



LONGBOW 

Section 1 Personal Details

Title	Full Name	
Permanent Address		
Postcode		
Time lived at address	Daytime Tel:	Mobile:
Correspondence Address <small>(if different from above)</small>		
Date of Birth	Place of Birth	
Nationality		
Country of Residence for Tax Purposes		
National Insurance No.	Email	

Amount to Invest

£

(min £25,000)

Section 2 Suitability Questionnaire

The Manager is required by the FSA to obtain sufficient information from Investors to enable it to ensure this Investment is suitable for them. If your circumstances or your requirements change in the future you must notify the Manager in writing immediately. The Manager cannot accept an application if this information is not completed.

Investment objectives

The Investment is designed to be held for the medium to long term (between three to five years). Please note that Shares in small unquoted companies are higher risk than Shares quoted on the main market of the London Stock Exchange. The Fund is designed to provide Investors with access to a portfolio of Investments in small unquoted companies, which have a potential for capital appreciation.

Please tick this box to confirm that you understand the higher risk Investment objectives of the Fund (including the risk factors detailed on page 17 of the Memorandum) and that these are consistent with your personal financial objectives.

YES NO

Please also confirm the following:

Have you previously made Investments in unquoted companies?

I am able to invest in the Fund over the medium to long term of approximately four to eight years (i.e. you will not need income or access to the capital invested during this period)

Have you received any taxation or Investment advice (e.g. from a qualified Professional Adviser) relating to this Investment?

Section 3
Declaration

IMPORTANT

I acknowledge that my Investment is made on the terms set out in the Investor Agreement and I am aware of the consequences of losing the protections and investor compensation rights that I lose by participating in either or both of the Funds as an elective professional client and waiving the protections of the client money rules.

I confirm, in relation to my Investment in either or both of the Funds, that;

- > I will notify Longbow Capital LLP of any Investment through either or both of the Funds in which I have an Investment in any company with which I am connected within section 163 and sections 166 to 177 of the Income Tax Act 2007; and
- > I have read the Memorandum and the Investor Agreement. I have understood and I agree to be bound as a party to the terms of the Investor Agreement and authorise the Manager to enter into a Custodian Agreement on behalf of my SIPP;
- > I accept that the information supplied in Section 3 is only provided to enable the Manager to assess the suitability of my SIPP's Investment in LPS II. I acknowledge that the Manager is not my general financial adviser and that any tax information provided is in the context of the service offered;
- > I have read this Application Form and I confirm that I have provided full and accurate information on my personal and financial circumstances in order that the Manager may assess the suitability of an Investment in LPS II. I understand that the Manager may decline to act on my behalf in the event that the information provided is incomplete;
- > I agree and acknowledge that where the Manager is required by FSA Rules to provide information to me, such information may be provided by means of the Manager's website.

A. I will instruct transfer of such aggregate amount by bank transfer on request upon confirmation my application has been accepted.

CHEQUES SHOULD BE MADE PAYABLE TO:

Charles Stanley

BANK TRANSFERS SHOULD BE MADE TO:

Bank of Scotland
Charles Stanley Client Account
Sort Code 12-21-39
Account No. 00100367

Name of Applicant	
Signature	Date

Application forms should be returned to Longbow Capital LLP, Barnham Broom, Honingham Road, Norwich, NR9 4DD. If you have any questions please contact Edward Beckett, Ron Petersen or Keith Powell on tel. 01603 757 509 or fax. 01603 757 529 or ebeckett@longbow.co.uk, rpetersen@longbow.co.uk or kpowell@longbow.co.uk.

Section 4
Financial Adviser
Details

Firm Name

Address

Postcode

Contact Name

Tel

Fax

Email

We have undertaken such an adequate assessment of the applicant's expertise, experience and knowledge as to give reasonable assurance to the Fund Manager in light of the nature of the transactions or services envisaged that the applicant is capable of making his own Investment decisions and understanding the risks involved in a participation in LPS II.

FSA Registration No. and Company Stamp

Signature

This Agreement sets out the terms and conditions for participation in the Longbow Portfolio Service II (LPS II).

1. Definitions, Construction and Interpretation

1.1 In this Agreement the definitions contained in the Glossary to the Information Memorandum published by Longbow Capital in February 2013 shall apply.

1.2 Words and expressions defined in the FSA Rules which are not otherwise defined in this Agreement shall, unless the context otherwise requires, have the same meaning in this Agreement.

1.3 Any reference to a statute, statutory instrument or to rules or regulations shall be references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.

1.4 References to the singular only shall include the plural and vice versa.

1.5 Unless otherwise indicated, references to Clauses shall be to Clauses in this Agreement.

1.6 Headings to Clauses are for convenience only and shall not affect the interpretation of this Agreement.

2. Investing in LPS II

2.1 This Agreement comes into force on the date on which a SIPP Investor is notified in writing by the Manager that its Application Form is accepted in respect of LPS II.

2.2 This Agreement enables the Investor to invest through LPS II. LPS II is not a Collective Investment Scheme.

2.3 The Investor hereby appoints the Manager, on the terms set out in this Agreement, to manage his/her Portfolio in which he/she has invested. The Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.

2.4 The Manager and the Custodian are authorised and regulated by the Financial Services Authority for the conduct of UK business.

2.5 Under the terms of this Agreement, the SIPP Investor has the right to cancel arrangements to which this Agreement applies, for a period of up to 14 days from the day on which the Manager accepts the SIPP Investor's Application Form.

The right to cancel will not be applied to any transactions undertaken during the cancellation period, where the price of the relevant investment depends on fluctuations in the financial marketplace outside of the Manager's control. In order to cancel the arrangement a SIPP Investor must ensure that written instructions to cancel are dispatched to the Custodian and Manager before the expiry of the 14 day cancellation period. In the event of cancellation, the Investor may be required to pay for any services the Manager and Custodian has actually provided (which may include re-registration and commission charges) based on the fees and expenses in respect of either or both of LPS II, as the case may be, set out in Schedule 2 of this Agreement.

2.6 If an application set out in an Application Form is not accepted the Manager will promptly notify the Investor and return the Subscription enclosed with the Application Form.

2.7 The Investor confirms to the Manager that he wishes to be treated as a Professional Client in respect of his Portfolio in either or both of LPS II in which he invests. On that basis that he is an Elective Professional Client if:

(a) the Manager undertakes an adequate assessment of the expertise, experience and knowledge of the Investor that gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the Investor is capable of making his own investment decisions and understanding the risks involved;

(b) the Manager has given the Investor a clear written warning of the protections and investor compensation rights the Investor may lose (as contained in this Agreement); and

(c) the Investor has read the statement contained within the Application Form, as a separate document from this Agreement, that he is aware of the consequences of losing such protections.

2.8 If the Investor has been advised by an authorised intermediary who completes the final section of the Application Form, the Investor will be treated as having satisfied the above criteria. However, if the Investor has applied directly he will have to complete a form on his investment experience which will be sent by LPS II Manager to the Investor. The information provided by the Investor will be kept confidential by the Manager but it is important to enable the Manager to categorise the Investor as a Professional Client as required by the FSA. An application to subscribe to LPS II will only be accepted from an Investor if he has been categorised by the Manager as a Professional Client.

2.9 Once an Investor is treated as a Professional Client he will lose the protections applicable exclusively to retail clients under the FSA Rules. Certain of the FSA Rules will automatically be limited or modified in their application to the Investor. Certain of the FSA Rules will be capable of modification in their application to the Investor in relation to any business carried out by the Manager under the terms of the Information Memorandum ("the Business").

2.10 The following protections will not apply to a SIPP Investor in LPS II. The Manager will not be obliged to warn the Investor of the nature of any risks involved in any potential Investments in LPS II. The Manager will not be obliged to disclose to the Investor the basis or amount of its charges for any services the Manager provides to the Investor or on his behalf or the amount of any other income that the Manager may receive from third parties in connection with such services. The Manager will not be obliged to set out any of the prescribed contents, disclosures or risk warnings needed for retail customers in prospectuses, marketing brochures and other non-real time financial promotions material, nor will the Manager be subject to the restrictions that apply to a retail client in relation to unsolicited real-time communications with the Investor. The Manager will not be required to give the Investor the warnings required for retail clients in relation to material which may lead the Investor to deal with or use overseas firms which are not regulated by the Financial Services and Markets Act 2000 nor will the Manager have to satisfy itself that the overseas firm will deal with the Investor in an honest and reliable way. The Manager will also not be required to comply with the FSA Rules relating to restrictions on and the content of direct offer advertisements.

2.11 The following rules will be limited or modified in their application to the Investor. The majority of the FSA Rules in relation to the form and content of financial promotions will not be applicable in respect of any financial promotion communicated or approved by the Manager. The Manager will not be required by the FSA to provide the Investor with a periodic statement on the value and composition of his Portfolio in LPS II with the Manager where the Investor has requested the Manager not to do so or where the Manager has taken reasonable steps to establish that the Investor does not want them. By signing the Application Form, the Investor confirms he or she does not wish to be provided with period statements.

2.12 The following rules will be capable of modification in their application to the Investor. The Manager may be permitted under FSA Rules to agree in writing with the Investor that the Manager need not owe him a duty of best execution in respect of Business and by signing and returning the Application Form the Investor hereby agrees that such duty is expressly excluded. As such, the Manager is not obliged to take reasonable care to ascertain the price which is the best available to the Investor for him in the relevant market at the time for transactions of the kind and size concerned or to execute the Investor's instructions at such price (or a better price). No Investor is or will be allowed to participate in LPS II as a retail client and best execution does not apply to LPS II. If the Investor is reclassified as a retail client the Investor shall not be entitled to best execution in respect of his Portfolio in LPS II.

as the case may be, in any event, the Manager shall continue to be entitled to treat all Investors in LPS II as Professional Clients and the Manager shall be entitled to terminate this agreement pursuant to clause 15.3.

2.13 The Manager may have regard to an Investor's expertise when complying with the requirements under the regulatory system that communications must be clear, fair and not misleading.

2.14 Under FSA Rules the Manager has to review its categorisation of clients at least once a year. As part of this review procedure the Manager may write to the Investor.

3. Subscriptions

3.1 The Investor:

(a) must make a Subscription in LPS II of not less than the minimum amounts LPS II shown in the Application Form at the same time as submitting his/her Application Form to LPS II; and

(b) may not make any Subscriptions to LPS II, after the Closing Date for LPS II.

3.2 The Investor may not make a withdrawal from LPS II other than in accordance with Clause 15 and this Agreement shall only terminate pursuant to Clause 15.

3.3 Subscriptions received shall be deposited (in an interest bearing client account) pursuant to Clause 7.8 pending their investment.

4. Services

4.1 The Manager will manage LPS II as from its respective Closing Dates on the terms set out in this Agreement. The Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Agreement, including, in particular the negotiation and execution of agreements and ancillary documentation relating to investments in EIS qualifying companies. The provision of safe custody and administration services in relation to LPS II will be carried out by the Custodian and the Nominee or such other person or persons as the Manager shall from time to time appoint, if it has the necessary regulatory permission to do so. The Custodian is not an Associate of the Manager.

4.2 The Custodian will provide safe custody services and administration services on the terms set out in its client agreement.

4.3 If the Investor has a complaint regarding the LPS II he may raise the complaint with his independent financial adviser or directly with the Manager by writing to Longbow Capital LLP, Barnham Broom, Honingham Road, Norwich NR9 4DD and the Manager shall endeavour to resolve the complaint speedily and efficiently and will reply to the Investor in writing. As a Professional Client the Investor will lose the right to access the Financial Services Ombudsman Service or the Financial Services Compensation Scheme.

5. Investment Objective and Restrictions

5.1 In performing the Services, the Manager shall have regard to and shall comply with the Investment Objective and the Investment Restrictions set out in Appendix 1A as regards LPS II.

5.2 In performing the Services, the Manager shall at all times have regard to:

- (a) the need for the Investments to attract EIS tax advantages;
- (b) all Applicable Laws.

5.3 In the event of a gradual realisation of Investments prior to termination of LPS II under Clause 15.1, the cash proceeds of realised Investments may be placed on deposit or invested in government securities or in other investments of a similar risk profile.

6. Terms Applicable to Dealing

6.1 In effecting transactions for LPS II, the Manager will act in accordance with the FSA Rules.

6.2 Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of the relevant market or

exchange and the Manager shall take all such steps as may be required or permitted by such rules and regulations and/or by good market practice. All transactions in Investments will be subject to the rules and customs of the exchange or market and/or clearing house through which the transactions are executed and to all Applicable Laws so that:

(a) if there is any conflict between the provisions of this Agreement and any such rules, customs or Applicable Laws, the latter shall prevail; and

(b) action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Laws.

A SIPP Investor should, however, be aware that the Subscriptions of the Investor will be invested in a range of unlisted securities and, although some may be traded on AIM or PLUS, there is generally no relevant market or exchange and consequent rules and customs and there will be varying practices for different securities. Transactions in shares of such securities will be effected on the best commercial terms which can be secured.

6.3 Subject to the FSA Rules, transactions for a SIPP Investor may be aggregated with those for other Investors and may be aggregated with other customers of the Manager, and of its employees and Associates and their employees. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FSA Rules and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, but a SIPP Investor should be aware that the effect of aggregation may work on some occasions to a SIPP Investor's disadvantage.

6.4 Where deals for a SIPP Investor are aggregated with those for another Investor, the number of shares in a company held as an Investment for the Investor shall, as nearly as possible, be in the proportion which the Investor's Subscription bears to the total Subscriptions by all Investors in LPS II, (provided that Investors shall not have fractions of shares) and, shall, as nearly as possible, be in the proportion which the SIPP Investor's Subscription bears to the total Subscriptions by all Investors holding Portfolios of the same Closing Date. Variations may be allowed to prevent Investors having fractions of shares but only in circumstances in which there can be minor variations. Entitlement to shares will be to the nearest whole share rounded down and the aggregate of fraction entitlements may be held by the Nominee for the Manager.

6.5 The Manager may make use of soft-commission arrangements in respect of deals undertaken for LPS II as may be disclosed to the Investor from time to time.

6.6 The Manager will act in good faith and with due diligence in its choice and use of counter parties but, subject to this obligation, shall have no responsibility for the performance by any counter party of its obligations in respect of transactions effected under this Agreement.

6.7 Any option which the Manager has to subscribe for shares in any company in which LPS II has invested shall not be capable of assignment except to an employee of the Manager within three years from the date on which the Investment is made.

7. Custody

7.1 The Custodian appointed by the Manager shall provide services for the safe keeping of Investments and cash comprised in LPS II from time to time, including the settlement of transactions, collection of income and the effecting of other administrative actions in relation to the Investments. The Custodian will be responsible for the provision of such Services to the Investor.

7.2 Investments will be registered in the name of the Nominee. Investments within the SIPP Investor's Portfolio in either or both of LPS II will therefore be beneficially owned by the SIPP Investor at all times but the Nominee will be the legal owner of the Investments in LPS II.

7.3 The terms and business services of the Custodian are subject to conditions of the Custodian, as the Custodian and the Manager may agree

and shall determine from time to time. The Manager will notify Investors of any changes to the charges of the Custodian. Investors will be required to enter into such agreement with the Custodian in order to be provided with Safe Custody and a Nominee account.

8. Reports and Information

8.1 The Manager shall send to the Investor a report relating to investments made through LPS II, complying with the FSA Rules, every six months, in respect of the periods ending on or around 5 April and 5 October. Reports will include a measure of performance in the later stages of LPS II in which he/she invests once valuations are available for the Investments. Investments will be valued in accordance with appropriate BVCA valuation rules from time to time prevailing.

8.2 Details of dividends which are received in respect of the Investments will be provided in respect of each tax year ending 5 April and appropriate statements sent to the Investor.

8.3 The Manager shall supply such further information which is in its respective possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.

8.4 Any statements, reports or information so provided by the Manager to the Investor will state the basis of any valuations of Investments provided.

9. Fees and Expenses

9.1 The Manager shall receive Fees for its Services, and reimbursements of its Costs and Expenses, as set out in Schedule 2 to this Agreement.

9.2 The SIPP Investor shall be responsible for:

- (a) meeting all Fees and Expenses of the Custodian and the Nominee;
- (b) meeting all Fees and Performance Fees of the Manager;
- (c) pre-paying a sum equivalent to the fees to cover the first five years of the investment into LPS II, unless the manager directs otherwise; and
- (d) remitting promptly such monies as are required to meet the custodial and management fees as invoiced half yearly following the fifth anniversary of LPS II to the extent these can't be met out of the relevant nominee account of LPS II.

10. Management and Administration Obligations

10.1 The Manager shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective Services properly and efficiently, and in compliance with the FSA Rules.

10.2 Except as disclosed in the Memorandum and as otherwise provided in this Agreement (for example on early termination), the Manager shall not take any action which may prejudice the tax position of the SIPP Investor insofar as it is aware of the relevant circumstances, and in particular which may prejudice obtaining the tax advantages for LPS II Investments.

11. Obligations of the Investor

11.1 The Portfolio in which an investment is made which is established by this Agreement is set up on the basis of the declaration made by the Investor in his Application Form which includes the following statements by the Investor in relation to his Subscription:

(a) that he agrees to notify the Manager if any Investment is in any company in which the Investor is connected within Section 163 and Sections 166 to 177 of the Income Tax Act 2007;

and

(b) that he is aware that he is consenting to be treated as an elective professional investor and for the money he subscribes not to be treated as client money in accordance with the rules of the FSA.

11.2 The Investor confirms that the information stated in the Application Form in these (and all other) respects is true and accurate as at the date of this Agreement.

11.3 The Investor must immediately inform the Manager in writing of

any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which Clause 11.1 above refers.

11.4 In addition, a SIPP Investor must provide the Manager with any information which it reasonably requests for the purposes of managing the Investments of the Investor pursuant to the terms of this Agreement.

12. Delegation and Assignment

12.1 The Manager may in its sole discretion employ agents and sub-contractors, including associates, to perform any administrative, custodial or ancillary services to assist the 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. Any such employment of agents shall not affect the liability of the Manager under the terms of this Agreement.

12.2 The Manager may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to the SIPP Investor. This Agreement is personal to the SIPP Investor and the SIPP Investor may not assign it.

13. Potential Conflicts of Interest and Disclosure

13.1 The Manager may provide similar Services or any other Services whatsoever to any customer and the Manager shall not in any circumstance be required to account to the Investor for any profits earned in connection therewith. So far as is deemed practicable by the Manager, the Manager will use all reasonable endeavours to ensure fair treatment as between the SIPP Investor and such customers in compliance with the FSA Rules.

13.2 The Manager, and any Associate may, subject to FSA Rules, and without prior reference to the Investor, recommend transactions in which it or an Associate has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with its duty to the SIPP Investor. Neither the Manager, nor any Associate, shall be liable to account to the SIPP Investor for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. For example, such potential conflicting interests or duties may arise because:

- (a) the Manager or an Associate may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving companies whose securities are held for the SIPP Investor;
- (b) the Manager may take an equity stake in a company whose securities are held for the SIPP Investor at a price not below the issue price available to the SIPP Investor (and subject to Clause 6.7);
- (c) the Manager or an Associate provides investment services for other customers;
- (d) any of the Manager's partners or employees, or those of an Associate, is or may become a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of the SIPP Investor;
- (e) the transaction is in securities issued by an Associate or the customer of an Associate;
- (f) the transaction is in relation to an Investment in respect of which it or an Associate may benefit from a commission or fee payable otherwise than by the SIPP investor and/or it or an Associate may also be remunerated by the counter party to any such transaction;
- (g) the Manager deals on behalf of the SIPP Investor with an Associate;
- (h) the Manager may act as agent for the SIPP Investor in relation to the transaction in which it is also acting as agent for the account of other customers and Associates;
- (i) the Manager may, in exceptional circumstances, deal in investments as principal in respect of a transaction for the SIPP Investor;
- (j) the Manager may have regard, in exercising its management

discretion, to the relative performance of other LPS II under its management;

(k) the Manager may effect transactions involving placings and/or new issues with an Associate who may be acting as principal or receiving agent's commission. The Manager or an Associate may retain any agent's commission or discount or other benefit (including directors' fees) that accrues to them;

(l) the transaction is in the securities of a company for which the Manager or an Associate has underwritten, managed or arranged an issue within the period of 12 months before the date of the transaction; or

(m) the transaction is in securities in respect of which the Manager or an Associate, or a director or employee of the Manager or an Associate, is contemporaneously trading or has traded on its own account or has either a long or short position.

14. Liability

14.1 The Manager agrees that it will at all times act in good faith and with reasonable care and due diligence. Nothing in this paragraph 14 shall exclude any duty or liability owed by the SIPP Investor under the FSA Rules.

14.2 The Manager shall not be liable for any loss to the SIPP Investor arising from any investment decision made in accordance with the investment objective and the investment restrictions set out in Schedule 1 or for other action in accordance with this Agreement, except to the extent that such loss is directly due to the negligence or willful default or fraud of the Manager or any of its employees.

14.3 Subject to Clauses 6.6 and 12, the Manager shall not be liable for any defaults of any counterparty, agent, banker, Nominee or other person or entity which holds money, investments or documents of title for LPS II, other than where such party is an Associate.

14.4 In the event of any failure, interruption or delay in the performance of the Manager'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, failure or malfunction of any telecommunications or computer service or systems, the Investor acknowledges that the Manager shall not be liable or have any responsibility of any kind to any loss or damage thereby incurred or suffered by the Investor.

14.5 The Manager gives no representations or warranty as to the performance of LPS II. Investments made by LPS II are high risk investments, being non-Readily Realisable Investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of investment in Investments carefully and note the risk warnings set out in the Information Memorandum. Nothing in this Clause 14 shall exclude the liability of the Manager for its own fraud.

15. Termination

15.1 The Manager shall set date(s), which it shall notify to the Investor, on which LPS II will terminate. This will usually be five years after the final investment made for the Investor by the Manager through LPS II, subject to extensions of up to three years with the approval of the Supervisory Committee or for longer periods with the approval of the individual Investors. On termination of LPS II, the Manager shall endeavour to procure that all Shares held for the Investor in his Portfolio will be sold or realised by way of a liquidation of the Investee Companies or otherwise howsoever and the proceeds will be paid to the SIPP Investor. Any cash within the SIPP Investor's Portfolio in each Fund will be paid to the SIPP Investor.

15.2 A SIPP Investor is not entitled to make withdrawals from LPS II save in the event that the Investor Agreement is terminated or with

the express agreement in writing of the Manager. The Manager will have a lien on all assets being withdrawn or distributed from LPS II and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging a SIPP Investor's liability to the Manager in respect of damages or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining investments will then be passed to the SIPP Investor.

15.3 If:

(a) the Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Manager under this Agreement;

(b) the Manager ceases to be appropriately authorised by the FSA or becomes insolvent; or

(c) the Manager is no longer able to categorise the Investor as a professional client under the FSA Rules; the Manager shall endeavour to make arrangements to transfer the Investments to another Manager in which case that Manager shall assume the role of LPS II Manager under this Agreement, failing which the Agreement shall terminate forthwith and, subject to Clause 16, the Investments held for the account of the SIPP Investor shall be transferred into the SIPP Investor's name or as the SIPP Investor may otherwise direct.

15.4 Provided neither Clause 15.2 nor 15.3 applies, this Agreement shall terminate in respect of LPS II when the Manager advises in writing to that the LPS II investment has terminated.

16. Consequences of Termination

16.1 On termination of this Agreement pursuant to Clause 15, the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.

16.2 Termination 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 SIPP Investor will pay fees, expenses and costs properly incurred by the Manager up to and including the date of termination and payable under the terms of this Agreement.

16.3 On termination, the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the SIPP investor's outstanding liabilities, including fees, costs and expenses payable under Clause 9 of this Agreement, the details of which are set out in Schedule 2 to this Agreement.

17. Confidential Information

17.1 Neither the Manager, nor the SIPP Investor shall disclose to third parties or take into consideration information either:

(a) the disclosure of which by it would be, or might be, a breach of duty or confidence to any other person; or

(b) which comes to the notice of an employee, officer or agent of the Manager or of any Associate but properly does not come to the actual notice of that party providing services under this Agreement.

17.2 The Manager will at all times keep confidential all information acquired in consequence of the Services, except for information which:

(a) is in the public knowledge; or

(b) which they may be entitled or bound to disclose under compulsion of law; or

(c) is requested by regulatory agencies; or

(d) is given to their professional advisers where reasonably necessary for the performance of their professional services; or

(e) is authorised to be disclosed by the relevant party;

and shall use all reasonable endeavours to prevent any breach of this Clause 17.2.

18. Complaints and Compensation

18.1 The Manager has established procedures in accordance with the

FSA Rules for consideration of complaints.

18.2 The protections offered by the FSA do not apply to LPS II or the Investment of the Investor and compensation under the Financial Services Compensation Scheme will not be available.

19. Notices, Instructions and Communications

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

19.2 The 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.

19.3 All communications to the Investor shall be sent (whether postal or electronic) to the latest address notified by the Investor to the Manager and shall be deemed received by the Investor on the second day after posting or on the day after dispatch in the case of electronic communication. All communications by the Investor shall be made in writing or (save as otherwise provided) shall be made by telephone to the Manager, in which case conversations may be recorded for the avoidance of any subsequent doubt. Communications sent by the Investor will be deemed received only if actually received by the Manager. The Manager will not be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.

20. Unsolicited real time financial promotion

The Manager may communicate an unsolicited real time financial promotion (i.e. interactive communications such as a telephone call promoting EIS qualifying company investments) to the Investor.

21. Amendments

The Manager may amend these terms and conditions in this Agreement by giving the Investor not less than 10 business days' written notice. The 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 or in order to comply with the FSA Rules.

22. Data Protection

All data which the Investor provides to the Manager is held by that party subject to the Data Protection Act 1998. The Investor agrees that the Manager may pass personal data to each other and to other parties insofar as is necessary in order for them to provide their services as set out in this Agreement and to the FSA and any regulatory authority which regulates them and in accordance with all other Applicable Laws.

23. Entire Agreement

This Agreement, together with the Application Form, comprises the entire Agreement of the Manager with the Investor relating to the provision of the Services.

24. Rights of Third Parties

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

25. Severability

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

remainder of this Agreement.

26. Governing Law

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

SCHEDULE 1

Investment Objective and Restrictions of LPS II

1A Investment Objective

1. To offer Investors the opportunity to invest in unquoted companies which exploit intellectual property, technology and services to address sustainable development opportunities, with the added bonus of obtaining the tax advantages associated with SIPP investments made through LPS II.

1B Investment Restrictions of LPS II

1. In carrying out its duties in respect of LPS II, regard shall be had, and all reasonable steps taken, by the Manager to comply with such policies or restrictions as are required in order to comply with the SIPP Investor's rules.

2. Investors should be aware that LPS II's Investments will include non-Readily Realisable Investments. 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.

3. In the event of a gradual realisation of Investments prior to termination of LPS II under Clause 15.1, the cash proceeds of realised investments may be placed on deposit or invested in fixed interest government securities or other investments of a similar risk profile. Proceeds will be paid out on termination of LPS II or in installments in advance of termination, as determined by the Manager.

SCHEDULE 2

In Respect of LPS II

Fees and Expenses

1. Manager's management fee:

The SIPP Investor will pay Longbow an annual management fee of 1% of the total amounts Subscribed to LPS II exclusive of VAT which shall be added. Such management fee shall accrue quarterly in advance (the first such period commencing on the quarter which next follows the acceptance of the Application Form) and in respect of the final period from the end of the last relevant quarter to the date of termination of the relevant LPS II agreement between the Investor and the Manager.

2. Manager's performance fee

(a) The SIPP Investor will pay the Manager a performance fee equal to 20% of Investor profits. This is designed to align the interests of the Manager with those of the Investors. The performance fee will be payable only upon distributions of LPS II to Investors and only after a SIPP Investor has received back an amount equal in aggregate to the entire amount invested.

(b) Any amounts in excess of the entire amount invested by the SIPP Investors in LPS II will be paid 80% to the SIPP Investor and 20% to the Manager.

(c) On an early withdrawal of cash under Clause 15 of the Investor's Agreement, such amount as the Manager in its sole discretion may determine shall be deducted from a SIPP Investor's Portfolio in respect of accrued performance fees on the assumption that all investments in a SIPP Investor's Portfolio have been disposed of and realised for a cash sum equal to the Manager's latest valuation of those investments and upon the further assumption that all of the net profits realised on such disposals have been distributed to the Investor.

3. Administration fees

The Custodian shall, in respect of each Fund, receive the following fees, as appropriate:

3.1 Commission Fee: 0.5% on all sales and purchases (minimum £25). In addition, a paper & administration charge of £10 per bargain.

3.2 Annual Custody Fee: £500 per line of stock, split pro rata between Longbow Investors based upon the book costs of each holding (minimum of 0.05% or £20 per Investor, whichever is the greater). Charged half yearly on 1st March and 1st September on the basis of assets held in custody for all, or part of, the 6 month period.

3.3 Nominal fees for the transfer or reregistration of LPS II holdings or the payment of dividends by investee companies

3.4 Corporate Actions – Any registrations, splitting transfers, transfers out or similar actions are charged at £10, plus stamp duty if applicable.

4. General

4.1 The Manager retains the right to charge arrangement, exit and syndication fees (which may be in the form of warrants and options) to the unquoted companies in which the Company invests. Such charges are in line with industry practice.

4.2 All requests from the SIPP Investor to the Custodian to issue payment from the SIPP Investor's nominee account held by the Custodian will be referred to the Manager. When the Manager has confirmed that all fees and expenses accruing have been settled it will advise the SIPP Investor that the Custodian will issue the payment(s) requested.

5. VAT

Fees, costs and expenses are exclusive of any applicable VAT, which shall also be payable from LPS II.

6. Payment arrangements

Fees payable to the Manager and the Custodian shall be payable out of cash held in a Portfolio within seven days of the calculation of the relevant fee. Expenses are payable as they accrue out of cash held in a Portfolio. An appropriate cash retention shall be made from Subscriptions as thought appropriate by the Manager to meet fees, costs and expenses, including an amount in respect of the first five years of the Custodian's administration fee and the Manager's management fee. On termination, pursuant to Clause 16, the SIPP investor's liabilities, including fees, costs and expenses shall be payable from LPS II and, if there is insufficient cash, Investments may be retained and/or realised in order to meet such outstanding liabilities. Interest on outstanding amounts due will be charged at 5% per annum over Bank of Scotland base rate, accruing on a daily basis until the date of settlement.

7. Allocation of fees and expenses

All fees, costs and expenses of LPS II shall be paid by Investors out of their respective Portfolios in proportion to the amount of their Subscriptions to LPS II in which their Portfolios are held.

Section 5 Money Laundering

MONEY LAUNDERING REGULATIONS 2007 - IMPORTANT

The verification of identity requirements in the Money Laundering Regulations 2007 will apply and verification of the identity of the Applicant may be required. Failure to provide the necessary evidence of identity may result in your Application being treated as invalid or result in a delay. You must ensure that enclosed with the Application Form is one document from list A below and one document from list B below.

Each item must be original, less than six months old and should show your name and permanent residential address. Original documents will be returned by post at your risk. Alternatively, verification of the Applicant's identity may be provided by means of a "Confirmation of Verification of Identity" in the prescribed form from an EEA regulated financial institution which is required to comply with EU Money Laundering Directives.

LIST A

Bank Statement

OR

Building Society Statement

The statement you provide must show transactions and relate to the bank/building society account from which your payment is drawn. Please note that statements printed via the internet cannot be accepted nor can they be more than 3 months old.

LIST B

Utility bill

Council Tax bill
(for the current year)

Benefits notification letter from the Benefits Agency confirming the right to benefits (e.g. Child Benefit, working families Tax Credit)

Original correspondence or tax notification from HM Revenue & Customs

(We reserve the right to request additional documentary evidence)

Section 6 Financial Adviser Details

We have undertaken such an adequate assessment of the applicant's expertise, experience and knowledge as to give reasonable assurance to the Fund Manager in light of the nature of the transactions or services envisaged that the applicant is capable of making his own Investment decisions and understanding the risks involved in a participation in LPS II.

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Authorised and Regulated by the Financial Conduct Authority

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