

Application Form for Club Membership of Kelvin Capital

Complete in full the details requested at Section A and then sign at Section B to confirm Your acceptance of the Kelvin Capital Club Membership Terms and Conditions overleaf.

Please return the completed form by email it to: theteam@kelvincapital.com together with (a) Your completed

FSMA Certificate, and (b) a duly signed and witnessed Kelvin Capital General Power of Attorney. We also require You to complete certain verification procedures in terms of the Money Laundering Regulations.

Section A:

Personal details:

Full Name:	
Home Address:	
Date of Birth:	
Office Address:	
Office Tel:	
Mobile:	
Email (compulsory):	
Existing Directorships:	
Source of Wealth:	

Sectors:

Please outline any expertise You have in a particular area, and if You are willing to involve yourself in due diligence enquiries into prospective investee companies, investor only etc.

Section B:

I confirm that all of the above details in Section A are correct and that I accept the attached Kelvin Capital Club Membership Terms and Conditions:

Signature.....

Date.....

Print Full Name

.....

I would like to receive the Kelvin Capital Quarterly Newsletter (tick to consent)

Kelvin Capital Club

Membership Terms and Conditions

1. Definitions

1.1 “Kelvin Capital” means Kelvin Capital Limited a limited company bearing registration number SC354243 and whose registered office is situated at 163 Bath Street, Glasgow, G2 4SQ.

1.2 “You” or “Your” means the person whose name and details are set out at Section A of the attached application form and who is applying to become a Club Member of Kelvin Capital.

1.3 “Investment” means any subscription by You in the share capital of an investment opportunity of which You are informed whilst a Club Member by Kelvin Capital or by any organisation associated with Kelvin Capital, and “Investee Company” means a company in which You have made an Investment.

1.4 “New Investee Company” means an Investee Company in which You make an Investment at any time following 1st March 2023, having not previously made an Investment in such Investee Company prior to such date.

1.5 “Club Member” means Your club membership of the Kelvin Capital Club, following acceptance of this application.

1.6 “FSMA Certificate” means a certificate to the effect that You are a “Certified High Net Worth Individual”, “Certified Sophisticated Investor” or “Self-Certified Sophisticated Investor” (each as defined in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005). For more information on these terms, please refer to Appendix 1. Investor Certification for Individual Members Some Guidance

1.7 “Relevant Exit” means the completion of a Sale, Asset Sale, Listing or Winding-Up in respect of a New Investee Company. For these purposes:

“Asset Sale” means the disposal by a New Investee Company (and/or its subsidiary companies) of all or substantially all of the undertaking and assets of that New Investee Company’s group (where disposal may include, without limitation, the grant by the New Investee Company (and/or its subsidiary companies) of an exclusive licence of intellectual property not entered into in the ordinary course of business).

“Listing” means the admission of all or any of the New Investee Company’s shares or securities representing those shares (including without limitation depository interests, American depository receipts, American depository shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

“Sale” means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the New Investee Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons acting in concert with them together acquiring a controlling interest in the New Investee Company (meaning an interest in shares giving to the holder or holders control of the New Investee Company within the meaning of section 1124 of the Corporation Tax Act 2010), except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Investee Company immediately prior to the sale.

“Winding Up” means the passing of any resolution for the winding up of the New Investee Company or any other return of capital in respect of the Investee Company (on liquidation, capital reduction or otherwise).

2. Fees and Exit Carry

2.1 Kelvin Capital at the present time has a substantial deal flow and believes that this will generate sufficient sums to cover ongoing club membership and Investment costs. However, circumstances may change, and Kelvin Capital may require (and reserves the right) to introduce an annual club membership fee or Investment costs or both at a future date. You would be notified in writing in the event of any such fee arrangements being introduced. Please refer to the remaining provisions of this condition 2 for details of the exit carry arrangements which will apply to You as a Club Member.

2.2 You agree in respect of each Relevant Exit that, in consideration for the time and value added by Kelvin Capital to investee companies towards achieving a Relevant Exit, You shall pay to Kelvin Capital a sum equal to 10% (ten per cent) of the gross profit made by You on Your Investment (as calculated and determined by Kelvin Capital, acting reasonably) in the new Investee Company as a result of such Relevant Exit (the “Exit Carry”). For these purposes, “gross profit” means the amount by which the gross proceeds of sale received by You from such Relevant Exit exceeds the total Investment made by You in the relevant Investee Company. Kelvin Capital shall be entitled to nominate that the Exit Carry on any particular Relevant Exit (or any part thereof) instead be paid to any entity or individuals affiliated with Kelvin Capital, in which case references in this condition 2 to Kelvin Capital shall be construed accordingly.

2.3 You further agree that: (i) the Exit Carry will be payable by You regardless of whether You remain a Club Member at the date of completion of the Relevant Exit in question; (ii) Kelvin Capital is hereby authorised on Your behalf to direct that the persons responsible for distributing the proceeds of the Relevant Exit deduct from the proceeds otherwise payable to You a sum equal to the Exit Carry and to remit that sum to Kelvin Capital; (iii) to the extent that the Exit Carry is not paid directly to Kelvin in accordance with section (ii) of this Condition 2.3, You shall pay to Kelvin Capital (by way of electronic funds transfer to such bank account as Kelvin Capital may notify You, or by such other method as Kelvin Capital may agree) the Exit Carry within 5 days of Your receipt of the proceeds of the Relevant Exit; and (iv) where the proceeds of the Relevant Exit are non-cash, You shall pay to Kelvin Capital (by way of electronic funds transfer to such bank account as Kelvin Capital may notify You, or by such other method as Kelvin Capital may agree) the Exit Carry within 5 days of You liquidating such non-cash proceeds.

2.4 In the event that You transfer any or all of the shares in the New Investee Company which are the subject of the Investment prior to completion of such exit to a permitted transferee under the New Investee Company’s shareholders’ agreement or articles of association, You shall remain liable to pay the Exit Carry on the subsequent sale of those shares on a Relevant Exit, and the provisions of this Condition 2 and any related definitions shall be construed *mutatis mutandis* in connection with such shares.

2.5 In the event of any corporate reorganisation of the New Investee Company which results in a new holding company of which the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the New Investee Company immediately prior to such reorganisation, then the provisions of this Condition 2 and any related definitions shall be construed *mutatis mutandis* in connection with such new holding company.

2.6 It is acknowledged and agreed that the Exit Carry only applies in relation to a Sale, Asset Sale, Listing or Winding-Up in respect of a New Investee Company. In the event of a Sale, Asset Sale, Listing or

Winding-Up in respect of an existing Investee Company (being an Investee Company in which You made an Investment prior to 1st March 2023 via Kelvin Capital, the payment (if any) by You to Kelvin Capital of any exit carry or similar would be entirely at Your discretion and would be a matter to be discussed between You and Kelvin Capital at the time of such exit.

3. FSMA Certification and Sanctions

3.1 You acknowledge and agree that as a Club Member You shall be required to maintain, and where necessary renew and send to Kelvin Capital a valid and up to date annual FSMA Certificate.

3.2 You hereby confirm that You are not a sanctioned person by the UK Government or otherwise subject to any UK governmental sanctions from time to time, and You agree to notify Kelvin Capital immediately should there be any change to this position.

3.3 You acknowledge and agree that if You fail to comply with condition 3.1 or 3.2 above Kelvin Capital will be unable to share information regarding investment opportunities with You and may suspend or terminate Your Club Membership.

3.4 You agree to indemnify Kelvin Capital against and pay to Kelvin Capital on demand a sum equal to any costs, claims, liabilities or damages suffered or incurred by Kelvin Capital as a result of You failing to comply with condition 3.1 or 3.2 above.

4. Administration of Your Investments

4.1 You agree to execute a two-year General Power of Attorney in the style attached in favour of certain Officers of Kelvin Capital to enable Investments as a Club Member of Kelvin Capital to be completed on Your behalf.

4.2 You agree during the period of Your Club Membership to promptly re-execute the two-year General Power of Attorney where appropriate to ensure that any Investments can be concluded on Your behalf (and the other Kelvin Capital Club Members involved in the Investment) without delay.

4.3 You acknowledge that Kelvin Capital will manage the administration of Your Investment only via email and that requests for Investment monies will be made via email from Kelvin Capital or from its solicitors. You accept as a condition of joining that You will treat email communications as a valid form of written communication between You and Kelvin Capital.

4.4 Upon conclusion of each Investment by You, Kelvin Capital will arrange for a “completion bible” (containing a copy of the relevant Investment agreement and Articles of Association) to be available to You online and will forward Your Share Certificate to You at the address You have supplied.

4.5 You confirm and accept that the legal advice from solicitors instructed by Kelvin Capital is obtained for the benefit of all of the Club Members as a syndicate entity, accordingly, such legal advice is provided to Kelvin Capital (and a duty of care is therefore owed by Kelvin Capital’s legal advisors to Kelvin Capital only) as opposed to You or any Club Member personally. As a result any such legal advice cannot be specifically tailored to any special requirements or circumstances of individual Club Members e.g. Your particular taxation status but there could be many more such individual circumstances. You accept and confirm that Kelvin Capital is not offering or providing professional advice to You. You acknowledge that Kelvin Capital’s legal advisors will need to perform customary anti-money laundering checks in order to receive funds from You on any investment You are participating in and therefore from time to time You may be asked to provide updated proof of address or identity documents. You hereby agree to provide such documentation (or any other information requested by Kelvin Capital or its legal advisors for such purpose) promptly upon request.

4.6 In relation to 4.5 above You should not hesitate to take separate legal or other professional advice on any matter where You feel You ought to take such advice. However, if there are points to be raised as a result of this You will direct these points to Kelvin Capital in the first instance and not to the firm of solicitors engaged by Kelvin Capital. These solicitors are not engaged on the basis that they may be required to handle multiple dealings with various different Club Members' solicitors and the reasons for that are both simple expediency and of course budgetary. That is not to say that Your professional advisers' points – if they can be accommodated – will not be communicated; it is just that the communication in the first instance should be with Kelvin Capital. You understand and accept that Kelvin Capital will use the standard LINC documentation commonly employed in Scotland for these transactions. These documents will be adapted as required to reflect the agreed terms of each Investment and neither You nor any of Your advisers will seek to alter the terms of these documents other than in respect of fundamental issues.

5. Confidentiality

5.1 You acknowledge that as a Club Member of Kelvin Capital You will receive confidential information about Kelvin Capital, other club members of Kelvin Capital and companies that Kelvin Capital Club Members are looking to invest in or have invested in. You agree to keep such confidential information secret and not to disclose such confidential information to any third party who is not a Club Member of Kelvin Capital without the prior consent of Kelvin Capital in writing or by email.

5.2 You agree to indemnify Kelvin Capital against and pay to Kelvin Capital on demand a sum equal to any costs, claims, liabilities or damages suffered or incurred by Kelvin Capital as a direct result of You failing to comply with condition 5.1 above.

6. Disclaimers

6.1 You acknowledge and confirm that each decision to invest is a personal decision made by You and that no responsibility for the consequences of that decision is accepted by Kelvin Capital or by any of its directors, employees, consultants, professional advisers or other Club Members.

6.2 Kelvin Capital is not regulated by the Financial Conduct Authority and the Financial Services Compensation Scheme established for the protection of investors does not apply to it.

6.3 Investment whether in new or existing businesses carries high risks as well as the possibility of high rewards. It is consequently very speculative, and You should be aware that no established market exists for the trading of shares in private companies, and such shares are not easily realisable. You appreciate, acknowledge, and confirm that there could be difficulty in selling such Investments at a reasonable price and, in some circumstances, it may be difficult to sell them at any price. Accordingly, You should consider very carefully whether such investments are suitable in the light of Your circumstances and commitments and the financial resources available to You. Engaging in any investment activity may expose You to a significant risk of losing all of Your Investment and before investing in a company about which information is provided by Kelvin Capital, You are strongly advised to take advice from a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of this nature.

6.4 Kelvin Capital does not guarantee that Enterprise Investment Scheme Relief (as defined in Part VII Chapter III of the Income and Corporation Taxes Act 1988) shall apply in respect of any investments made by You as a Club Member of Kelvin Capital.

6.5 You acknowledge that membership of the Kelvin Capital Club does not carry any rights to membership of Kelvin Capital Limited.

7. General

7.1 Kelvin Capital may suspend any Club Member who does not observe these terms and conditions or any of the guidelines introduced and generally accepted by other Club Members from time to time. Kelvin Capital may also suspend any Club Member who after some period of time does not in fact invest or any Club Member whose conduct or circumstances have become such that Kelvin Capital considers it would no longer be appropriate for that person to continue to be a Club Member. After further consideration and, if appropriate, discussion with the Club Member in question Kelvin Capital may then determine that any such suspension becomes a termination of club membership.

7.2 Kelvin Capital may alter these terms and conditions on circumstances arising where it feels it would be expedient and appropriate so to do in the interests of Kelvin Capital and its Club Members providing it shall give each Club Member notice in writing of the proposed changes.

7.3 In becoming a Kelvin Capital Club Member, You are agreeing to the terms of our Privacy policy which can be viewed on www.kelvincapital.com or emailed on request.

7.4 These Kelvin Capital Club Membership Terms and Conditions supersede and replace any previous Kelvin Capital membership terms and conditions relative to You.

8. Your Personal Data

8.1 In order that Kelvin Capital can provide You with certain membership benefits, You give consent to Kelvin Capital storing and processing certain personal data, including but not limited to Your address, financial data, investment details, personal preferences, and other data You provide or is otherwise made available to Kelvin Capital.

8.2 Kelvin Capital may continue storing and processing some elements of Your personal data even after You cease to be a Club Member, to allow certain legal or financial obligations to be fulfilled. Where possible, Kelvin Capital will anonymise or pseudonymise such data after Your membership ceases, or You withdraw Your consent to the storage or processing of Your personal data.

8.3 Under the General Data Protection Regulation (GDPR), You have certain rights relating to Your personal data. These include a right to be informed, a right of access, a right to rectification, a right to erasure/to be forgotten, a right to restrict processing, a right to data portability, a right to object and rights in relation to automated decision making and profiling. You can request information or to exercise Your rights by emailing Lynn Hall (lynn.hall@kelvincapital.com). A copy of Kelvin Capital's GDPR policies is available on request to the same address.

Appendix 1. Investor Certification for Individual Members Some Guidance

In order to receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority (“FCA”), The Financial Services and Markets Act 2000 (“FSMA”) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended), provide that the recipients must be appropriately qualified. Kelvin Capital is not regulated by the FCA. Kelvin Capital can only send details of Investment proposals to prospective Club Members who have produced evidence that they are either:

- (1) a high net worth individual,
- (2) a self-certified sophisticated investor, or
- (3) a certified sophisticated investor.

If either of these categories applies to You, then both You and Kelvin Capital are exempted from the provisions of the FSMA in regard to these Investment proposals. It is a legal requirement that You exhibit suitable and valid documents to this effect prior to receiving any information concerning Investments as a Club Member of Kelvin Capital. These document styles are provided in the next three pages.

To satisfy the requirements of the FSMA You must be able to sign ONE of these two documents:

1. A Declaration that You are a Certified High Net Worth Individual:

The prescribed form of wording is shown in the attached form. Please note that a Statement to this effect must be signed on an annual basis.

We anticipate that anyone who wishes to join Kelvin Capital as either a new member or wishes to renew their membership after a period of non-- membership of 6 months or more will make use of this option.

2. A Declaration that You are a Self-- Certified Sophisticated Investor: This is the next form. Please note that a statement to this effect must be signed on an annual basis.

We anticipate that anyone who has recently invested in other unlisted companies or is otherwise involved in investment matters (see the form for more detail) will make use of this option.

3. A Declaration that You are a Certified Sophisticated Investor and also obtain a Certificate from an Authorised Person confirming that this is the case:

This is the last form. Please note that a Declaration to this effect must be signed by You on an annual basis, although an authorised person need only sign the Certificate (comprising part 2 of the Statement) once every three years.

We anticipate that this option will only be used by new members of Kelvin Capital who do not meet the exact net asset or annual income test referred to in the Certified High Net Worth Individual Declaration.

Statement for Certified High Net Worth Individual

I, the undersigned, declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means: -- (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority; (b) the content of such financial promotions may not conform to rules issued by the Financial Services Authority; **(c) by signing this statement I may lose significant rights;** (d) I may have no right to complain to either of the following: (i) the Financial Services Authority; or (ii) the Financial Ombudsman Scheme; and (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because **at least one of the following applies:** --

(a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more; or (b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more.

“Net Assets” for these purposes do **not** include: -- (i) the property which is my primary residence or any loan secured on that residence; (ii) any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or (iii) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Signature

Date

Print name.....

Print address.....

Statement for Self-Certified Sophisticated Investor

I, the undersigned, declare that I am a self-certified sophisticated investor for the purposes of the Financial Services and Markets Act (Financial Promotion) Order 2005.

I understand that this means that: (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority; (b) the content of such financial promotions may not conform to the rules issued by the Financial Services Authority from time to time; **(c) by signing this statement I may lose significant rights;** (d) I may have no right to complain to either of the following:- (i) the Financial Services Authority; or (ii) the Financial Ombudsman Scheme; and (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a self-certified sophisticated investor because **at least one of the following applies:-**

(a) I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below; (b) I have made more than one investment in an unlisted company in the two years prior to the date below; (c) I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises; (d) I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Signature Date

Print full name.....

Print address.....

.....

Statements for Certified Sophisticated Investor

Part 1 – Statement to be signed by the investor:

I make this statement so that I am able to receive promotions, which are exempt from the restrictions on financial promotion in the Financial Services and Markets Act 2000. The exemption relates to certified sophisticated investors, and I declare that I qualify as such in relation to investments of the following kind: investments in unlisted private companies and unlisted public companies. I accept that the contents of promotions and other material that I receive may not have been approved by an authorised person and that their content may not therefore be subject to controls, which would apply if the promotion were made or approved by an authorised person. I am aware that it is open to me to seek advice from someone who specialises in advising on this kind of investment.

Signature Date

Print full name.....

Print
address.....

.....

Part 2 – Certificate to be signed by an Authorised Person advising the investor:

I, the undersigned, am an “authorised person” in terms of the Financial Services and Markets Act 2000 and hereby certify that the person who has signed the above statement (in Part 1 above) is a “sophisticated investor” within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Should You have any queries please do not hesitate to contact me.

Signature of authorised person Date

Print full name

Print name of organisation (if applicable)

Print address

Contact Number/Email

If using this Form, please note that both Part 1 and Part 2 of the Form must be signed.