf and will therefore be beneficially owned by you at all times. However, the Custodian has by virtue of the Agreement proxy to vote on your behalf at the direction of the Fund Manager (or to refrain from voting if the Fund Manager so determines) and to instruct the disposal of the Investments.
- 7.5 The Nominee will hold title documents or other documents evidencing title to the Investments.
- 7.6 Investments or title documents may not be lent to a third party and borrowing may not be undertaken against the security of the Investments or such the documents.
- 7.7 An Investment may be realised in order to discharge your obligations under the Agreement, for example in relation to payment of fees, costs and expenses.
- 7.8 The Custodian will arrange for the Fund Manager to receive details of any meetings of shareholders in Investments and any other important information issued to shareholders in Investments. The Fund Manager may apply to the Nominee for a proxy directing how any voting rights are to be exercised by the Nominee in respect of an Investment.
- 7.9 The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules of the FCA. Such cash balance will be deposited with an authorised credit institution in the name of the Custodian. The Custodian may debit or credit your account with all sums payable by or to you (including dividends receivable in cash and fees and other amounts payable by you whether in accordance with the terms of this Agreement or otherwise).

8. Reports and information

- 8.1 You will be sent a report as at the end of each Tax Year. You can also access an up to date valuation from our online portal at any time.
- 8.2 Details of dividends which are received in respect of the Investments will be provided in respect of each tax year ending 5 April and appropriate statements issued.
- 8.3 Seneca Partners shall supply (or arrange for the Custodian to supply) such further information which is in its possession or under its control as you may reasonably request as soon as reasonably practicable after receipt of such request.
- 8.4 Any statements, reports or information provided to you will state the basis of any valuations of Investments which have been made.

9. Fees and expenses

- 9.1 Each of Seneca Partners and the Custodian will receive fees for their respective Funds, and reimbursements of costs and expenses, as set out in Section 3 of these Terms and Conditions.
- 9.2 Fees payable to the Custodian may be deducted by the Custodian from funds held on your behalf, upon presentation of an invoice to the Fund Manager.

- 9.3 Seneca Partners is entitled to receive a fee from your Portfolio in consideration of its services as the Fund Manager, as set out in Section 3 of these Terms and Conditions.
- 9.4 You may be liable to pay other costs and expenses arising from time to time on an ad hoc basis, not being fees and charges payable for the services of the Fund Manager. While it is not possible to set out all such charges, examples may include (but are not limited to) professional fees incurred by the Fund Manager and/or the Custodian in protecting or enforcing your rights in relation to an Investment or exiting an Investment.

10. Management and administration obligations

- 10.1 Seneca Partners shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective services properly, efficiently and in compliance with the FCA Rules.
- 10.2 Except as disclosed in the Information Memorandum and as otherwise provided in the Agreement (for example on early termination or upon any sale, redemption or other realisation of an Investment which is consistent with the general principle of the Fund set out in paragraph 5.2.1 above and which is made in accordance with paragraph 6.7 above), Seneca Partners will not knowingly take any action which may prejudice the tax position of participants in the Fund insofar as they are aware of the relevant circumstances, and in particular which may prejudice obtaining the EIS Income Tax Relief and/ or CGT Deferral Relief for your Portfolio's Investments.

11. Your obligations

- 11.1 Your investment in the Fund is being accepted by Seneca Partners on the basis of the information provided, and the declaration made, by you (or on your behalf) in your Application Form which includes statements by you in relation to the following matters, namely:
 - 11.1.1 whether or not you wish to claim EIS Income Tax Relief and/or CGT Deferral Relief for the Investments;
 - 11.1.2 that you agree to notify the Fund Manager if any Investment by the Portfolio Fund in any company with which the Investor is connected within section 163 and sections 166 to 171 of the Income Tax Act 2007, (in which case paragraph 6.5 of this Agreement will apply at once);
 - 11.1.3 In addition, you agree to provide the Fund Manager with any information which it reasonably requests for the purposes of managing your Portfolio pursuant to the terms of the Agreement.
 - 11.1.4 your tax district, tax reference number and National Insurance number; and
 - 11.1.5 your confirmation that the information stated in the Application Form in these (and all other) respects is true and accurate as at the date of the Agreement.
- 11.2 You agree to immediately inform the Fund Manager in writing of any change of your tax status, other material change in circumstances and any change in the information provided in the Application Form to which paragraph 11.1 above refers.
- 11.3 In addition, you agree to provide the Fund Manager with any information which it reasonably requests for the purposes of managing your Portfolio pursuant to the terms of the Agreement.

12. Delegation and assignment

- 12.1 The Fund Manager may employ agents, including Associates, to perform any administrative, custodial or ancillary services to assist the Fund Manager in performing its services, in which case it will act in good faith and with due diligence in the selection, use and monitoring of such agents. Any such employment of agents shall not affect the liability of the Fund Manager under the terms of the Agreement. We will inform you of any such delegation.
- 12.2 In particular, the Fund Manager has initially appointed Woodside Corporate Services Limited to act as Custodian. A link to the terms and conditions of Woodside Corporate Services Limited is included in paragraph 7.1 above and contains details of the administration arrangements and obligations which have been delegated by the Fund Manager (referred to in the Custodian's terms and conditions as the "Investment Firm") to the Custodian.

13. Potential conflicts of interest and disclosure

- 13.1 The Fund Manager and its Associates may:
- 13.1.1 provide similar services or any other services whatsoever to any other client;
 - 13.1.2 manage and/or provide services to Qualifying Companies and/or Investee Companies;
 - 13.1.3 have direct or indirect interests in Qualifying Companies and/or Investee Companies.
- 13.2 The Fund Manager and its Associates may be paid fees for the services referred to in paragraphs 13.1.1 and 13.1.2 (including by Qualifying Companies and/or Investee Companies) and receive income or other amounts arising out of the interests referred to in paragraph 13.1.3.
- 13.3 The Fund Manager and its Associates shall not in any circumstances be required to account to you for any of the fees, charges, income or other amounts earned (and any profits made) referred to in paragraph 13.2.
- 13.4 So far as is deemed practicable the Fund Manager will each use all reasonable endeavours to ensure fair treatment as between you and other clients in compliance with the FCA Rules.
- 13.5 The Fund Manager has in place a conflict of interest policy (the "Conflicts Policy") pursuant to the FCA Rules which sets out how it (and its Associates) identifies and manages conflicts of interest mentioned in paragraph 13.1 and other conflicts of interest which may arise. Under the Conflicts Policy, the Fund Manager, and its Associates, are each required to take all reasonable steps to identify conflicts of interest between:
- 13.5.1 Itself and its Associates and any other entity or arrangement in which it or any of its Associates may be directly or indirectly interested and any of its other clients; or
 - 13.5.2 One client of the Fund Manager and another such client.
- 13.6 The Fund Manager believes that it should identify any conflicts that may arise in other situations including between itself and any of its other Investors. Where the Fund Manager owes a duty to Investors or other persons, it must maintain and operate arrangements to prevent any conflict from giving rise to a material risk of damage to the interest of its clients.
- 13.7 Seneca Partners Conflict of Interest Policy is available upon request from clientteam@senecapartners.co.uk.

14. Liability of the Fund Manager

- 14.1 The Fund Manager will at all times act in good faith and with reasonable care and due diligence. Nothing in this paragraph 14 shall exclude any duty or liability owed to the Investor by the Fund Manager under the FCA Rules.
- 14.2 The Fund Manager shall not be liable for any loss to you arising from any investment decision made on your behalf in accordance with the Investment Objectives and the Investment Restrictions (set out in Section 2 of these Terms and Conditions), or for any other action undertaken in accordance with the Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Fund Manager or of its Associates or any of their respective employees.
- 14.3 The Fund Manager shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title, other than such party which is its Associate and other than as provided for in the Agreement.
- 14.4 In the event of any failure, interruption or delay in the performance of the Fund Manager's obligations resulting from acts, events or circumstances not reasonably within their control including but not limited to war, riot, civil commotion, terrorism or threat thereof, acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, the Fund Manager shall not be liable, or have any responsibility, for any kind to any loss or damage thereby incurred or suffered by you.

- 14.5 As you are classified as a retail client, the Fund Manager is required to carry out an assessment of suitability of the Fund for you as an investment and is required to assure itself that the Fund is, in general terms, appropriate for you. However, the Fund Manager does not give any representation or warranty as to the performance of the Fund. You acknowledge that Investments made via the Fund are high risk, being non-readily realisable investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. You undertake that you have yourself considered the suitability of investment in Qualifying Companies carefully and have noted the risk warnings set out in the Information Memorandum about the Fund.

15. Termination

- 15.1 The Fund Manager shall notify you in writing of a date not less than 12 months from the date of such notification when the Fund will terminate (the "Termination Date"). On the Termination Date, remaining unrealised Investments and cash will be transferred into your name or as you may otherwise direct.
- 15.2 You may withdraw your Investments and cash from the Fund prior to the Fund's termination in the following circumstances:
- 15.2.1 you can withdraw any Investments in Qualifying Companies which are admitted to official listing in an EEA state or to dealings on a recognised investment exchange (or on AIM) once you have held them for five years;
- 15.2.2 you can withdraw any other Investments in Qualifying Companies once you have held them for seven years;
- 15.2.3 you can withdraw any Investments that cease to qualify under the Enterprise Investment Scheme or lose their EIS qualification at any time after the end of the period of six months beginning with the date on this they cease to be so qualifying; and
- 15.2.4 you can withdraw any cash that is not already committed to the purchase of an Investment (or set aside to cover the Custodian's annual administration fee for the first five years) at any time.
- 15.3 If you withdraw any Investments from the Fund, you will be liable for the Custodian's re-registration fee of £25 + VAT per holding.
- 15.4 If you withdraw any cash from the Fund or ask us to pay a fee to your adviser, you may be liable for a bank payment fee of £7 + VAT per payment up to £250,000 or £25 + VAT per payment over £250,000.
- 15.5 The Fund Manager will have a lien on all assets being withdrawn or distributed by the Investor and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging any liability of the Investor to the Fund Manager in respect of damaged or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining Investments will then be passed to the Investor. The Agreement shall terminate upon the completion of the withdrawal from the Fund of all Investments and cash which the Investor is entitled to receive under paragraph 15.2.
- 15.6 Subject to the provisions of paragraph 15.2, you may request that the Fund Manager sells any Investment held in your name but you understand that it is at the Fund Manager's sole discretion whether any Investments will be sold. If the Fund Manager agrees to your request, you acknowledge:
- 15.6.1 that you may lose EIS Income Tax Relief and/or CGT Deferral Relief in respect of Investments sold; and
- 15.6.2 that it may not be practicable for the relevant shares to be immediately sold in which case there may be a delay in completing any subsequent cash withdrawal.
- 15.7 If the realisation of all or any part of an Investment is achieved at any time prior to the Termination Date, the share of the proceeds due to you (net of any fees) shall be returned to you within 30 days of such realisation unless you direct the Fund Manager in writing to apply such proceeds (net of any fees) by way of further Subscription to the Fund (in which case the remaining terms of the Agreement shall continue to apply in respect of such further Subscription, save that the spread of Investments over which such further Subscription shall

be made (as referred to in the Information Memorandum) shall take into account any existing unrealised Investments which are held on your behalf at the relevant time). This principle regarding the spread of Investments over which further Subscriptions (arising following the sale, redemption or other realisation of all or part of any Investment) shall be made shall also apply if you make a further Subscription to the Fund at any time when existing unrealised Investments are still held on your behalf.

15.8 If:

15.8.1 the Fund Manager gives to you not less than three months' written notice of its intention to terminate its role as Fund Manager under the Agreement; or

15.8.2 the Fund Manager ceases to be appropriately authorised by the FCA or becomes insolvent,

then the Fund Manager shall endeavour to make arrangements to transfer its obligations under the Agreement to another appropriately authorised and regulated manager in which case that manager shall assume the role of the Fund Manager under the Agreement, failing which this Agreement shall terminate forthwith and, subject to paragraph 16, the Investments shall be transferred into your name or as you may otherwise direct.

16. Consequences of termination

16.1 Prior to the Termination Date, the Fund Manager will use reasonable endeavours to complete the realisation of all unrealised Investments expeditiously on the basis set out in the Agreement.

16.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that your Portfolio will bear the cost of fees, expenses and costs properly incurred by the Fund Manager or the Custodian and Nominee up to and including the date of termination and payable under the terms of the Agreement.

16.3 Prior to the Termination Date, the Fund Manager may retain or realise such Investments as may be required to settle transactions already initiated and to pay your outstanding liabilities, including fees, costs and expenses payable under paragraph 9 above, the details of which are set out in Section 3 of these Terms and Conditions.

17. Confidential information

17.1 None of the parties to the Agreement shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.

17.2 In performing the Agreement, the Fund Manager shall not be required to make use of information which comes to the notice of any of its employees, officers or agents (or those of its Associates) unless this information has come to the actual notice of employees, officers or agents whom the Fund Manager specifically retains for the purposes of providing Funds under the Agreement to Investors.

17.3 The Fund Manager will at all times keep confidential all information acquired in consequence of the Agreement, except for information which:

17.3.1 is public knowledge; or

17.3.2 it may be entitled or bound to disclose under compulsion of law; or

17.3.3 is required to be disclosed by or to regulatory agencies; or

17.3.4 is given to its professional advisers where reasonably necessary for the performance of their professional services;

17.3.5 needs to be shared with the Custodian and Nominee for the proper performance of the Agreement; or

17.3.6 is authorised to be disclosed by you, provided that in making any such disclosure the Fund Manager shall use all reasonable endeavours to prevent any breach of this paragraph 17 through further or onward disclosure of such information.

18. Complaints and compensation

- 18.1 The Fund Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should you have a complaint, you should contact the Fund Manager in the first instance. If the Fund Manager cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service.
- 18.2 The Custodian participates in the Financial Service Compensation Scheme, established under the FSMA, which provides compensation to certain eligible retail clients in the event of a firm being unable to meet its customer liabilities. Payments under this scheme are limited to a maximum of £85,000.
- 18.3 Further information is available from the Financial Services Compensation Scheme at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or at www.fscs.org.uk.

19. Notices, instructions and communications

- 19.1 Notices to the Fund Manager should be in writing and signed by an Investor, quoting an investment reference number except as otherwise specifically indicated.
- 19.2 The Fund Manager may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by an Investor under the Application Form or subsequently notified by an Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.
- 19.3 Communication to an Investor shall be to the address or in the manner specified in the Application Form, or as otherwise notified in writing to the Fund Manager by an Investor.

20. Unsolicited real time financial promotion

- 20.1 The Fund Manager may communicate an unsolicited real time Financial Promotion (i.e. interactive communications such as a telephone call promoting Qualifying Company investments) to an Investor.

21. Amendments

- 21.1 Subject to paragraph 21.1 below, the Fund Manager and the Investor may amend this Agreement if such amendments are agreed and in writing.
- 21.2 The Fund Manager may also amend these terms with immediate effect if:
- 21.2.1 it is necessary in order to comply with HMRC requirements in order to maintain the EIS Income Tax Relief and CGT Deferral Relief or in order to comply with the FCA Rules; or
 - 21.2.2 such amendments are considered by the Fund Manager (acting reasonably) to be consistent with the investment objectives of the Fund as referred to in paragraph 5 (and such view is supported by the Investment Committee), and such amendments will become effective as soon as you are notified in writing.

22. Data protection

- 22.1 For the purposes of this paragraph 22, "Personal Data" has the meaning given to it in the Data Protection Legislation and includes data which enables you to be identified from it, or from the data and other information which is in the possession of, or is likely to come into the possession of the Fund Manager.
- 22.2 All Personal Data which you provide to the Fund Manager is held by the Fund Manager as the Data Controller (which has the meaning given to it in the Data Protection Legislation) of the Personal Data in accordance with the DPA.

22.3 You agree that the Fund Manager may pass your Personal Data to:

- 22.3.1 Other Seneca companies such as subsidiaries of Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) and other Seneca branded companies in which you are an investor or for whom you are a customer, for the purposes of providing efficient and complete updates to you or your adviser or responding to any queries made by you or your adviser;
- 22.3.2 Other Seneca companies such as subsidiaries of Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) and other Seneca branded companies for the purposes of marketing other Seneca provided products and services, where you have agreed that we can do so on page [7] of the Application Form;
- 22.3.3 Brokers, intermediaries, agents, financial institutions and other businesses (including any distributor) for the purposes of credit referencing, due diligence and providing efficient and complete updates to you or your adviser or responding to any queries made by you or your adviser;
- 22.3.4 The Custodian, for the purposes of fulfilling their responsibilities as Custodian and Nominee for the Fund;
- 22.3.5 Any contractor employed by Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) or other Seneca branded companies to provide IT services, subject to such contractor entering into appropriate data processing obligations with the relevant Seneca company in order to protect the security and integrity of such Personal Data; and
- 22.3.6 22.3.6. Any regulatory, governmental, judicial or law enforcement body (including the FCA) if requested to do so or if otherwise deemed necessary and in accordance with the Data Protection Legislation.

22.4 The Personal Data shared in accordance with the above paragraph will be limited to that which is strictly necessary for the purposes stated by the party receiving the data.

22.5 Upon receiving your Application Form or as may otherwise be determined by us, enquiries may be made at a Credit Reference Agency to assist us to verify your identity by either us or the Custodian. This will involve checking the details you supply with any of the Agency's databases. A record of any such search will be held by the Agency and may be shared with other businesses.

22.6 If you have made your application via an online platform, your Personal Data may also be shared with that platform for the purposes of assisting that platform fulfil its responsibilities to you as a customer of that platform.

22.7 Further details of the data processing that Seneca undertakes is available in our Privacy Notice, which can be found in the Downloads section of the Seneca website (www.senecapartners.co.uk).

23. Entire agreement

23.1 These Terms and Conditions, together with the Application Form and the Information Memorandum, comprises the entire agreement of the Fund Manager with you relating to the provision of the services detailed herein and supersedes all earlier meetings, any correspondences, or discussions that may have taken place preceding the signing of the Application Form.

24. Severability

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

25. Rights of third parties

- 25.1 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 save that the Custodian may enforce those provisions expressly set out in this Agreement which relate to the Custodian.

26. Governing law

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

Section 2: Investment Objectives and Investment Restrictions

1. Investment objectives

- 1.1 To offer a wide range of Investors the opportunity to invest into a diversified portfolio of Qualifying Companies with attractive growth prospects and strong management teams in order to provide them with capital to assist in and accelerate their growth. The Fund Manager will receive advice and recommendations from the Investment Committee. The Fund Manager's aim is to manage the Investments subscribed by Investors to produce capital gains typically within a period of four years, whilst providing Investors with the tax advantages associated with EIS Investments.

2. Investment restrictions

- 2.1 Each investment will be in a company into which the Fund Manager has conducted appropriate due diligence in order to establish whether it meets the Fund's investment criteria.
- 2.2 In carrying out its duties under the Agreement in respect of the Fund, regard shall be had, and all reasonable steps taken, by the Fund Manager to comply with such matters as are required in order to attract EIS Income Tax Relief and CGT Deferral Relief.
- 2.3 In particular, but without prejudice to the generality of the above statements, the investment criteria for the Fund are as follows:
- 2.3.1 so far as practicable, each investment shall be in shares of a Qualifying Company and in line with the investment criteria set out in the Information Memorandum;
 - 2.3.2 so far as is practicable, your Portfolio shall be fully invested (subject to cash retention to meet fees, costs and expenses) within 12 months of receipt of Subscriptions; and
 - 2.3.3 generally the Fund Manager reserves the right to return a small surplus amounts of cash if it concludes that it cannot be properly invested for an Investor or considers it to be in the interests of an Investor, having regard to EIS Income Tax Relief for such Investor.
- 2.4 The intention is to realise investments within four years of acceptance of an Application Form.

Section 3: Fees and expenses in respect of the Service

1. Initial fees and deductions

- 1.1 Where an Investor has received advice from an authorised Financial Adviser, there is an initial fee payable to the Fund Manager equal to 2.5% (plus VAT) of an Investor's initial Subscription. Where no such advice has been received, the initial fee payable to the Fund Manager will be equal to 3.5% (plus VAT) of an Investor's initial Subscription. Additionally, your financial adviser may charge additional advice fees in addition to your initial Subscription, but these must be agreed with and authorised by you within the Application Form. No more than four annual advice fee payments can be facilitated.
- 1.2 If you have agreed to pay your financial adviser an ongoing advice fee, the Custodian will set aside an amount equal to 4 times the annual ongoing advice fee from the funds you send and hold this amount in cash in your name, pending payment to your financial adviser at the appropriate times. This amount will therefore be unavailable for investment and will not benefit from any tax reliefs.
- 1.3 Should you wish to cancel your instruction to pay an ongoing advice fee, please notify the Fund Manager in writing giving 14 days' notice of cancellation. Once your cancellation request has been received, the Fund Manager will ensure no further ongoing advice fees are paid.

2. Realise fee

- 2.1 The Fund Manager shall receive a realisation fee equal to 4% (plus VAT) of any exit proceeds, prior to the deduction of any dealing or broker fees.

3. Performance fee

- 3.1 No performance fee will be payable until you have received proceeds equal to your original Investment Amount. The performance fee will then be payable on proceeds in excess of your original Investment Amount at a rate of 20% (plus VAT).

4. Custodian's fees

- 4.1 The Investor shall pay a transaction fee of 0.5% (plus VAT) for the funds used to purchase any shares.
- 4.2 The Investor shall pay a transaction fee of 0.5% (plus VAT) of the funds realised upon the disposal of any shares.

5. Fees payable by Investee Companies

- 5.1 The Fund Manager reserves the right to charge Investee Companies fees for arranging funding, monitoring performance and assisting with a sale or other exit. The abort costs associated with any portfolio investments that do not proceed to completion will be borne by the Fund Manager.

6. Illustration of potential returns

- 6.1 The following table provides an illustrative example of the potential returns which may be received by an Investor from the Fund based on the fees and charges which would be incurred / payable. This illustration assumes that all available funds are used to purchase shares (which may not be possible, depending upon the cost of each share purchased), nor should it be regarded as providing any forecast or guarantee of returns which may be received from the Fund and the amount of any returns will be subject to a variety of factors outside of the control of the Fund Manager or the Investor (including, without limitation, the value at which an Investment is realised, the availability of EIS Income Tax Relief and CGT Deferral Relief, all of which may be subject to change). Further any charges paid to an Independent Financial Adviser are not considered below and would reduce these illustrative returns.

Initial Subscription	£100,000.00
Initial and Admin Fees	
<i>Fee to Seneca (2.5% + VAT)</i>	(£3,000.00)
Subtotal	£97,000.00
Dealing Fee (0.5% + VAT)	
	(£578.53)
Investment Amount	£96,421.47
<i>Realisation Fee</i>	
	4.0% + VAT p.a
<i>Seneca Performance Fee</i>	
<i>(Only charged if the Investor receives back their Investment Amount and the AMC has been paid in full)</i>	
	20% + VAT
<i>EIS Tax Relief</i>	
<i>(assuming all relevant conditions satisfied)</i>	
	30%

In this example, the maximum amount available for investment will therefore be £96,421.47. The actual amount invested will be the sum on which reliefs can be claimed.

Example fees on an Investment Amount of £97,156.82 if a full exit is achieved on the fifth anniversary of the subscription:

	Example A	Example B	Example C
Performance	-50%	0%	50%
Gross Return (pre exit and annual fees)	£48,210.73	£96,421.47	£144,632.20
Seneca Realisation Fee	(£2,314.13)	(£4,628.23)	(£6,942.35)
Dealing Fee	(£289.27)	(£578.53)	(£867.80)
Seneca Performance Fee	£0.00	£0.00	(£9,696.14)
Total Fees	(£2,603.40)	(£5,206.76)	(£17,506.29)
Investment Return after deduction of Fees	£45,607.33	£91,214.71	£127,125.91
EIS Income Tax Relief @ 30% (assuming conditions satisfied)	£28,926.44	£28,926.44	£28,926.44
Total Proceeds (Including EIS Tax Relief)	£74,533.77	£120,141.15	£156,052.35
Profit or (Loss) on Initial Subscription of £100,000	(£25,466.23)	£20,141.15	£56,052.35

The following gives an example of how facilitating initial and ongoing advice fees affect the amount available to invest and the various other fees that apply. In this example, an initial advice fee of £3,000 and an annual advice fee of £1,000 have been assumed. The amount of any advice fees is agreed between the Investor and their Financial Adviser. Please note that the Fund Manager is not offering an opinion as to the amounts that should be agreed.

Payment from Investor	£107,000.00
Paid to adviser: initial advice fee	(£3,000.00)
Set aside in a fee account: 4 x annual advice fee	(£4,000.00)
Initial Subscription	£100,000.00
Paid to Seneca: initial fee (2.5% + VAT)	(£3,000.00)
Dealing fee upon purchase of shares (0.5% + VAT)	(£482.59)
Net Investment	£96,517.41

The amount invested will therefore be on or around £96,517.41. The amount invested will be the sum on which reliefs can be claimed.

The Seneca Performance Fee is only charged on any return (net of realisation and dealing fees) over £96,421.47.

Section 4: Glossary

This section of the Terms and Conditions explains the defined terms which are used throughout the rest of the Terms and Conditions.

Any reference in these Terms and Conditions to any statute, statutory provision or rule (including, without limitation, any reference to the FCA Rules) includes reference to any statutory modification or amendment of it or any re-enactment or replacement that supersedes it and to any regulation or subordinate legislation made under it (or under such modification or re-enactment).

References in these Terms and Conditions, the Agreement, or to any other document(s) referred to in them, shall include any permitted variations, amendment supplement to, or replacement of, such document(s).

References to the plural shall include the singular and vice versa. Any reference to a person shall be to a legal person of whatever kind, whether incorporated or unincorporated.

Any reference to a paragraph or section is to a paragraph or section of these Terms and Conditions.

"Agreement"	has the meaning given in paragraph 1.2 of these Terms and Conditions;
"Applicable Laws"	means any relevant UK laws (including, without limitation, FSMA) and the FCA Rules;
"Application Form"	means the application form document applicable to the Fund and which you need to complete in order to be accepted for participation in the Fund;
"Associate"	means any person or entity who is under the control of another person or entity;
"CGT Deferral Relief"	means EIS reinvestment (deferral) relief for chargeable capital gains under section 150 and schedule 5B TCGA;
"CGT"	means Capital Gains Tax in the UK;
"Conflicts Policy"	has the meaning given in paragraph 13.5 of these Terms and Conditions;
"Custodian"	means Woodside Corporate Services Limited, a company registered in England and Wales whose registered office is at 1st Floor, 12-14 Mason's Avenue, London, EC2V 5BT or such other entity as may replace it as custodian for the Fund from time to time;
"Data Protection Legislation"	means the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) (as amended), the General Data Protection Regulation (Regulation (EU) 2016/679) and all other applicable laws and regulations relating to the processing of the personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner or any other national data protection authority, and the equivalent of any of the foregoing in any relevant jurisdiction that come into force from time to time;
"EIS"	means the Enterprise Investment Scheme as set out in Part 5 of ITA and sections 150A-D TCGA and schedule 5B TCGA;
"EIS Carry Back Relief"	means EIS Income Tax Relief against an individual's income tax liability for the tax year preceding that in which shares in Qualifying Companies are issued pursuant to Section 158(4) ITA;
"EIS Income Tax Relief"	means relief from income tax pursuant to Section 158 ITA;

"FCA"	means the Financial Conduct Authority, which expression shall include any replacement or substitute and any regulatory body or person succeeding, in whole or in part, to the functions of the FCA or any other relevant supervisory body;
"FCA Handbook"	means the handbook of rules, regulations and guidance issue by the FCA;
"FCA Rules"	means the rules issued by the FCA, including (without limitation) the FCA Handbook;
"FSMA"	means the Financial Services and Markets Act 2000;
"HMRC"	means Her Majesty's Revenue & Customs;
"Information Memorandum"	means the information memorandum relating to the Fund as published from time to time;
"Investee Company"	means any company in which the Fund invests on your behalf as part of your Portfolio;
"Investment Amount"	means the amount an Investor invests after the deduction of the Initial Fee, Custodian Fees (excluding those charged when selling a holding) and any advice fee agreed with an Investor's financial adviser;
"Investment Committee"	means the investment committee appointed by the Fund Manager from time to time;
"Investment Objectives"	means the investment objectives of the Fund as set out in Section 2 of these Terms and Conditions;
"Investment Restrictions"	means the investment restrictions of the Fund as set out in Section 2 of these Terms and Conditions;
"Investments"	has the meaning given in paragraph 4.2 of these Terms and Conditions;
"Investor"	means any individual named in an Application Form which is accepted by the Fund Manager and therefore is participating in the Fund;
"ITA"	means the Income Tax Act 2007;
"Nominee"	means WCS Nominees Limited or such other entity as may replace it as nominee for the Fund from time to time;
"Portfolio"	means the portfolio of assets (including uninvested cash and Investments) subject to management by the Fund Manager in accordance with the terms of the Agreement;
"Qualifying Company" or "Qualifying Companies"	means a company or companies that qualify under the EIS pursuant to Section 180 ITA;
"Retail Client"	has the meaning given by the FCA Handbook being, in summary, a categorisation prescribed by the FCA which may be applied to clients and which affords the highest levels of protections under the UK regulatory regime;
"Fund" or "Seneca AIM EIS Fund"	means the product / Fund as more particularly described in the Information Memorandum;

"Seneca Partners", "Fund Manager", "we", "us" or "our"	mean Seneca Partners Limited, a company registered in England and Wales whose registered office is at 9 The Parks, Newton-Le-Willows WA12 0JQ or such other entity as may replace it as the manager of the Fund from time to time;
"Subscription"	means the amount an Investor invests in the Fund before the deduction of any fees or charges. Any advice fees are paid in addition to the Subscription;
"Termination Date"	has the meaning given in paragraph 15.1 of these Terms and Conditions;
"TGCA"	means the Taxation of Chargeable Gains Act 1992;
"Three Year Period"	means the three years following the point at which the Fund invests in an Investee Company on your behalf;
"UK"	means the United Kingdom;
"VAT"	means Value Added Tax; and
"you" or "your"	means the person(s) named in the Application Form as being a participant in the Fund and to whom the Fund Manager provides services in accordance with the terms of the Agreement.

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