

Molten
EIS

Molten Ventures EIS

Application Pack

Issued April 2024
Valid until 5 April 2025

Molten Ventures EIS is an unauthorised Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Directive as implemented into UK law. Molten Ventures EIS is a collection of parallel discretionary managed portfolios. Each is managed by Encore Ventures LLP, a Limited Liability Partnership registered in England and Wales No. OC347590. Encore Ventures LLP is authorised and regulated by the Financial Conduct Authority (FRN: 510101).

Important Notice

**Don't invest unless you're prepared to lose all the money you invest.
This is a high-risk investment. [Take two mins to learn more.](#)**

This document is intended only for:

- clients of FCA authorised firms that will provide advice on the suitability of this product; or
- those requesting information on behalf of an FCA authorised firm, accountant or tax advisor, and who will only communicate this information to certified sophisticated, high net worth or restricted investors; or
- potential Investors who have already completed the necessary onboarding checks and paperwork and made a declaration to the Fund Manager that they are a:
 - certified high net worth investor; or
 - self-certified sophisticated investor; or
 - certified sophisticated investor; or
 - restricted investor.

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Issue date: April 2024.

This document supersedes all prior Application Packs including but not limited to the prior version dated May 2023 and should be read in conjunction with the Molten Ventures EIS Memorandum dated April 2024.

Investment Management Agreement

This investment management agreement ('IMA') sets out the relationship between the Investor and the Fund Manager in respect of the Investor's application to invest through the Fund in a portfolio of EIS Qualifying Companies.

The IMA comes into force forthwith upon acceptance by the Fund Manager of a duly completed and signed Application Form – along with satisfactory completion of the Fund Manager's onboarding checks and receipt of funds pending investment – and will constitute a binding agreement between the Investor and the Fund Manager in respect of the Investor's discretionary managed portfolio.

1. Definitions, Construction and Interpretation

In this IMA the following words shall have the following meaning:

"Advance Assurance"

The non-statutory confirmation issued by HMRC in advance of a share issue that a company raising funds meets the EIS requirements in Part 5 ITA 2007, and that the shares to be issued are eligible shares.

"Advisory Committee"

Any advisory committee of the Fund established pursuant to clause 5 of this IMA.

"Allocation Policy"

The allocation policy of the Fund Manager as updated and varied from time to time.

"Application Form"

The application form forming part of the Application Pack.

"Application Pack"

The application pack for the Fund of which this IMA forms part.

"Applicable Laws"

All relevant UK laws, regulations and rules, including those of any Government, HMRC, or of the FCA.

"Associate"

In relation to any undertaking ('U'), a subsidiary or parent undertaking of U, a subsidiary undertaking of such parent undertaking of U or a parent undertaking of a subsidiary undertaking of U, and in relation to anybody corporate ('C'), a subsidiary or holding company of C, a subsidiary of a holding company of C or a holding company of a subsidiary of C; an 'Associate' shall also be deemed to include (i) any person directly or indirectly Controlling, Controlled by or under common Control with the undertaking and (ii) Molten Ventures and its Associates.

"Business Day"

A day (other than a Saturday, Sunday or a public holiday in England) on which clearing banks in the City of London are open for the transaction of normal sterling banking business.

"Client"

A client for the purposes of FCA Conduct of Business Rules in the FCA Handbook.

"Close"

The date of the relevant closing of a quarterly fund raise of the Fund which shall fall on the 5th January, 5th April, 5th July and 5th October in each year (or such other date as the Fund Manager determines). If any such date shall fall on a non-Business Day then the relevant Close shall be the next Business Day.

"Committed Amount"

That part of an Investor's Net Subscription that is committed to a particular Investment (as recorded by the Custodian).

"Complying Fund"

Arrangements complying with the conditions of Paragraph 2 (2)(b) of the Schedule of FSMA (Collective Investment Schemes) Order 2001.

"Conflicts of Interest Policy"

The Fund Manager's conflict of interest policy from time to time.

"Contracts Act"

The Contracts (Rights of Third Parties) Act 1999.

"Control"

The possession directly or indirectly, of the power to direct or cause the direction of the management or powers of any person, whether through the ownership of voting securities, by contract or otherwise and as further defined in Section 422 of the FSMA and the words 'Controlled' and 'Controlling' shall be construed accordingly.

"Custodian or Nominee"

Apex Unitas Limited (formerly Mainspring Nominees Limited) as Custodian or the Nominee (or such other or additional custodian and nominee as appointed by the Fund Manager from time to time).

"Custodian Agreement"

The agreement between (1) the Investor and (2) the Custodian, entered into by the Investor upon signing the Application Form, pursuant to which the Custodian agrees to provide custodian, nominee and administration services to the Investor in relation to their Investments through the Fund, the current terms of which are available from Mainspring Fund Services Limited or from the following URL address:

<https://systems.mainspringfs.com/documents/molten/custody-agreement-new-investors/ml1>

"Distribution"

The aggregate of (i) Investment proceeds distributed to the Investor, plus (ii) any of the Investor's Uninvested Cash which is returned to the Investor plus (iii) the value of holdings distributed to the Investor, plus (iv) any other distributions or payments whatsoever received by the Investor in respect of their Investment in the Fund (excluding EIS Relief), plus (v) any cash held in the distributable cash sub account of the custodian in the instance that we do not hold validated bank details for the Investor.

"Early Exit"

A disposal of an Investment by the Fund Manager within 3 years of the date of issue of the shares in the EIS Qualifying Company.

"EIS"

The Enterprise Investment Scheme.

"EIS Relief"

Relief from taxation under EIS.

"EIS Qualifying Company"

A company which qualifies for the purposes of EIS relief under the Enterprise Investment Scheme, as set out in Part 5 of the Taxes Act.

"Elective Professional Client"

As defined in and for the purposes of the FCA Conduct of Business Rules.

Investment Management Agreement (CONTINUED)

"Exit Performance Fee"

The exit performance fee or carried interest arrangements payable to the Fund Manager (or a Performance Fee Participant) or to which it or they may become entitled in accordance with paragraph 3 of Schedule 2 of this IMA.

"FCA"

The Financial Conduct Authority.

"FCA Handbook"

The FCA's Handbook of Rules and Guidance.

"FCA Rules"

The rules contained in the FCA Handbook.

"Financial Adviser's Facilitation Fees"

The amount deducted from an Investor's Subscription (if any) and paid at the request of the Investor to a financial adviser, in one or more payments, as defined in Section 1.2 of the Application Form, 'Financial Adviser's Facilitation Fees'.

"Follow-on Reserve"

In respect of those Investors that choose to participate in the Follow-on Reserve an amount equal to approximately 10% of such Investor's Net Subscription to be retained by the Fund Manager and applied at the discretion of the Fund Manager for the purpose of investing in existing Investee Companies requiring further funding.

"FSMA"

The Financial Services and Markets Act 2000 (as superseded, updated or replaced from time to time).

"Fund"

Molten Ventures EIS. This fund was previously called Draper Esprit EIS from October 2016 to April 2022.

"Fund Documents"

The Application Pack (including this Investment Management Agreement) and the Memorandum.

"Fund Manager"

Encore Ventures LLP.

"HMRC"

His Majesty's Revenue & Customs.

"IMA"

This investment management agreement including its schedules.

"Investee Company"

A company in whose securities the Fund has made an Investment.

"Investment"

An investment acquired by the Fund Manager on behalf of Investors through the Fund.

"Investment Committee"

The investment committee of Encore Ventures LLP.

"Investment Objectives"

The investment objectives set out in section 1 of Schedule 1 of this IMA.

"Initial Fee"

The Fund Setup-Fee as defined in section 1 of Schedule 2 of this IMA.

"Investment Restrictions"

The investment restrictions set out in section 2 of Schedule 1 of this IMA.

"Investor"

An actual or potential investor in the Fund, as the context dictates.

"Investor's Fund Term"

In respect of each Investor's arrangements with the Fund, the period commencing on the date of the applicable Close relating to those arrangements and shall end on the earlier of (a) the Long Stop Date, subject to any extension in accordance with this IMA or (b) the date upon which the Fund Manager ceases to manage the Portfolio and arranges for the Distribution to the remaining Investors of the Investments and Uninvested Cash.

"Long Stop Date"

In respect of each Close, the date falling on the seventh anniversary of that Close subject to extension at the discretion of the Fund Manager. The Fund Manager may extend the fund life beyond the Long Stop date if it considers it to be in the best interests of Investors, specifically if there are Investments that take longer to realise than the target holding period.

"Management Fee"

The management fee payable to the Fund Manager in accordance with paragraph 2 of Schedule 2 of this IMA.

"Memorandum"

The investment memorandum for the Fund current at the time of the relevant Close.

"Net Subscription"

In respect of each Investor the aggregate amount paid by such Investor to the Custodian pursuant to the Subscription indicated in Section 1.2 of the Application Form, less any amount(s) deducted and paid (if any) as Financial Adviser's Facilitation Fees.

"Nominee"

MNL Nominees (Molten) Limited or any successor nominee appointed in their place.

"Non-Readily Realisable Securities"

As defined in the Glossary of the FCA Handbook.

"Non-Recoverable Deal Costs"

Costs, evidenced by a properly issued invoice, which are (i) incurred in the preparation and execution of an Investment or sale transaction and that are not reimbursed by the Investee Company as transaction expenses, or (ii) costs incurred in respect of any Investment that does not conclude or in relation to any professional advice obtained on behalf of the Investor (including without limitation to enforce the Investor's rights in an Investment).

"Partner"

A member of the Fund Manager or a member of an Associate of the Fund Manager as the context dictates.

"Performance Fee Participants"

In relation to the Net Subscriptions in any fundraising Close, the members of the Fund Manager at the time of the relevant fundraising Close, or at the discretion of the Fund Manager such persons who are entitled to participate in an Exit Performance Fee.

"Portfolio"

Means:

- a) in respect of an Investor, the Investments made by the Fund Manager on the Investor's behalf through the Fund which are allocated to him or her and which are registered in the name of the Custodian or the Nominee on his or her behalf, along with any cash held by the Custodian or Nominee on the Investor's behalf; and
- b) in respect of the Fund, the combined Portfolios of each Investor.

Investment Management Agreement (CONTINUED)

"Prior Molten Ventures EIS Funds"

The earlier EIS funds managed by the Fund Manager being DFJ Esprit Angels' EIS Co-Investment Fund, DFJ Esprit Angels' EIS Co-Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV and Draper Esprit EIS 5.

"Relevant Shares"

Means shares in respect of which neither:

- a claim for relief made in accordance with Chapter 5 of Part 5 of the Taxes Act has been disallowed; nor
- an assessment has been made pursuant to section 234 of the Taxes Act withdrawing or refusing relief by reason of the Investee Company ceasing to be a qualifying company for the purposes of that Act.

"Restricted Mass Market Investment"

As defined in the Glossary of the FCA Handbook.

"Services"

The services provided by the Fund Manager under Clause 5 of this IMA.

"Subscription"

In respect of each Investor the aggregate amount paid by such Investor to the Custodian pursuant to the Subscription indicated in Section 1.2 of the Application Form.

"Taxes Act"

The Income Tax Act 2007.

"Termination"

As the context requires either (i) termination of Fund or (ii) termination of the Fund Manager's appointment under this IMA in accordance with Clause 16.2.

"UK AIFMD"

The Alternative Investment Fund Managers Regulations 2013 as amended by the Alternative Investment Fund Managers (Amendment)(EU Exit) Regulations 2019.

"Uninvested Cash"

The proceeds of any Subscription that are held as cash from time to time.

- 1.1 Words and expressions defined in the Memorandum or the FCA Rules which are not otherwise defined in this IMA shall, unless the context otherwise requires, have the meaning set out in the Memorandum.
- 1.2 In this IMA references to a 'parent undertaking' or a 'subsidiary undertaking' shall have the respective meanings set out in section 1162 of the Companies Act 2006 and references to 'holding company' and 'subsidiary' shall have the respective meanings set out in section 1159 of the Companies Act 2006.
- 1.3 Any reference to an Applicable Law shall be references to such Applicable Law as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution of such Applicable Law as from time to time in force.
- 1.4 References to the singular only shall include the plural and vice versa.
- 1.5 Unless otherwise indicated, references to Clauses and Schedules shall be to clauses of and schedules to this IMA, and references to paragraphs are to paragraphs of the Schedule in which the reference appears.
- 1.6 Headings to Clauses are for convenience only and shall not affect the interpretation of this IMA.

2. Appointment of the Fund Manager and Cancellation Rights

- 2.1 This IMA shall come into force upon acceptance of the Investor's Application by the Fund Manager and receipt of cleared funds on or before the applicable quarterly Close.
- 2.2 By submitting a duly completed and signed Application Form, to the Fund Manager's satisfaction, in accordance with the terms and conditions set out in this IMA, the Investor agrees to appoint the Fund Manager to manage his or her Portfolio in the Fund, as one of a series of similar Portfolios which together constitute the Fund, on the terms set out in this IMA.
- 2.3 If the Fund Manager, at its discretion, accepts the Investor's Application Form, and having received the appropriate Subscription(s), the Fund Manager agrees to accept its appointment and obligations on the terms set out in this IMA.
- 2.4 If an Application is not accepted by the Fund Manager in respect of the Fund, the Fund Manager will promptly notify the Investor of that fact and return any Subscription(s) made in relation to that Application without being compelled to give a reason.
- 2.5 If an Application is accepted by the Fund Manager in respect of the Fund, then the Fund Manager or the Custodian acting under the direction of the Fund Manager will where not precluded by applicable law promptly notify the Investor of that fact.
- 2.6 You have the right to cancel this IMA by notifying the Fund Manager in writing, for a period of up to 14 calendar days from the day on which you receive notification of acceptance of your application.
- 2.7 On cancellation pursuant to clause 2.6 above, the Investor is entitled to have repaid any money the Investor has paid to the Custodian, less any charges the Fund Manager or Custodian has already incurred for any services undertaken pursuant to this IMA.
- 2.8 The Investor does not have the right to cancel, terminate or reverse any particular investment transaction executed for the account of the Investor before such cancellation takes effect.

3. Customer Classification

- 3.1 The Fund Manager is an Alternative Investment Fund Manager for the purposes of the UK AIFMD and shall, for regulatory purposes, treat the Fund as its Client, other than as set out in FCA Conduct of Business rule (COBS) 18.5 of the FCA Handbook. Investors of the Fund will not be Clients of the Fund Manager, however this status is without prejudice to the Investor's rights and obligations under this IMA.

4. Subscriptions

- 4.1 Upon confirmation to an Investor that their Application Form has been accepted by the Fund Manager, the Investor should transfer the Subscription funds if they have not already sent them along with the Application Form.
- 4.2 No further Subscription will be accepted from an Investor except insofar as each further Subscription is made under a separate Application Form.
- 4.3 Application Forms that are received and accepted on or prior to the date of a relevant Close shall be attributed to such Close; Application Forms that are received and accepted after such Close will be attributed to the next Close.

Investment Management Agreement (CONTINUED)

All Subscriptions should be advanced promptly within 7 days of acceptance and will be invested in accordance with the Allocation Policy.

- 4.4 If an Investor submits more than one Application Form then if those forms are submitted and accepted within the dates that are applicable to the same Close then they will be aggregated together in respect of that Close; however if the Application Forms are submitted and accepted on dates that do not fall within the same Close then they will not be aggregated but they will be treated separately and as part of the two (or more) different Closes as applicable.
- 4.5 The Investor may only make a withdrawal from the Fund pursuant to Clause 16.
- 4.6 Subscriptions shall, in accordance with the terms and conditions set out in the Memorandum, be paid to the Custodian and shall be deposited in a bank account bearing interest at a rate published by the Custodian (but subject to any de minimis limits set by the Custodian) pending investment at the discretion of the Fund Manager pursuant to this IMA. No interest will start to be calculated on any Subscription until the payment for that Subscription has cleared.

5. Services and Advisory Committee

- 5.1 The Fund Manager will manage the Investor's Portfolio with a view to achieving the Investment Objectives, acting in good faith and using reasonable skill and care.
- 5.2 Subject to clause 5.3, the Fund Manager will exercise all discretionary powers in relation to the selection of, investment in, and/or the exercise of rights relating to, Investments comprising part of the Investor's Portfolio on the terms set out in this IMA, including the negotiation and execution or procuring the execution of any documentation in relation to investments in EIS Qualifying Companies by the Nominee on behalf of the Investor. Investment decisions will be made by the Fund Manager for the benefit of Investors as a whole and not according to any particular Investor requirements or preferences. The Fund Manager shall not provide any investment, financial, tax, or any other form of advice to the Investor, and the Investor acknowledges and agrees that no information provided by the Fund Manager from time to time, in any format, shall be construed to form investment advice.
- 5.3 Notwithstanding clause 5.2, except as expressly provided in this IMA or unless otherwise authorised, the Fund Manager shall not have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.
- 5.4 The Investment Objectives shall not be breached as a result of any events or circumstances outside the reasonable control of the Fund Manager.
- 5.5 The Fund Manager will form the Advisory Committee when it has the first matter(s) to raise with it.
- 5.6 The Advisory Committee shall be comprised of three members (or such other number as set by the Fund Manager), each of whom shall be an Investor in the Fund.
- 5.7 The role of the Advisory Committee is to act as a sounding board and assist the Fund Manager in evaluating non-routine matters relating to the Fund operation. Whilst the Advisory Committee may confer with the Fund Manager regarding the Fund, it shall have no power to, and shall not purport to, take any part in the management of the Fund. The guidance of the Advisory Committee shall be persuasive only and the

Fund Manager shall have complete and unfettered discretion whether or not to act in accordance with such guidance.

- 5.8 The Fund Manager may convene a meeting of the Advisory Committee upon at least 10 Business Days' notice, or such other shorter notice with the consent of a majority of the members.
- 5.9 Members of the Advisory Committee will be entitled to reimbursement of reasonable out of pocket expenses but will not be entitled to any remuneration for their services.

6. Fees and Expenses

- 6.1 The Fund Manager and the Custodian shall each receive fees for their respective services and reimbursements of their costs and expenses as set out in Schedule 2.
- 6.2 Fees, costs and expenses are exclusive of any applicable VAT, which shall also be payable from the Investor's Subscription to the Fund or from the proceeds of realised investments.

7. Investment Objectives and Investment Restrictions

- 7.1 In performing the Services for the Fund, the Fund Manager shall have regard to and shall comply with:
- the Investment Objectives;
 - the Investment Restrictions; and
 - all Applicable Laws.
- 7.2 Generally, the Fund Manager reserves the right to return any surplus of cash if it concludes that it cannot be properly invested for the Investor and it considers this to be in the best interests of the Investor having regard to the availability of EIS Relief for the Investor.
- 7.3 Investors have the opportunity to elect not to participate in the Follow-on Reserve (being approximately 10% of such Investor's Net Subscription) by making the relevant election in the Application Form but may incur higher dilution or diminution of value in their shareholdings in Investee Companies as a result. The Fund Manager may, at its sole discretion, invest the Follow-on Reserve for the purpose of providing follow on funding to Investee Companies.
- 7.4 In the event of a gradual realisation of Investments prior to Termination, the proceeds of realised Investments will, at the Fund Manager's discretion, be returned (or in the case of non-cash consideration, transferred) to the Investor before Termination. Where some or all the cash proceeds of a realised Investment or Investments are not returned to the Investor directly, they shall be placed on deposit in an interest-bearing bank account until they are returned to the Investor or applied to relevant fees and charges applicable under this IMA.

8. Terms Applicable to Dealing

- 8.1 In effecting transactions for the Investor through the Fund, the Fund Manager will act at all times in accordance with the FCA Rules and Applicable Laws.
- 8.2 The Investor should be aware that, in accordance with the Investment Objectives, the Subscription will be invested in a range of unlisted securities and there is generally no relevant market or exchange and consequent rules and customs applicable to dealings in such unlisted securities and there will be varying practices for different securities. Transactions in such securities will be effected on the best commercial terms

Investment Management Agreement (CONTINUED)

which can be secured. As a result the Fund qualifies as a Restricted Mass Market Investment with investments made by the Fund qualifying as Non-Readily Realisable Securities.

- 8.3 Where relevant, any transactions that are to be effected on or through an exchange, market or clearing house will be effected in accordance with the rules and regulations of the relevant exchange, market or clearing house and, subject to such rules and regulations, in accordance with good market practice so that:
- if there is any conflict between the provisions of this IMA and any such rules, regulations or Applicable Laws, the latter shall prevail; and
 - the Fund Manager shall take such action as it thinks fit in order to ensure compliance with any such rules, regulations or Applicable Laws.
- 8.4 Subject to the FCA Rules, transactions for an Investor may be aggregated with those for other Investors and may be aggregated with those of the other Funds or customers of the Fund Manager or the Molten Ventures group, and of its Partners, officers and employees and Associates and their Partners, officers and employees. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and the Allocation Policy and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, but an Investor should be aware that the effect of aggregation may work on some occasions to an Investor's disadvantage.
- 8.5 Where deals for an Investor are aggregated with those for another Investor in the Fund, the number of shares in an EIS Qualifying Company held as an Investment for the Investor shall be determined by the Fund Manager in accordance with FCA Rules and the Allocation Policy provided that Investors shall not have fractions of shares. Variations may be allowed to prevent Investors having fractions of shares but only in circumstances in which there can be minor variations.
- 8.6 Investments in the Fund are not suitable for Investors who are subject to professional rules which mean they are not allowed to hold certain private company shares for related party reasons. We cannot commit to facilitating any requests to exclude investors from specific transactions. It is the responsibility of an Investor (each such Investor a 'non-participating Investor' and each other Investor a 'participating Investor') who is subject to professional rules or any fact which might result in adverse consequences for a particular EIS Qualifying Company if he/she were to make an Investment in such EIS Qualifying Company to bring this fact, matter or circumstance to the attention of the Fund Manager. If the Fund Manager determines in its absolute discretion that to permit an Investor to make an investment in a particular EIS Qualifying Company would result in adverse consequences for the relevant EIS Qualifying Company then, at the discretion of the Fund Manager, shares in that EIS Qualifying Company shall not be acquired for that non-participating Investor's Portfolio and the Fund Manager may return a proportion of the non-participating Investor's Subscription(s) equivalent to the proportion of the Subscription(s) of participating Investors comprised by the cash value of the shares in that EIS Qualifying Company purchase for participating Investors. The Fund Manager is very unlikely to be able to facilitate a reversal of an investment already made.

- 8.7 Subject to both the FCA Rules and the Investment Objectives and the Investment Restrictions, the Fund Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty (including without limitation the Custodian) of its obligations in respect of transactions effected under this IMA or in relation to the Investor's Portfolio.

9. Custody

- 9.1 The Fund Manager has arranged for the Custodian to provide safe custody, nominee and administration services for the benefit of the Investors in relation to Investments and Uninvested Cash on the terms and conditions set out in the Custodian Agreement which an Investor agrees to by signing the Application Form.
- 9.2 Accordingly, the Fund Manager shall not be responsible to the Investor for the provision of any such safe custody, nominee or administration services in respect of its Portfolio or any Uninvested Cash from time to time.
- 9.3 Investments in the Fund will be beneficially owned by the Investor at all times but the Nominee will be the legal owner of the Investments in the Fund.
- 9.4 Neither the Fund Manager nor the Nominee is expected to hold physical title documents, and will record ownership and documents evidencing title to the Investments electronically. These will be processed and stored digitally. Individual Investors' entitlements are not identifiable by separate records. In the event of a default of the Nominee, those for whom it holds securities may share in any shortfall pro rata.
- 9.5 The Nominee holds the Investments pursuant to a trust under which the interests of Investors are created or extinguished when an Investor makes acquisitions or disposals in accordance with this IMA. Pursuant to section 250(1) Taxes Act, shares subscribed for, issued to, held by or disposed of for an individual by a nominee are treated for the purposes of the EIS as subscribed for, issued to, held by or disposed of by the individual Investor. The Nominee will maintain at all times a record sufficient to show the beneficial interest of the Investor in the whole number of shares allocated to them and the cash within his/her Portfolio.
- 9.6 Neither the Fund Manager nor the Nominee will lend Investments or title documents to a third party nor will they borrow against the security of the investments or such title documents.
- 9.7 An Investment may be realised in order to discharge an obligation of the Investor under this IMA, including without limitation in relation to payment of fees, costs and expenses.
- 9.8 Where the Custodian has notified an Investor that the Fund Manager has relinquished its right to direct the exercise of voting rights in relation to an Investee Company, the Investor may apply to the Custodian for a proxy directing how any voting rights are to be exercised by the Nominee in respect of that Investee Company. In the case of variations in or conversion of the share capital, or any proposal to wind up, amalgamate or takeover an Investee Company:
- a bonus or capitalisation issue will be automatically credited to an Investor's holding;

Investment Management Agreement (CONTINUED)

- b) otherwise (where appropriate) the Custodian will send to the Fund Manager or the Investors (as the case may be) a summary of the proposal and the required action to be taken (if any);
 - c) if no written instruction is received from the Fund Manager or the Investor (as the case may be) within the requested period for reply, the Nominee will not exercise the relevant rights or allow them to lapse, subject to sub-paragraph (d);
 - d) if nil paid rights in a secondary market are acquired for the Investor, such rights will be taken up, unless the Investor provides contrary instructions;
 - e) lapsed proceeds of any rights in respect of a rights issue will be credited to the Investor, unless they are nominal, in which case they will be retained for the benefit of the Custodian; and
 - f) entitlement to shares will be to the nearest whole share rounded down and the aggregate of fractional entitlements may be held by the Nominee for the Custodian.
- 9.9 If partly paid shares held as an Investment for an Investor are subject of a call for any due balance by the Investee Company and no contrary written instruction is received from the Fund Manager or the Investor (as the case may be), the Custodian may sell sufficient of the Investments to meet the call in full.
- 9.10 The Custodian will be responsible for holding Uninvested Cash of the Investor from time to time. The Uninvested Cash balance will be deposited with an authorised banking institution(s) in a common account in the name of the Custodian with customer trust status together with cash balances belonging to the other Investors in the Fund. The Custodian may debit or credit the account for all sums payable by or to an Investor (including dividends receivable in cash and fees and other amounts payable by the Investor) under this IMA.
- 9.11 Dividends shall not be receivable under this IMA otherwise than in cash. Interest will be payable on all credit balances on the bank account (including credit balances arising as a result of realisations of Investments) at rates published by the Custodian (subject to any de minimis limits set by the Custodian). Where the Investor forwards a cheque to the Custodian for credit to his/her account, no interest will be credited until the cheque is cleared.
- 9.12 Dividends shall not be receivable under this IMA otherwise than in cash. Interest may be payable on credit balances (including any balances arising as a result of realisations of Investments) which may be deposited into easy access or notice accounts at rates communicated from time to time by the Custodian. Any interest earned on cash balances is shared with the Custodian up to a maximum of 0.5%. Please refer to the Custodian Agreement for further details:
<https://systems.mainspringfs.com/documents/molten/custody-agreement-new-investors/ml1>
Where the Investor forwards a cheque to the Custodian for credit to his/her account, no interest will be credited until the cheque is cleared.
- 9.13 The Custodian may decide to cease to hold unclaimed cash of an Investor of less than £25 if there has been no movement in the balance in the bank account in a period of six years (notwithstanding any payments or receipts of charges, interest or similar items) and the Custodian has taken reasonable steps to contact the Investor and to return the balance.
- 9.14 As an FCA authorised firm, the Fund Manager is required to take all reasonable steps to obtain the best possible result on behalf of Investors when placing orders for execution that result from decisions by the Fund Manager.
- 9.15 In the event that an additional or replacement Custodian is appointed then the Fund Manager shall notify the Investor and provide access to the new Custodian Agreement and terms of appointment. The Fund Manager confirms that any new additional or replacement appointment will be on arm's length terms.
- ## 10. Reports and Information
- 10.1 The Fund Manager, or the Custodian acting on its behalf, shall produce for each Investor a half-yearly report relating to his/her Portfolio in the Fund (including without limitation a valuation of his/her Portfolio). Such reports shall be issued in such format as the Fund Manager sees fit and shall comply with the FCA Rules on periodic information to be provided to investors.
- 10.2 The Fund Manager and the Custodian shall supply such further information which is in its possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.
- 10.3 Any statements, reports or information provided by the Fund Manager to the Investor will state the basis of any valuations of Investments provided. Investments will be valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines from time to time prevailing.
- ## 11. Management and Administration Obligations
- The Fund Manager shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable it to provide its services properly and efficiently, and in compliance with the FCA Rules.
- ## 12. Obligations of the Investor
- 12.1 The Investor's Portfolio is set up on the basis of the declaration made by the Investor in his/her Application Form. The Investor warrants that the information stated in the Application Form is true, accurate and complete as at the date of the Application. The Investor undertakes to inform the Fund Manager if any of such information subsequently becomes untrue or inaccurate in any material respect.
- 12.2 The Investor shall immediately inform the Fund Manager in writing of any change of tax status or other material changes in circumstances at any time.
- 12.3 The Investor shall provide the Fund Manager with any information which it reasonably requests for the purposes of complying with any regulatory requirement applicable to the Fund or Fund Manager, managing the Investor's Portfolio in the Fund pursuant to the terms of this IMA or for the purposes of responding to any enquiries from a competent regulatory or tax authority. The Investor shall ensure that any such information provided by it is true, accurate and complete. The Investor acknowledges that any failure to provide such information may adversely affect the ability of the Fund Manager to perform its obligations under this IMA.

Investment Management Agreement (CONTINUED)

13. Delegation and Assignment

- 13.1 The Fund Manager may delegate such of its duties under this IMA to such suitable third party (or parties) as it may determine, in its absolute discretion. Such third parties may or may not be Associates or other related parties.
- 13.2 In addition to the Custodian, 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 agents.
- 13.3 The Investor hereby gives authority to the Custodian to provide information directly to the Fund Manager (or persons approved in writing by the Fund Manager) including without limitation with regard to the number and content of applications received and whether payment has been received and cleared.
- 13.4 Any such delegation or employment of agents shall not affect the liability of the Fund Manager under the terms of this IMA.

14. Potential Conflicts of Interest and Disclosure

- 14.1 Pursuant to the FCA Rules, the Fund Manager and the Custodian each have in place conflicts of interest policies (each a 'Conflict of Interest Policy') which sets out how they each identify and manage conflicts of interest. The Fund Manager's Conflicts of Interest Policy is available on request.
- 14.2 Subject to the terms of their respective Conflicts of Interest Policies, the Fund Manager and the Custodian may provide similar services or any other services whatsoever to any other customer and neither the Fund Manager nor the Custodian shall in any circumstance be required to account to the Investor for any profits earned in connection with the provision of such services. In particular it is noted that Prior Molten Ventures EIS Funds, Molten Ventures Approved EIS funds, and future funds established by the Fund Manager may invest in the same companies as the Fund. So far as is deemed practicable by the Fund Manager or the Custodian, the Fund Manager 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 and their Conflicts of Interest Policies.
- 14.3 The Fund Manager will allocate Investments to Investors in accordance with the Allocation Policy. In relation to small investments the Fund Manager reserves the right to allocate these to one or more Fund Close(s) of its choice (acting to the extent possible on a fair and reasonable basis) as set out in the Allocation Policy. Investors will not participate in the Investments which occur prior to the date of their applicable Close, or where at the date of their applicable Close allocations have already been made for an Investment which is in process.
- 14.4 The Fund may acquire pre-emption rights in Investments that will allow it to invest in future funding rounds in the Investee Company. The ability of the Fund Manager to exercise these rights on behalf of the Fund (and/or any particular Fund Close) will depend on the aggregate amount of Investor's Uninvested Cash and any available Follow-on Reserve and the actual or projected funding requirements of other Investments in the Fund Portfolio. For the avoidance of doubt the Fund Manager shall be entitled to exercise such pre-emption rights for the benefit any Close(s) as it deems appropriate in the

circumstances. Where the Fund does not exercise its pre-emption rights it is agreed that the Fund Manager shall be entitled to exercise them on behalf of another fund.

- 14.5 Subject to the foregoing provisions of this clause 14, where the Fund co-invests with other funds managed by the Fund Manager or its Associates the determination of the investment amounts for each fund will be rules-based and not ad-hoc and in accordance with the Fund Manager's Conflict of Interest Policy. The proportions allocated to each fund will be based on the relative size of each fund, the amount expected to be invested in EIS Qualifying Companies in a given period (typically an annual period), and the amount remaining to invest from each fund. The proportions will be reviewed periodically and may be revised from time to time.
- 14.6 The Fund Manager shall be entitled to enter into different terms and arrangements, including different custodian and nominee arrangements, with different types of investor, or other fund managers or intermediaries which may or may not invest in parallel to the Fund.
- 14.7 Where deemed to be in the interests of the Fund, the Fund Manager may elect to participate in intra-group secondaries to sell down holdings from earlier vintages, for example a sale from an EIS Qualifying Company to another member of the Molten Ventures group.

15. Liability

- 15.1 Each of the Fund Manager and the Custodian will at all times act in good faith and with reasonable care and due diligence. Nothing in this Clause 15 shall exclude any duty or liability owed to the Investor under the FCA Rules.
- 15.2 The Fund Manager shall not be liable for any loss to the Investor arising from any investment decision made, in accordance with the Investment Objectives and the Investment Restrictions or for any other action in accordance with this IMA, except to the extent that such loss is directly due to the gross negligence or wilful default or fraud of the Fund Manager or any of its employees.
- 15.3 The Custodian Agreement confirms the scope of the liability agreed to be accepted by the Custodian.
- 15.4 Subject to Clause 8.7, the Fund Manager shall not be liable for any defaults of any counterparty, agent, deposit taker, the Custodian, the Nominee or any other person or entity which holds money, investments or documents of title for any Investor.
- 15.5 In the event of any failure, interruption or delay in performance of the Fund Manager's, the Custodian's or the Nominee's respective obligations resulting from acts, events or circumstances not reasonably within its control including but not limited to acts or regulations of any governmental or supranational bodies or authorities and breakdown, pandemic, failure or malfunction of any telecommunications or computer service or system, the Investor acknowledges and agrees that neither the Fund Manager nor the Custodian nor the Nominee, as appropriate, shall be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Investor.
- 15.6 The Investor should note that the approval of an Investment by HMRC is relevant only for the purpose of attracting certain tax advantages provided by Part 5 of the Taxes Act and that such approval covers only certain administrative matters. Approval in no way bears on the commercial viability of the

Investment Management Agreement (CONTINUED)

Investments being made and neither does it guarantee the availability, the amount or timing of relief from income tax or capital gains tax.

- 15.7 The Investor should note that no guarantee is given by the Fund Manager that approval of HMRC will be given in respect of any Investment for the purposes of Part 5 of the Taxes Act.
- 15.8 The Fund Manager gives no representations or warranty as to the performance of the Portfolio. Investments in an EIS are high risk investments, being in Non-Readily Realisable Securities and as such the Fund qualifies as a Restricted Mass Market Investment. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of investment in EIS Qualifying Companies carefully and note the risk warnings set out in the Memorandum.
- 15.9 For the purposes of this Clause 15 only, references to the Fund Manager shall be deemed to include reference to any delegate to whom any duties under this IMA are delegated by the Fund Manager in accordance with Clause 13.1.

16. Termination

- 16.1 The Fund Manager shall set a date, which it shall notify to the Investor, by which it intends to realise the Investments in the Investor's Portfolio and pay the realisation proceeds to the Investor. This will be no later than the Long Stop Date, (which may be extended in accordance with this IMA).
- 16.2 This IMA shall terminate upon whichever shall be the earlier of the following to occur:
- the completion of the withdrawal from the Fund of all Investments and cash to which the Investor is entitled, after the deduction of all fees or expenses pursuant to clause 16.6.
 - the expiration of a period of written notice (being not less than three months) by the Fund Manager of its intention to terminate its appointment under this IMA;
 - the Fund Manager ceasing to be appropriately authorised by the FCA or becoming insolvent; or
 - the Fund Manager being unable to procure an appropriately authorised custodian and giving written notice to the Investor of that fact; or
 - the termination or cancellation of the Custodian Agreement by the Investor (unless the Fund Manager agrees otherwise); or
 - the Long Stop Date.
- 16.3 On Termination, the Fund Manager shall, subject to each Investor's notification in writing, either procure:
- the transfer of all Investments in the Investor's Portfolio into the Investor's name and payment of cash in the Portfolio to the Investor, subject to any accrued fees being paid; or
 - the sale of all remaining Investments in the Investor's Portfolio and, subject to deduction of any amounts in accordance with Clause 16.6, shall account to the Investor for the proceeds of sale, together with any cash in the Portfolio.
- 16.4 The Investor should be aware that, if he/she elects to have his/her Investments sold pursuant to Clause 16.3(b):
- he/she may lose EIS Relief in respect of them; and
 - it may not be practicable for the Investments to be sold in which case there may be a delay in completing the withdrawal.
- 16.5 The Investor is entitled to withdraw:
- Relevant Shares of a class which are admitted to official listing in an EEA State or to dealings on a recognised investment exchange at any time after the end of the period of five years beginning on the date on which the shares in question were listed;
 - Relevant Shares at any time after the end of the period of seven years beginning with the date on which the Relevant Shares in question were issued;
 - shares which have ceased to be Relevant Shares at any time after the end of the period of six months from the date they ceased to be Relevant Shares; and
 - cash which the Fund Manager has agreed to apply in subscribing for shares (and which is not allocated to upcoming fees), at any time. If cash is withdrawn there will be no entitlement to a refund of any fees charged to date in relation to this portion of the subscription, however there will be a pro rata reduction in future management fees relating to the amount withdrawn.
- 16.6 The Fund Manager shall be entitled to deduct or otherwise receive any outstanding fees or expenses (including for the avoidance of doubt any accrued fees) before accounting to an Investor for the proceeds of realisation of any part of the Investor's Portfolio in the Fund or the transfer to it of any Investments in specie. The Fund Manager may accept (at its absolute discretion) a right of lien over any transferred Shares in lieu of immediate settlement of amounts due.
- 16.7 In the event that the Investor decides to withdraw all or part of its interest in the Fund pursuant to clause 16.5(a) to (d) or otherwise, then it is noted and agreed that: (a) the Exit Performance Fees for the Investor will be paid on a deal by deal basis (and will not be subject to or limited by any requirement that the Distribution to the Investor must exceed its Net Subscription) and the Fund Manager shall be entitled to immediate payment of any accrued but unpaid Exit Performance Fees; and (b) the Fund Manager will still be entitled to claim its full Exit Performance Fees on a deal by deal basis based upon the Committed Amount invested on behalf of the Investor (prior to any withdrawal), and the amount negotiated and agreed by the Fund Manager upon disposal of the Investment still managed by the Fund Manager in the relevant Investee Company.
- In order to secure payment of the Exit Performance Fee the Fund Manager shall be authorised to deduct from any amount to be transferred to the Investor and retain such sum as is reasonably considered necessary by the Fund Manager to cover the said Exit Performance Fee (and it shall be entitled in its absolute discretion to accept a right of lien over any transferred Shares in lieu of or in addition to the retention).
- The parties agree that upon disposal of applicable Investments the amount confirmed as owing to the Fund Manager in respect of the Exit Performance Fees will be settled from the amount retained or pursuant to the lien; and either (i) any excess amount will be returned or released to the Investor or (ii) any further amounts owed to the Fund Manager will be settled forthwith upon notice to the Investor (which notice shall confirm the calculation of the Exit Performance Fee).

Investment Management Agreement (CONTINUED)

- 16.8 Following Termination of this IMA in accordance with Clause 16.2(c), the Fund Manager shall endeavour to make arrangements to transfer the Investments in the Investor's Portfolio to another fund manager in which case that fund manager shall assume the role of the Fund Manager under this IMA, failing which this IMA shall terminate forthwith and, subject to Clause 17, the Investments in the Investor's Portfolio shall be transferred into the Investor's name or as the Investor may otherwise direct.
- 16.9 Following Termination of this IMA the Fund Manager shall not be responsible for any reimbursement of Financial Adviser Facilitation Fees made at the request of an Investor to a financial adviser. Any claim for reimbursement of Financial Adviser Facilitation Fees must be made by the Investor to the financial adviser and any payment shall be decided and made by the financial adviser to the Investor.
- 16.10 On receiving a withdrawal request we may at our sole discretion on your behalf arrange for a sale of the assets beneficially held by you, including by way of sale at a discount to their current valuation where, in our reasonable view, there is no practical alternative. Such a sale may be made to the Fund Manager or an Associate, to the underlying investee entity or to a third party selected by us.
- 16.11 Please be aware that you may lose your entitlement to certain tax reliefs if you terminate your investment in the Fund.

17. Consequences of Termination

- 17.1 On Termination, the Fund Manager will use reasonable endeavours to complete all transactions and progress expeditiously on the basis set out in this IMA.
- 17.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive Termination and will be without penalty or other additional payments save that the Investor will pay fees, expenses and costs properly incurred by the Fund Manager and the Custodian up to and including the date of Termination and payable under the terms of this IMA.
- 17.3 On Termination, the Fund 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 fees, costs and expenses payable pursuant to Clause 6 above.

18. Confidential Information

- 18.1 Neither the Fund Manager nor the Investor shall disclose to third parties or take into consideration information either:
- the disclosure of which by it would be or might be a breach of duty or confidence to any other person; or
 - which comes to the notice of an employee, officer or agent of the Fund Manager, or of any Associate of any of them in the course of providing services under this IMA.
- 18.2 The Fund Manager shall (and shall procure so far as it is able that the Custodian and the Nominee will) at all times keep confidential all information acquired in consequence of this IMA, except for information which:
- is in the public domain otherwise than through a breach of this Clause 18;
 - they may be entitled or bound to disclose under applicable law;

- has been requested by competent regulatory or tax authorities;
- is provided to any Affiliate of the Fund Manager or such Affiliate's employees, officers or agents in connection with the provision of services under this IMA
- is given to their professional advisers where reasonably necessary for the performance of their professional services; or
- which is authorised to be disclosed by the other party, and shall use all reasonable endeavours to prevent any breach of this Clause 18.

19. Complaints and Compensation

- 19.1 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 an Investor have a complaint, they should contact the Fund Manager. If they are unable to resolve your complaint, you may be eligible to refer your complaint to the Financial Ombudsman Service.
Email: complaint.info@financial-ombudsman.org.uk
- 19.2 The Investor is not a Client of the Fund Manager but may be entitled to compensation from the Financial Services Compensation Scheme if the Fund Manager cannot meet its obligations. The Financial Services Compensation Scheme is only available to certain types of claims and eligible claimants. Payments under the protected investment business scheme are limited to a maximum of £85,000. Further information about compensation arrangements is available on request from the Fund Manager or from www.fscs.org.uk

20. Instructions and Communications

- 20.1 Instructions to the Fund Manager should be in writing and signed by the Investor, except as otherwise specifically indicated. Instructions may be accepted at the Fund Manager's discretion when provided to the Fund Manager by email, sent to the following email address: eis@molten.vc
- 20.2 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 the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated. For the avoidance of doubt the Fund Manager shall be authorised to take instructions from the person and/or representatives of the firm named in Section 3 of the Application Form on your behalf (unless you otherwise direct in writing to us). The Fund Manager shall not be liable for any action taken or not taken as a result of any such instruction given on your behalf.

21. Amendments

- 21.1 The Fund Manager may amend the terms and conditions in this IMA by giving the Investor not less than ten Business Days' written notice.
- 21.2 The Fund Manager may also amend these terms by giving the Investor written notice with immediate effect if such is necessary in order to comply with HMRC requirements, in order to maintain the EIS Relief or in order to comply with the FCA Rules.

Investment Management Agreement (CONTINUED)

22. Data Protection

The Fund Manager will process the Investor's personal data as set out in the privacy notice available at:

https://investors.moltenventures.com/storage/uploads/Encore_Ventures_Privacy_Notice_-_April_2023_djvle.pdf

23. Entire Agreement

- 23.1 The Fund Documents constitute the entire agreement between the parties in relation to the appointment of the Fund Manager in respect of the Fund. The Fund Documents supersede any previous agreement, arrangement or understanding between the parties, whether written or oral, in relation to those matters, which shall cease to have any further effect.
- 23.2 The parties acknowledge that the Fund Documents have not been entered into wholly or partly in reliance on, nor has either party been given, any warranty, statement, promise or representation by any other party or on its behalf other than as expressly set out in this IMA.
- 23.3 Each party agrees that the only rights and remedies available to it arising out of or in connection with any warranties, statements, promises or representations in the Fund Documents or otherwise will be for breach of contract and irrevocably and unconditionally waives any right it may have to any claims, rights or remedies including any right to rescind this IMA which it might otherwise have had in relation to them.
- 23.4 Nothing in this Clause 24 shall exclude any remedy or liability for fraudulent concealment or fraudulent misrepresentation.

24. Rights of Third Parties

- 24.1 The Fund Manager shall be entitled under the Contracts Act to enforce any term of this IMA which expressly or by implication confers any benefit on any Partner, officer or employee of the Fund Manager, the Custodian or the Nominee.
- 24.2 Except as provided in Clause 25.1:
- the Contracts Act shall not apply to this IMA;
 - no person (including any Partner, officer, employee, agent, representative or sub-contractor of a party) other than a party to this IMA has the right (whether under the Contracts Act or otherwise) to enforce any term of this IMA which expressly or by implication confers a benefit on that person without the express prior written consent in writing of the parties, which consent must refer to this Clause 25.2.
- 24.3 No consent is required from any person having rights under this IMA by virtue only of the Contracts Act to any amendment, variation, waiver or settlement of this IMA or any right or claim arising from or under it which (in each case) has been agreed by any party to it.

25. Notices

- 25.1 Except as otherwise provided in this IMA, every notice under this IMA shall be in writing and shall be deemed to be duly given if it (or the envelope containing it) identifies the intended recipient as the addressee and:
- it is delivered by being handed personally to the addressee (or, where the addressee is a corporation, any one of its directors or its secretary);
 - it is delivered by being left in a letter box or other appropriate place for the receipt of letters at the recipient's authorised address (as defined below);

- the envelope containing the notice is properly addressed to the addressee at the addressee's authorised address and duly posted by the recorded delivery service (or by international recorded post if overseas);
 - it is sent by email to the addressee at the addressee's authorised address, and, in proving the service of any such notice, it shall be conclusive evidence to prove that the notice was duly given within the meaning of this Clause 25.1.
- 25.2 A notice sent by post (or the envelope containing it) shall not be deemed to be duly posted for the purposes of Clause 25.1 unless it is put into the post properly stamped or with all postal or other charges in respect of it otherwise prepaid.
- 25.3 For the purposes of this Clause 25 the authorised address of:
- the Fund Manager is:
Encore Ventures LLP
20 Garrick Street, London, WC2E 9BT
Email: eis@molten.vc
or such other address as the Fund Manager may notify in writing to the Investor from time to time.
 - the Custodian is:
Apex Unitas Limited
(formerly Mainspring Nominees Limited)
6th Floor, 125 London Wall, London, EC2Y 5AS
Email: compliance@mainspringfs.com
www.mainspringfs.com
 - the Investor is the address and email address set out in the Application Form or such other address as the Investor may notify in writing to the Fund Manager from time to time.
- 25.4 Any notice duly given within the meaning of Clause 25.1 shall be deemed to have been both given and received:
- if it is delivered in accordance with Clauses 25.1(a) or 25.1(b), on that delivery;
 - if it is duly posted in accordance with Clause 25.1(c), on the second (or, when sent by airmail, fifth) Business Day after the day of posting;
 - if it is sent by email at the time of transmission.
- 25.5 If, under the provisions of Clause 25.4, a notice would be deemed to have been received outside normal business hours, being 9.30am to 5.30pm local time on a Business Day in the place of receipt, it shall instead be deemed to have been received at the recommencement of such normal business hours.
- 25.6 For the purpose of this Clause 25, 'notice' shall include any request, demand, instruction, communication or other document.

26. Severance

- 26.1 Each provision of this IMA is severable and distinct from the others. The parties intend that each of those provisions shall be and remain valid and enforceable to the fullest extent permitted by law. If any such provision is held to be or at any time becomes to any extent invalid, illegal or unenforceable for any reason under any enactment or rule of law, it shall to that extent be deemed not to form part of this IMA but (except to that extent in the case of that provision) it and all other provisions of this IMA shall continue to be effective and their validity, legality and enforceability shall not be affected or impaired as a result, subject to the operation of this Clause not negating the commercial intent and purpose of the parties under this IMA.

Investment Management Agreement (CONTINUED)

26.2 If any provision of this IMA is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid, effective and enforceable.

27. Governing Law and Jurisdiction

27.1 The Fund Documents (including this IMA) and any issues, disputes or claims arising out of or in connection with them (whether contractual or non-contractual in nature, including claims in tort or for breach of any Applicable Law) shall be governed by, and construed in accordance, with the laws of England and Wales.

The parties hereby submit to the exclusive jurisdiction of the Courts of England and Wales in relation to any dispute or claim arising out of or in connection with the Fund Documents including this IMA or in relation to its existence or validity (including non-contractual disputes or claims).

SCHEDULE 1 TO THE IMA

Investment Objectives and Restrictions

1. Investment Objectives

The Fund Manager's aim is to manage the funds subscribed by Investors to produce capital gains whilst managing risk.

The Fund will invest in a portfolio of companies with a target that each investment can be realised within 3-5 years (although it may occur sooner and could also take longer or may not be realised at all).

Investments will be focused on sectors that enable rapid, scalable growth and support defensible competitive advantage.

Companies in which the Fund invests may be loss making or profitable, are likely to be unlisted (although this will not constitute a restriction to Investment) and are not expected to pay dividends.

2. Investment Restrictions

In carrying out its duties under this IMA in respect of the Fund, regard shall be had, and all reasonable steps shall be taken, to comply with such policies or restrictions as are required in order to attract the EIS Relief as may be prescribed by HMRC from time to time.

In particular, but without prejudice to the generality of the above statements, the criteria for the Fund are as follows:

- a) it shall be a Complying Fund;
- b) so far as practicable, each Investment shall be in shares of an EIS Qualifying Company. Where relevant, Advance Assurance will be obtained in respect of each Investment, however in exceptional cases the Fund Manager may invest before obtaining Advance Assurance if it has obtained appropriate professional advice that confirms that the Investment should qualify for EIS Relief;
- c) generally the Fund Manager reserves the right to return any surplus of cash if it concludes that it cannot be properly invested for the Investor or considers it to be in the interests of the Investor, and at its discretion, any returns on Investments which have been realised;
- d) the Fund Manager shall not invest in excess of 20% of an Investor's Net Subscriptions in any one round of funding in any one Investee Company;
- e) the Fund intends to co-invest alongside other Funds managed by the Fund Manager or the wider Molten Ventures group where possible however this is not a restriction on the Fund and it may invest otherwise and without this co-investment; and
- f) the Fund Manager may, with the approval of Investors having together made at least 75% of the Net Subscriptions to the Fund, and who would be included in the Investment concerned, make an investment outside these criteria, save that it may not derogate from the criteria at paragraphs (a) and (b) above.

Investors should be aware that the Fund Portfolio will include Non-Readily Realisable Securities and the Fund itself qualifies as a Restricted Mass Market Investment. There is a restricted market for such Investments and it may therefore be difficult to deal in the Investments or to obtain reliable information about their value.

The intention of the Fund Manager is to divest each Investor's Portfolio prior to the relevant Long Stop Date, subject to appropriate opportunities to do so and subject to any extension to the Long Stop Date in accordance with the IMA. In the event of a gradual realisation of Investments prior to Termination, the cash proceeds of realised Investments may be placed on deposit, or used to pay fees properly accruing to the Investor's Portfolio, or otherwise be returned to investors immediately.

SCHEDULE 2 TO THE IMA

Fees and Expenses

Fees and expenses in respect of a Subscription to the Fund.

1. Initial Fee

- 1.1 2% of the Net Subscription amount payable on the relevant Close, plus VAT if applicable. At the time of writing we believe VAT will be applicable.

2. Management Fee

- 2.1 2% of the Net Subscription amount per annum for the initial 5-year period following the Close (the 'Initial Period') for that Net Subscription, payable annually in advance.
- 2.2 For any years or part years falling after the Initial Period in clause 2.1 the Management Fee will be charged on a reduced basis at the higher of (i) 2% per annum of the cost price of Investments (including any deferred proceeds) remaining in the Investor's Portfolio at the beginning of the relevant annual period; and (b) 0.5% per annum of the Investor's Net Subscription and in either case such payment is payable annually in advance. In either case plus VAT if applicable. At the time of writing we believe VAT will be applicable.
- 2.3 The Fund Manager will defer payment of part of the Management Fees due which will be accrued and settled from the exit proceeds once realisations begin as detailed in clause 5.5 with the balance of such fees being paid in cash when due. The Fund Manager intends to set aside 7.5% (plus applicable VAT) of the Investor's Net Subscription to settle the Initial Fee and part of the Management Fees, with the balance of such fees accruing. Accrued fees will only become due to the Fund Manager once cash proceeds from exits are received. If no proceeds are received, then these fees will not be charged to Investors.

3. Exit Performance Fee

- 3.1 Whenever we make an Investment on behalf of the Fund, the investment structure will include an Exit Performance Fee for the benefit of the Performance Fee Participants.
- 3.2 Each Investment structure will depend on the specific circumstances of the deal, the amounts being invested and the requirements of the EIS legislation. Accordingly we cannot specify precisely how the Exit Performance Fee will be structured on each Investment. For example, it may be structured as some form of equity participation by Performance Fee Participants or it may be a simple cash payment, charged as a fee to Investors and payable out of sale proceeds (and subject to VAT where applicable).
- 3.3 In all cases the Exit Performance Fee will, for each Investment, only be payable, if and to the extent that Investors first achieve a return above the Hurdle Return (as defined below), calculated and payable on a deal by deal basis.
- The 'Hurdle Return' for each deal shall be the Committed Amount (and, where more than one Investment is made in an Investee Company, on each such Committed Amount separately), compounded by 6% per annum until it reaches a maximum of 125% of the Committed Amount (the 'Maximum Hurdle'). Once the Hurdle Return has been achieved, 20% of total returns otherwise accruing to Investors from each Investment in excess of the Hurdle Return will be allocated amongst the Performance Fee Participants.

- 3.4 In the event of an Early Exit (or in the event that the Fund Manager determines that it is in Investors' interests to participate in a follow-on Investment in which the Portfolio company has ceased to be an EIS Qualifying Company), then the Hurdle Return for that Investment shall automatically be set at the Maximum Hurdle.
- 3.5 The Exit Performance Fee is calculated on a deal by deal basis, provided that at the end of the Investor's Fund Term the Distribution made to an Investor exceeds its Net Subscription to the Fund (save in the event that the Investor Terminates the IMA or withdraws part of its interest in the Fund in which case clause 16.7 of the IMA and paragraph 3.10 of this Schedule 2 of the IMA shall apply).
- 3.6 At the end of the Investor's Fund Term the Fund Manager will produce a calculation to determine whether the Investor's Distribution exceeds their Net Subscription amount. If the Investor's Distribution is less than their Net Subscription at the end of the Investor's Fund Term, and an Exit Performance Fee has been paid out prior to that point, then the Fund Manager and/or the Performance Fee Participants agree to reimburse such part of the Exit Performance Fee that when added to the Investor's Distribution shall make it the same amount as their Net Subscription.
- 3.7 It is agreed that if there is more than one Investor that is entitled to such reimbursement at the end of an Investor's Fund Term then the Performance Fee available shall be reimbursed to such Investors on a pro rata basis. For the avoidance of doubt the Fund Manager and/or the Performance Fee Participants will never be required to reimburse to an Investor more than the aggregate paid to it by way of Exit Performance Fee in respect of such Investor and the aggregate amount recoverable is the amount calculated in accordance with clause 3.6.
- 3.8 Prior to the end of an Investor's Fund Term if the aggregate Distribution that has been made to the Investor equals or exceeds their Net Subscription then the Fund Manager shall be entitled to issue a notice to the Investor confirming that such threshold has been reached and the provisions stated in clause 3.6 of this Schedule 2 of the IMA shall be of no further effect.
- 3.9 The Fund Manager shall have the right to be paid any accrued but unpaid Exit Performance Fees in priority to and before any further Distributions or payments to the Investor.
- 3.10 In the event that the Investor terminates the IMA or withdraws part of its interest in the Fund then the Exit Performance Fee will become payable on a deal by deal basis only (notwithstanding that the Distribution to the Investor may not have exceeded its Net Subscription). The Fund Manager shall be entitled to immediate payment of any accrued but unpaid Exit Performance Fees, which shall be distributed to the Performance Fee Participants, and shall remain entitled to payment of any future Exit Performance Fees which shall be distributed to the Performance Fee Participants. The provisions of clause 16.7 will apply.
- 3.11 Note that you may lose your entitlement to certain tax reliefs if you terminate your investment in Fund.

SCHEDULE 2 TO THE IMA

Fees and Expenses (CONTINUED)

4. Other Fees

4.1 The Custodian will impose certain fees and charges.

These currently are:

- a) a fixed custody fee of £80 per annum for the duration of the Fund's life. An amount will be set aside from the investors initial subscription to cover the first six years of custody fees. Any further custody fees will be deducted from proceeds of realisations, and may be accrued until such time there are available proceeds;
- b) a dealing charge equal to 0.2% of the gross amount of a purchase or sale transaction;
- c) a charge of £2 (per copy) for any paper copy of the EIS3 certificates requested by the Investor (the certificates are available free of charge on the portal); and
- d) there may also be standard custodian charges for non-core services. Examples of this include same day transfers, overseas transfers or re-registration of shares into the Investors name.

4.2 When the Fund makes or sells an Investment there will normally be transaction expenses for the services of advisors, such as legal fees or the submission of an Advanced Assurance application. It is customary that these expenses are paid by the Investee Company out of the investment proceeds and not by the Fund Manager.

In some situations however these costs may not be recoverable by the Fund Manager as transaction expenses and they may be deemed Non-Recoverable Deal Costs. Also, costs incurred in respect of any Investment or sale that does not conclude or in relation to any professional advice obtained on behalf of the Investors (including without limitation to enforce the Investors' rights in an Investment) may be deemed Non-Recoverable Deal Costs.

Non-Recoverable Deal Costs will be borne by the Fund and will be allocated pro rata amongst Investors by reference to the proportion that each Investor's Net Subscription bears to the total of all Investors' Net Subscriptions for the relevant Close or Closes that are involved. The Fund Manager's objective is to avoid or minimise such costs and will use its reasonable endeavours to ensure that Non-Recoverable Deal Costs to be borne by any particular Close will not exceed 0.5% (excluding VAT) of an Investor's Net Subscription, if less.

5. General

- 5.1 Fees, costs and expenses are exclusive of any applicable VAT, which shall also be payable from the Investor's Net Subscription to the Fund or proceeds from realisations.
- 5.2 Fees shall be payable out of cash held in an Investor's Portfolio within seven days of the calculation of the relevant fee (or such later date at the option of the Fund Manager). On Termination, pursuant to Clause 16.2, the Investor's liabilities, including fees, costs and expenses shall be payable from the Portfolio of the Investor and, if there is insufficient cash, Investments may be retained and/or realised in order to meet such outstanding liabilities.
- 5.3 All fees, costs and expenses of the Fund, except as otherwise described in this Schedule, shall be paid by the Investors out of their respective Portfolios in the proportion which the amount of each Investor's Net Subscription bears to the total of all Net Subscriptions to the Fund or any particular Close(s) as is relevant. This shall include without limitation all fees, costs and expenses payable to the Custodian or the Nominee.
- 5.4 No EIS Relief is available on any part of an Investor's Net Subscription used to meet Initial Fees, Management Fees, other fees or VAT on fees, or on amounts paid (if any) at an Investor's request as Financial Advisers Facilitation Fees.
- 5.5 If at any time your Portfolio does not have sufficient cash liquidity to pay in full any fees or expenses (plus VAT or other tax where appropriate) as and when these become due, then the Fund Manager will carry forward such unpaid amounts and debit them to the Investor's Portfolio when sufficient cash is generated through realisations of investments.

The Fund Manager will aim to retain sufficient cash in each Investor's Portfolio to cover fees reasonably considered by the Fund Manager to fall due which will mean that not all monies received from realisations in the Investor's Portfolio will be available for Distribution.

SCHEDULE 3 TO THE IMA

Custodian Agreement



A copy of the Agreement with Apex Unitas Limited (formerly Mainspring Nominees Limited) is available at:
<https://systems.mainspringfs.com/documents/molten/custody-agreement-new-investors/ml1>

Apex Unitas Limited

Registered Office:
125 London Wall, London, EC2Y 5AS

Telephone:
+44 20 3327 9720

www.mainspringfs.com

Registered in England under No. 8255713.
Authorised and Regulated by the Financial Conduct Authority under No.
591814.

Molten Ventures EIS Application Form

This Application Form can also be completed online – this can be accessed by the link at:

<https://investors.moltenventures.com/investor-relations/eis>

Application Checklist

1. All Applicants

Complete and sign Section 1 and Section 2 of the Application Form.
Please ensure you complete all sections of the form. Missing information will delay acceptance of your application.

2. Authorised financial intermediaries

Complete and sign Section 3.

Please send your completed:

- **Application Form** (pages 21 to 27)
and
- **Cheque** (if relevant)

Post to:

Apex Unitas Limited
4th Floor, 140 Aldersgate
Street, London, EC1A 4HY
or

Email to:

uv_nominee@apexgroup.com

Molten Ventures EIS – Instructions for Fund Transfers

The Application Pack for the Fund sets out two options:

1. Cheque

Please send a cheque together with the Application Form, payable to:
MNL (Molten) Client Account

2. Bank Transfer

STEP ONE:

Please submit the Application Form.

STEP TWO:

Funds can then be transferred straight away in accordance with the instructions below (this will also be detailed in the Welcome Letter):

Bank: **Royal Bank of Scotland PLC**
Account name: **MNL (Molten) Client Account**
Account number: **00653951**
Sort code: **16-01-09**

- Please quote – **MTSurnameFirstname** – as the reference when making the transfer. Please note that any funds received by Mainspring which cannot be identified may be returned to source.
- Subscriptions must be drawn from a personal bank account.
- Third party payments are not accepted by the Custodian.

If you are sending funds from a regulated firm's client account we need written confirmation from the regulated firm of the following details:

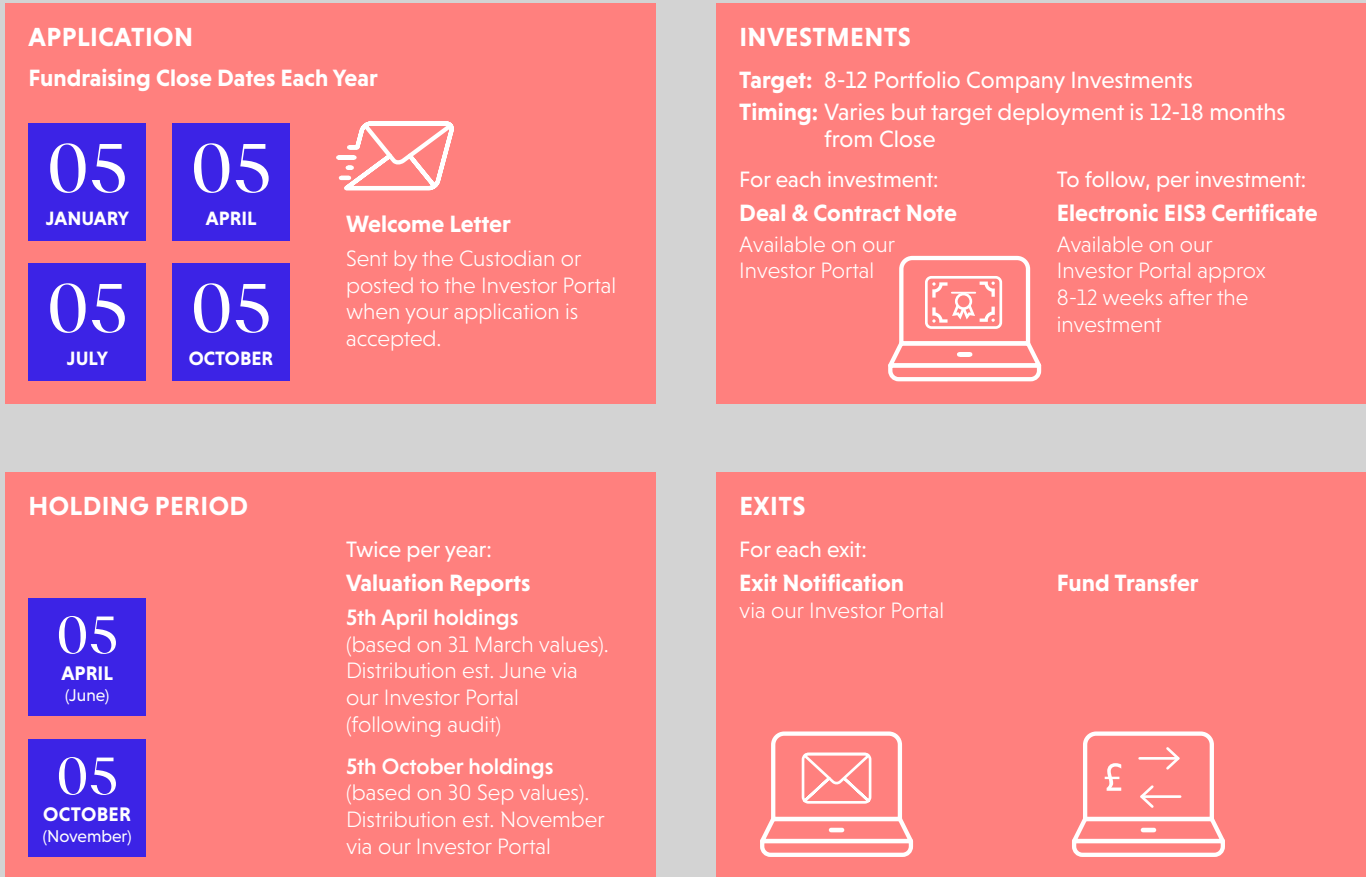
- The account name, sort code and account number of the account the funds have been remitted from.
- The full name of the investor(s) the funds are related to.

In case of any queries please contact:

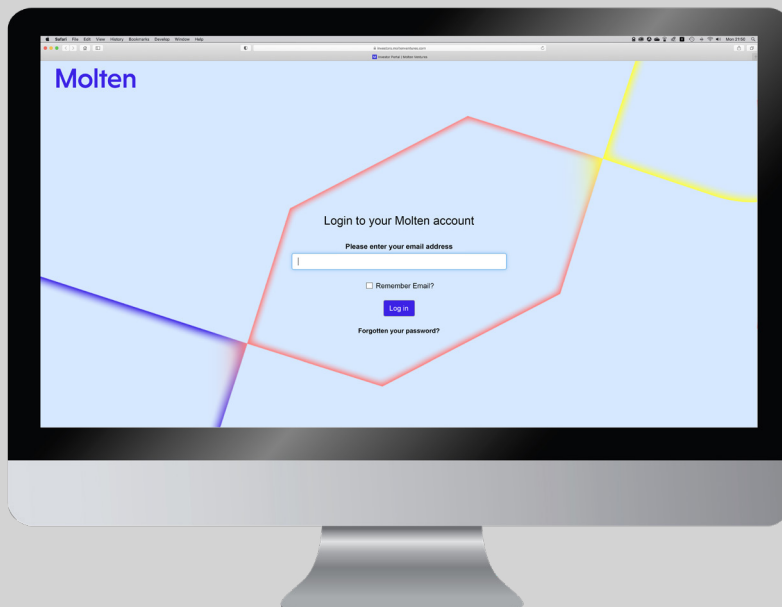
Molten Ventures: eis@molten.vc



What to Expect – Correspondence



MOLTEN VENTURES' INVESTOR PORTAL
molten.mainspringfs.com



SECTION 1

All Applicants

Please complete this form in blue or black ink using BLOCK CAPITALS. Alternatively, an editable PDF version is also available on request.

1 YOUR PERSONAL DETAILS

Joint applications are not permitted but spouses and partners may apply separately.

Mr/Mrs/Dr/Miss/Ms/Other

First Name

Middle Name(s)

Surname

Permanent Residential Address

Postcode Country

Time at the above address Years Months (If less than 3 years please provide your previous address below)

Tel (home / alternative) Home / Alternative

Email

Please ensure you provide an email address as it will allow us to provide a login to our Investor Portal where you will receive your electronic EIS3 certificates, contract notes and reports.

Town of Birth Country of Birth

Date of Birth Nationality

Tax Residency Please tick if you are tax resident in more than one country?

Tax ID Number (For UK residents this is your National Insurance No.)

Previous Address (if less than 3 years at the address above)

Postcode Country

Bank details for payments of realisations

If you do not provide these it is likely to delay the prompt payment of proceeds from realisations. We will write to you confirming the bank account on file and giving you the opportunity to change it prior to the payment of realisations.

Bank name

Account name

Account number Sort code - -

2 YOUR INVESTMENT & FINANCIAL ADVISER'S FACILITATION FEE

| Subscription | <u>Minus:</u> Financial Adviser's Facilitation Fee | <u>Equals:</u> Net Subscription |
|----------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <input type="text"/> | - <input type="text"/> | = <input type="text"/> |
| £ | £ | £ |
| Minimum £25,000. This is the amount of cash being transferred. | Insert amount (including VAT) or 'nil'. | The 'Net Subscription' should be the 'Subscription' less any fee you request to be paid as a 'Financial Adviser's Facilitation Fee'. |

By signing this Application Form, you confirm that you have agreed to pay the financial adviser, detailed in Section 3, the fees (if any) indicated in this section and you hereby instruct the Fund Manager to set aside the amount in this section and to remit the fee to your adviser on your behalf as a one-off fee (including any VAT chargeable by the adviser) payable after the Close in which your investment is made, for advice related to your investment in the Fund.

By signing this Application Form you also confirm that you understand that:

- the amount set aside from your Subscription in connection with the fees (if any) stated in this section will not be invested in the Fund and will not benefit from EIS Relief; and
- all indications of possible returns stated in the Fund Documentation are based on amounts invested in the Fund after the setting aside of any such fees to financial advisers.

SECTION 1

All Applicants (CONTINUED)

3 EXISTING INVESTORS

Please tick this box if you are an existing Investor in one of our EIS funds (legacy Draper Esprit EIS funds or the Molten Ventures EIS).

4 FOLLOW-ON RESERVE

The Fund Manager will reserve approximately 10% of each Investor's Net Subscription in the Follow-on Reserve for investment in later tax years which is described in the Memorandum in the section titled 'Dealing with Underperformance: Follow-on Reserve' on page 19. This will affect the timing of your tax relief. The Fund Manager will use its discretion to invest the Follow-on Reserve where it believes this will benefit Investors who are participants in the Follow-on Reserve. If you wish to opt out of this please select the opt out option.

- Opt In**
Yes I will participate in the Follow-on Reserve.
- Opt Out**
I wish to opt out of the Follow-on Reserve

5 INVESTOR CONFIRMATION

The Fund Manager will select Investments on behalf of the Fund as a whole rather than individually for each Investor. The Fund will be invested in accordance with Investment Objectives and Restrictions set out in Schedule 1 of the IMA.

Please note that it is your responsibility or that of your financial adviser to confirm that in light of the investment strategy and risk this EIS Fund is suitable for your investment needs, objectives and risk profile, including risk tolerance. If there are any changes to your circumstances that mean the Fund is no longer suitable for you, you or your financial adviser should notify the Fund Manager.

If you are in any doubt, you should take advice before investing in the Fund.

OBJECTIVES AND RISK

Please ensure you complete all questions in this section to avoid delays in opening your account

Have you read and understood the section Risk Factors including that there can be no assurance that the Fund's Investment Objectives will be achieved or that there will be any return of capital?

Yes No

Are you able to invest for the medium to long term (3-5 years or more) and do not require income from or access to the capital invested during this period?

Yes No

Have you read and understood the Risk Summary?

<https://investors.moltenventures.com/investor-relations/eis/eis-portfolio-risk-summary>

Yes No

Please tick either statement A or B below, whichever applies

A. If your financial adviser has classified you as a Retail Client has he/she carried out a suitability assessment in relation to you investing in the fund before asking you to read the Fund Documents?

Yes

or

or

B. Are you applying directly without a financial adviser, or has your financial adviser classified you as an Elective Professional Client?

Yes

EMPLOYMENT AND FINANCIAL SITUATION

Please state your current employment (or if retired, your previous profession) and your professional qualifications

Profession or former profession

Main source(s) of income (e.g. earnings, investment income, pension, etc):

Annual income < £100,000 £100,000-£250,000 £250,000+

Please indicate the value of your assets (excluding your main residence, pension fund, life or annuity insurance) net of any loans or other liabilities:

< £250,000 £250,000-£500,000 £500,000+

Source of investment funds Income Savings Other (please state)

Continued overleaf

SECTION 1

All Applicants (CONTINUED)

5 INVESTOR CONFIRMATION (CONTINUED)

INVESTMENT EXPERIENCE

Please confirm which and how many of the investments listed below you have made in the last 2 years: (if none please ensure you tick 0)

| | | | | |
|-----------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------|-----------------------------|
| Private companies through a direct investment | <input type="checkbox"/> 0 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2-4 | <input type="checkbox"/> 5+ |
| Private companies through a business angels network or syndicate | <input type="checkbox"/> 0 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2-4 | <input type="checkbox"/> 5+ |
| Enterprise Investment Schemes (EIS) funds or Venture Capital Trusts (VCT) | <input type="checkbox"/> 0 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2-4 | <input type="checkbox"/> 5+ |
| Private equity funds and similar investments | <input type="checkbox"/> 0 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2-4 | <input type="checkbox"/> 5+ |
| What is the total annual investment you make on average into the types of investments listed above? | <input type="checkbox"/> < £50,000 | <input type="checkbox"/> £50,000-£100,000 | <input type="checkbox"/> £100,000+ | |

6 COPY CORRESPONDENCE

The Custodian can provide copy correspondence for your account via our portal to your financial or taxation advisors.

If you wish them to receive a login to our online portal where they can view copies of all correspondence, including your EIS certificates then please supply their name and email address below.

You do not need to include your financial adviser here if they are detailed in Section 3.

| | |
|-------|----------------------|
| Name | <input type="text"/> |
| Email | <input type="text"/> |
| Name | <input type="text"/> |
| Email | <input type="text"/> |

7 HELPING PORTFOLIO COMPANIES

If you would be willing to share your professional experience, where relevant, on an ad hoc basis and without any ongoing commitment, as part of our investment due diligence or to assist portfolio companies with contacts and know-how then please list your sector(s) of professional experience and any areas where you might be able to help.

8 AUTHORISATION TO ACCEPT INSTRUCTIONS

Please ensure that anyone who contacts us on your behalf is able to confirm your date of birth and your Customer Reference number for this account (which you will find on your Welcome Letter and valuation statements).

(Optional) Please tick this box if you **do not** wish us to accept instructions relating to your account from your financial adviser or individuals within the same firm acting on their behalf.

(Optional) Please indicate the name of anyone else (e.g. your spouse, if relevant) from whom we may take instructions or provide information to on your behalf. If you include their email address below we will give them an account on our reporting portal so that they can view your investment.

| | |
|-------|----------------------|
| Name | <input type="text"/> |
| Email | <input type="text"/> |

SECTION 2

All Applicants

1 INCORPORATION OF TERMS AND DATA PROTECTION CONSENTS

Do you agree to be bound by the terms of the IMA and accept the risk factors contained within?

 Yes

Do you agree to be bound by the terms of the Custody Agreement (Schedule 3)?

 Yes

Do you consent to the Fund Manager or any associated or affiliated member of the Molten group processing sensitive personal data provided by you or your financial adviser, for example health data, as may be necessary for the Fund Manager to discharge its regulatory, legal and contractual obligations including for the purposes of anti-money laundering legislation and ensuring the fair treatment of investors?

 Yes

The Fund Manager will process the Investor's personal data as set out in the privacy notice available at:

https://investors.moltenventures.com/storage/uploads/Encore_Ventures_Privacy_Notice_-_April_2023_djvle.pdf

2 APPLICANT DECLARATION

I hereby declare that:

1. I am applying on my own behalf and to the best of my knowledge and belief, the personal details I have given are correct.
2. I will notify the Fund Manager if any Investment is made in a company with which I am connected as defined in Sections 166, 167, 170 and 171 of the Taxes Act or if within three years of the issue of the relevant Shares I become connected with a company invested in or receive value from such a company.
3. I confirm that I understand providing insufficient information may prevent the Fund Manager from making investments on my behalf until such time as that information is provided.
4. I hereby irrevocably and unconditionally confirm that I have not relied upon or been induced to make this application and participate in the investment as a result of any warranty, representation, assurance or otherwise from the Fund Manager or any member of its group or any of their respective members, directors, employees, agents or advisers save as set out in the IMA and, with the exception of any fraudulent misrepresentation, any liability for such inducement is expressly disclaimed.
5. I have independently completed any appropriateness and/or suitability assessments that have been presented to me with respect to the Fund. I have read and understood the contents of the [Risk Summary](https://investors.moltenventures.com/investor-relations/eis/eis-portfolio-risk-summary) – <https://investors.moltenventures.com/investor-relations/eis/eis-portfolio-risk-summary> and the additional risks highlighted within the Information Memorandum.
6. I accept that my personal circumstances may change during the lifetime of my investment. I will notify the Manager in the event there are changes to my personal circumstances.

Signature

Print name

Date

SECTION 3

To be Completed by the Intermediary

1 DETAILS OF THE INTERMEDIARY

Firm name

Firm FCA number

Firm address

Postcode

Full name of adviser

Individual FCA number Telephone

Email

(Optional)
Your case reference

Copy correspondence can be viewed by logging into our online portal. If you do not already have an account on our portal and you have included your email address in the field above you will receive an activation email once this application is accepted. If you already have an account then this application will be linked to it.

- If you would like portal access for additional colleagues please ensure their name and email address are included in Section 1.6 of this Application Form.

Intermediary Bank Account Details (if fee facilitation required)

Bank name

Account name

Account number

Sort code - -

If you wish, please provide a point of contact that we should use in case of any queries/confirmation in relation to the processing of this application

(Optional) FAO

(Optional) Telephone

(Optional) Email

SECTION 3

To be Completed by the Intermediary (CONTINUED)

2 CLIENT CATEGORISATION

Following confirmation of the Investor's Net Income and Assets within the prior twelve month period, we have categorised

(the Investor) as a (Please tick appropriate box):

Retail Client

We have obtained the necessary information from the Investor to enable us to make a suitable recommendation. We have given due consideration (upon which the Fund Manager may rely) to the nature and extent of the Services to be provided and the nature of the Fund and have made a personal recommendation to the Investor that participation in the Fund will meet his/her investment objectives, is such that he/she is able financially to bear any related investment risks consistent with those investment objectives and is such that he/she has the necessary experience and knowledge in order to understand the risks involved in the management of his/her investment portfolio. Upon request from the Fund Manager, we will provide a copy of our suitability letter and/or the documentation relied upon when forming our personal recommendation. We will advise the Fund Manager of any changes in the circumstances of this investor that we become aware of where such a change could invalidate the assessment of suitability we have made. Where we have classified the Investor as a retail client, we confirm the Investor is certified as a high net worth investor, a sophisticated investor, a restricted investor or has self-certified as a sophisticated investor, in each case, in accordance with FCA Rules.

Elective Professional Client

Where we have categorised the Investor as an Elective Professional Client, we have undertaken an adequate assessment of his/her expertise, experience and knowledge such as to give reasonable assurance to the Fund Manager in light of the nature of the transactions or Services envisaged that the Investor is capable of making his or her own investment decisions and understanding the risks involved in a participation in the Fund and of being categorised for this purpose as an Elective Professional Client within the meaning of the Conduct of Business rules made by the FCA. We have given to the Investor a clear written warning of the protections and investor compensation rights the Investor may lose in being treated as a professional client.

3 ANTI MONEY LAUNDERING CONFIRMATION

Anti-Money Laundering Due Diligence

By signing the declaration in Section 3.6 we are confirming that we have applied Customer Due Diligence measures in accordance with the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 upon which we acknowledge you will rely.

Copies of AML documents used for our Customer Due Diligence must be provided promptly upon request from the Manager.

We also acknowledge that the Manager will undertake its own identification and verification checks electronically in the background.

We have:

- a) obtained information on the purpose and intended nature of the Investor's proposed investment in the Fund and we are satisfied that this investment is being made for legitimate purposes and not to conceal the proceeds of crime; and
- b) identified and verified the identity of the Investor on the basis of documents, data and information obtained from a reliable and independent source.

4 CUSTOMER OUTCOMES

By recommending Molten Ventures EIS to the Investor, we confirm our understanding of the characteristics of Molten Ventures EIS (including associated fees and charges) and that this has been clearly explained by us to the Investor. In addition we confirm that the risk warnings (generic and personalised) and risk summary have been shared with the Investor and the required cooling off periods have been adhered to.

After assessment of the product against the Investor's needs, characteristics and objectives, it is our opinion that Molten Ventures EIS is a suitable product for the Investor taking into account its identified and intended target market and continues to offer fair price and value when aggregated with any adviser related fees and charges.

Unless otherwise communicated to the Fund Manager, we confirm that no Investor vulnerabilities have been identified.

We undertake to notify the Fund Manager immediately should we become aware of a change in the Investor's circumstances.

SECTION 3

To be Completed by the Intermediary (CONTINUED)

5 NOTE

Investors' Subscriptions to the Fund will be invested in accordance with the Fund Documentation. We cannot accept any special instructions in relation to accelerated investment of funds or instructions that funds are to be invested within particular tax years.

6 INTERMEDIARY DECLARATION

I have carried out the checks stipulated in Sections 3.3 and 3.4, and I have read and understood the information provided in Section 3.5.

Signature

Print name

Date

| | | | | | |
|---|---|---|---|---|---|
| D | D | M | M | Y | Y |
|---|---|---|---|---|---|

Molten EIS

FUND MANAGER

Encore Ventures LLP
20 Garrick Street
London, WC2E 9BT
+44 (0)20 7931 8800
eis@molten.vc

moltenventures.com

FOR PROMOTER AND INTERMEDIARY ENQUIRIES



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