
OCTOPUS EUREKA EIS PORTFOLIO SERVICE



Octopus Eureka EIS Portfolio Service

offers investors the potential to generate higher returns from a portfolio of early stage UK companies. This is combined with income tax relief, capital gains tax deferral and inheritance tax relief.

It is very important that you read and fully understand the risks involved with this investment so that you can decide whether it is right for you. The value of an investment in this product may go down as well as up and you may not get back the full amount invested.

Please remember that tax rules and regulations are subject to change. The key risks associated with this product are explained on page 10 of this brochure. Please note that all the figures and information provided within this document are correct as at March 2011.

CONTENTS

Welcome to Octopus	3
Octopus Eureka EIS	4
The Benefits	5
Investment Approach	6
Octopus Venture Partners	7
Investment Team	8
Investment Examples	9
The Risks	10
The Charges	11
Claiming your Tax Relief	12
Questions and Answers	13
About Octopus	14
What Next?	15

WELCOME TO OCTOPUS

As an investor with us, you're our priority; part of a growing community of investors who have trusted us to manage their money.

At Octopus, the needs of our customers are central to what we do. From product design to investment management to customer service, we always have you in mind. We work differently to other investment companies, and it's a welcome change for many. In the ten years since we launched, we've seen the number of people choosing to invest with Octopus grow to over 50,000, with funds under management now at £2 billion.

One of the areas where we're leading the market is in Enterprise Investment Schemes (EIS). We've developed a range of EIS products in response to customers' needs, and established ourselves as the largest provider of EIS solutions in the UK, with more than £250 million invested across our EIS range.

Octopus Eureka EIS is our EIS solution that combines significant tax benefits with the potential for higher returns. It is a compelling investment vehicle which gives individuals the opportunity to invest in high-potential early stage companies with risks buffered by multiple tax benefits.

Please note, past performance is no guide to future performance. It is important that you read and fully understand the key risks involved with this investment so that you can decide whether it is right for you. These are outlined on page 10 of this brochure.



I hope you find this brochure clear and easy to understand. We always recommend that you speak to your financial adviser before investing, but if you have any questions – or if it would help to speak to one of the fund managers – please call us on **0800 316 2298**.

A handwritten signature in orange ink that reads "Simon Rogerson". The signature is written in a cursive, flowing style.

Simon Rogerson
Chief Executive

OCTOPUS EUREKA EIS

A compelling solution with the potential to deliver higher returns, and a series of tax benefits that address real investor challenges.

Enterprise Investment Schemes (EIS) allow investors to access a number of tax benefits in a relatively simple structure, helping them reduce their tax burden and potentially generate an attractive return. They can be used to reduce income tax liabilities, address capital gains tax or potentially eliminate inheritance tax.

At the same time, some investors are willing to take on a higher level of risk in the pursuit of stronger returns. These individuals need products where they can easily invest in early stage, fast growth companies, but may not know how to access a reliable flow of investment opportunities.

Octopus Eureka EIS addresses both of these challenges – it allows investors to access both the tax benefits and a regular flow of fast growing companies in which to invest.

The competitive advantage of Octopus Eureka EIS lies in the Octopus Venture Partners. These are over 100 highly successful entrepreneurs and business people, including ex-FTSE 100 Chairmen and Chief Executives. They introduce investment opportunities to Octopus and our investors, they provide support and guidance to the portfolio companies, and they co-invest their own money alongside Octopus Eureka EIS.

The Eureka tax advantages provide you with a significant head start in comparison to more traditional investment products.

THE BENEFITS

Five different tax benefits combine to make Octopus Eureka EIS a very useful solution in many investors' portfolios.

Enterprise Investment Schemes can help investors generate an attractive return by investing in early stage companies with higher growth potential, combined with multiple tax benefits:

30% UPFRONT INCOME TAX RELIEF

As an investor, you receive 30% tax relief on the amount invested in EIS qualifying companies against your income tax bill for the 2011/12 tax year. You also have the option to carry back the tax relief to the 2010/11 tax year, but this relief will be at 20% which was the rate available for that tax year. This is on investments of up to £500,000 per tax year, and provided the investments are held for three years.

CAPITAL GAINS TAX (CGT) DEFERRAL

CGT, say from the sale of shares or a second property, is deferred for the life of the investment. You can defer gains made up to three years previously or one year in the future (from the point at which the investment into the underlying company is made).

LOSS RELIEF

Up to 50% loss relief is available on any holdings that fall in value, helping to offset the effect of any underperforming assets in the overall portfolio.

Paul Latham
Octopus



UP TO 100% INHERITANCE TAX (IHT) RELIEF

By investing in companies that also qualify for Business Property Relief, investments made through Eureka can be exempt from IHT after just two years (from the point at which the investment into the underlying company is made). In order to qualify, the investments must be held at the time of death.

TAX FREE GROWTH

All capital gains made with EIS investments are tax free. Given the higher returns targeted by Octopus Eureka EIS, this is an important tax benefit, allowing investors to include smaller companies in their investment portfolio in a highly tax efficient manner.

INVESTMENT APPROACH

Our investment approach combines the smaller company expertise from both our quoted and unquoted teams, who together analyse thousands of business opportunities every year.

Octopus looks to invest in exceptional small businesses across a range of industry sectors, where we believe there is the potential for significant capital growth.

We will typically invest your money in a portfolio of at least ten EIS qualifying companies. These will be unquoted companies or companies listed on the Alternative Investment Market (AIM), part of the London Stock Exchange. Typically, these investments will be made over a 12 to 18 month period.

To understand and evaluate each investment opportunity, we go through a rigorous process that involves spending time with a company's management team, evaluating the competitive landscape and reviewing financial models. We'll only invest when we're confident that we've found the right company at the right price.



Sarah Ellis
Octopus

In the Alternative Investment Market we'll carry out over 500 company meetings annually. In the unquoted sector, we'll review over 3,000 business opportunities each year, looking for strong entrepreneurial management teams and a compelling vision of how the company can grow. Here, we are regularly supported by the Octopus Venture Partners.

We really try get under the skin of the companies in which we are investing your money – we want to be sure it's in the right place.

OCTOPUS VENTURE PARTNERS

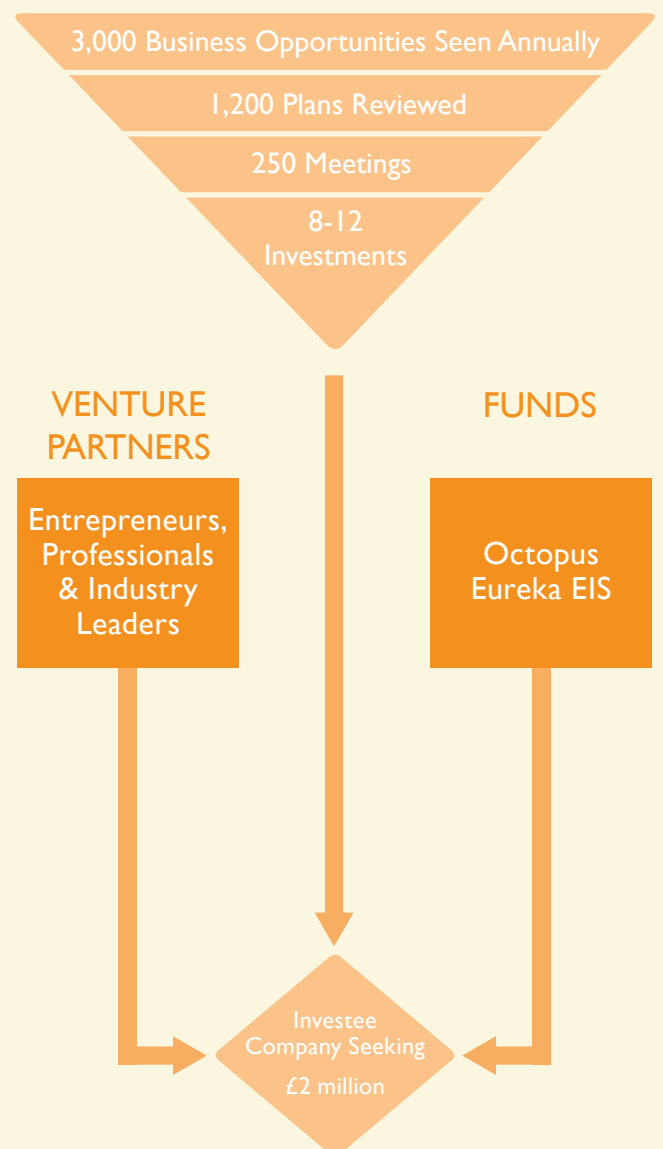
Our unique way of providing companies with not only finance, but also expertise and guidance on an ongoing basis, from people who have been there and done it before.

Octopus Venture Partners are a group of over 100 entrepreneurs and business experts who co-invest alongside Octopus Eureka EIS. It includes a number of ex-FTSE Chairmen and Chief Executives, as well as recognised 'Captains of Industry'. They share our passion for business and use their contacts and experience to help the investee companies succeed.

We involve members of the Octopus Venture Partners at an early stage in many of our investment decision making process, often engaging partners with relevant industry experience as part of our initial due diligence. This enables us to quickly identify outstanding opportunities into which Octopus Eureka EIS can invest.

The Octopus Venture Partners also bring potential investee companies to Octopus, which allows us to access unique opportunities ahead of the rest of the market.

This was more evident than ever during a recent Octopus Eureka EIS investment into Graze (2009), the innovative company which delivers healthy food directly to your desk or home by post. During the investment process, an Octopus Venture Partner with food industry experience was so excited by Graze, he made significant financial investment and is now part of the board of directors of the company. He has since created an advisory board of six other highly respected food industry heavyweights, helping the company continue its rapid growth.



This diagram is for illustrative purposes only.

INVESTMENT TEAM

Octopus Eureka EIS brings together a number of our most experienced investment professionals into a diverse and expert investment team.

Investments into private companies are managed by the Octopus unquoted team, which specialises in investing into small fast-growing companies that are not listed on any stock exchange.

Investments into AIM shares are managed by the Octopus quoted team. The team's combined skill and smaller company experience make it one of the strongest in the city.

ALEX MACPHERSON

Alex has extensive experience of investing into smaller companies. Within the Octopus ventures team, he has particular responsibility for evaluating and assessing potential investee companies and negotiating transactions with a view to maximising investment returns. Alex runs our ventures team.

MARIO BERTI

Mario recently joined Octopus to head the specialist finance team, which currently has £600m funds under management and twelve investment managers overseeing a diverse range of investments. Mario chairs the Specialist Finance Investments Committee and takes particular responsibility for evaluating potential investment. Prior to joining Octopus, Mario was a Director at Rothschild. Mario is a qualified Chartered Accountant and read PPE at Oxford.

CHRIS ALLNER

Chris has over two decades of venture capital experience at some of Europe's leading venture capital houses and has an excellent track record of generating consistent returns for his investors. In the period 1990-2004, Chris was directly responsible for more than 30 deals, achieving an average annual rate of return of more than 35% for his investors. Prior to joining Octopus, Chris was a director at Proven and Bridgepoint as well as working at 3i and Charterhouse. Chris is chairman of the Ventures Investment Committee at Octopus.

RICHARD POWER

Richard has 15 years' experience in smaller company investing. Richard joined Octopus in 2004 having previously worked at Duncan Lawrie and Close Brothers. Richard is in charge of our AIM team, which manages a number of mandates across the Alternative Investment Market.

INVESTMENT EXAMPLES

We believe this a great time for investors in smaller companies – valuations remain low but, with little bank lending, the best companies need alternative investment more than ever.

Here are just a few of the smaller companies Octopus Eureka EIS has already invested into on behalf of investors. Please note, these particular companies are unlikely to form part of a new Eureka EIS portfolio.

ZOOPLA INVESTED IN JAN 2009

Zoopla is an award-winning online property information service and community website, presenting information on house pricing, free valuation estimates, for sale listings, and local community information. Zoopla has become the UK's leading website for house prices and value data, providing the most comprehensive source of residential property market information. Its business platform integrates owners, agents, buyers and sellers, and enables people to easily find, track and market homes. Zoopla makes money from reselling the information it collects from users.

Zoopla has signed long-term strategic partnerships with the UK's three biggest estate agent groups and, following its first TV advertising campaign in 2010 has achieved new daily records for both website traffic (220,000 visits[†]) and leads (22,000[†]). Zoopla has also launched an iPhone app which has been downloaded over 100,000 times (as of October 2010), and signed its first big data contract to build tools for a leading UK developer. Zoopla was listed sixth on The Guardian's Top 100 Tech Businesses in the UK.

AQS (SOIL XCHANGE) INVESTED IN FEB 2010

AQS Ltd is a waste management business focusing on soil stabilisation and remediation. Its subsidiary, Soil Xchange, aims to create strategic hubs across the UK to take in hazardous soil and waste (i.e. from the construction industry), and exchange it for recycled, clean soil. It does this using its market leading soil remediation knowledge and equipment – the 'Eco Warrior'.

Demand for Soil Xchange is set to increase significantly, driven mainly by the increase in tax on hazardous construction and utility waste. Other factors include an onerous licensing process for soil remediation, and Government targets to reduce construction waste whilst increasing the recycled content of construction materials.

Trading has been strong with total sales exceeding budget. The first depot was operational at the end of October and firm orders have already been received. The strength of demand is increasing the pressure to locate the second site, which is targeted for Q1 2011.

Eureka is ideally positioned to help investors and smaller companies alike.

[†] Source: Zoopla.

THE RISKS

Investing always means taking some element of risk – we're here to help you understand what that means for your money.

This investment product may not be suitable for all investors. Potential investors are recommended to seek independent advice before investing. Please note that Octopus is not able to provide you with advice about whether you should invest in this product.

PAST PERFORMANCE

Past performance is no guide to future performance and there is no guarantee that Octopus Eureka EIS will achieve its objective. We can make no guarantee of investment performance or the level of capital gains or income that will be generated. Your capital and the investment return is not guaranteed.

RISK TO CAPITAL

Octopus Eureka EIS invests into the shares and securities in unquoted companies, or companies admitted to trading on AIM. Your capital and the investment return is not guaranteed and you may not receive back all the money you invest. You should consider Octopus Eureka EIS a long term investment. Investments in unquoted and AIM traded companies are likely to be more volatile and present a higher risk to your capital than those on the London Stock Exchange official list. You should not invest in this product unless you have thought carefully about whether you can afford it, and whether it is right for you.

LIQUIDITY RISK

Investments in unquoted and AIM companies made by Octopus Eureka EIS are likely to be less liquid, than for example, companies on the London Stock Exchange official list. Consequently whilst we will always attempt to redeem your investment upon receipt of a withdrawal request, this may not always be possible. Investments in unquoted companies are not readily marketable and the timing of any realisation cannot be predicted.

You should be prepared to leave the investment intact for the medium term, and at least for the minimum three year qualification period.

CURRENT LEGISLATION

Rates of tax, tax benefits and allowances described in this brochure are based on current legislation and HM Revenue & Customs (HMRC) practice and depend on personal circumstances. These may change from time to time and are not guaranteed.

Octopus does not provide advice and potential investors are recommended to seek specialist independent tax and financial advice before investing. Octopus Eureka EIS has been designed with UK resident taxpayers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to invest in Octopus Eureka EIS. Investors should note that the increase in EIS income tax relief from 20% to 30% that was announced in the Budget on 23 March 2011, requires EU state aid approval.

EIS APPROVAL

We will invest in companies which we reasonably believe to be EIS qualifying companies at the time of investment but please be aware that there is no guarantee that such companies will remain EIS qualifying companies at all times thereafter, or that EIS tax reliefs will be available to investors. A failure of a qualifying company to meet the EIS requirements could result in the withdrawal of EIS tax benefits that have already been obtained and the requirement to repay any rebated tax. There is no guarantee as to the timing of the availability of the EIS3 certificates that are needed in order to claim EIS tax benefits. Your obtaining the EIS tax benefits is subject to you making the appropriate filings with HM Revenue & Customs. Please note, you will need to hold the investment for at least three years to benefit from the tax relief.

THE CHARGES

We try to make the products and the charges crystal clear, but if you have any questions about the charges please call us on **0800 316 2298**.

INITIAL FEE

There is an initial charge of 5%, which will be deducted from the amount invested. Of this, 2.5% may be payable to your financial adviser if you have one. If appropriate, your financial adviser will receive an annual trail commission of 0.5% of the value of your portfolio (paid out of our management fee). Such fees may be subject to VAT.

ANNUAL MANAGEMENT FEE

There is an annual management charge of 2% plus VAT of the value of your portfolio, paid quarterly in advance. There is no administration charge but dealing charges of 1% will apply on the purchase and sale of shares.

PERFORMANCE FEE

A performance fee is payable on Octopus Eureka EIS. This is equivalent to 20% (plus VAT, if applicable) of the return in excess of the gross amount originally invested (excluding all tax reliefs). This performance fee, if applicable, is payable at the end of year three (calculated from the date of your investment into Octopus Eureka EIS). Thereafter, the portfolio must continue to rise in value over each subsequent 12 month period for any further performance fee to be payable.

Neil Buckland
Octopus



OTHER FEES

Octopus retains the right to charge upfront arrangement, exit, and monitoring fees to the private companies in which Octopus Eureka EIS invests. The costs of all deals that do not proceed to completion will be borne by Octopus.

When we say “get in touch” we mean it – we’re always happy to hear from you.

CLAIMING YOUR TAX RELIEF

We always work closely with your financial adviser to ensure your tax benefits are delivered in a timely manner, and that we keep you updated throughout the process.

Octopus Eureka EIS is a discretionary portfolio service and is not a pooled investment, collective or fund. The investments we make on your behalf will be held in your name and the tax reliefs and deferrals are generated as and when your money is invested in qualifying companies.

The relevant date for income tax relief, from a tax year perspective, is the date on which investments are made into each of the qualifying companies, rather than the date on which you invested into the product. Typically we aim to invest your money within 12-18 months.

After the companies into which we have invested have been trading for a period of four months (which may already have happened) we will apply to HM Revenue & Customs for permission to issue you with an EIS3 certificate for each of the investments. This certificate enables you to claim your income tax relief and capital gains tax deferral.

The latest date you can claim for EIS relief is five years after 31 January following the tax year to which the claim relates.

Dominique Butters
Octopus



Although Octopus cannot guarantee the speed at which the EIS3 certificates will be issued, we promise to work with the investee companies to try to minimise delays and we commit to keeping you informed throughout the process.

As the market leader in EIS, we've already helped thousands of investors claim their tax relief.

QUESTIONS AND ANSWERS

We've tried to answer the most common questions here, but we know each of our investors is different, so get in touch if there's something you want to ask, please call us on **0800 316 2298**.

WHAT IS THE MINIMUM I CAN INVEST?

The minimum investment is £25,000 and there is no maximum. Once you are an investor, additional minimal contributions of £5,000 can be made at any time.

HOW DO I FOLLOW THE PROGRESS OF MY INVESTMENT?

A valuation statement will be sent to you every three months, but you can call us at any time on **0800 316 2298**.

CAN I WITHDRAW MONEY FROM OCTOPUS EUREKA EIS?

You may give notice to withdraw money at any time. However, your investments in unquoted companies are not readily marketable and the timing of any realisation cannot be predicted. As such, you should be prepared to retain these investments until Octopus Eureka EIS exits from them. With respect to any investments in AIM companies, you should expect to receive funds within ten days. Very large transactions may take a few days longer but you will be kept informed throughout the sales process.

There are also potential tax consequences of withdrawing money. If the three-year holding period for an individual investment that is sold has not been completed, the income tax relief received in respect of that investment will have to be repaid and (if applicable), a portion of the deferred capital gains liability will become payable once again. The money withdrawn will also not be exempt from inheritance tax.

HOW ARE CAPITAL GAINS TREATED?

Any EIS gains are not subject to capital gains tax for qualifying investors.

HOW DO I APPLY?

After you have read this brochure please read the Terms and Conditions and complete the Octopus Eureka EIS application form (these are on the same document) available from our website or your financial adviser. You may invest by cheque or via bank transfer. Your application form (and cheque) should be sent to Octopus Investments Limited, PO Box 10847, Chelmsford CM99 2BU.

WHAT SHOULD I EXPECT AFTER I INVEST?

We'll write to let you know we've received your application. Because we aim to process applications the same day we get them, you should receive confirmation within a few days. After that we'll email you a contract note each time we invest your money in a company along with information on why we've decided to invest. Once the EIS3 certificate is available for each company we'll send it to you so you can claim your tax relief.

You'll also receive a valuation report in the post, after the end of each quarter. The report includes information on trading and investment activity over the report period as well as the current value of your investment. If you ever have any questions about your investment or would like to speak to the people managing your money, you can call or email us. We're always happy to hear from you.

ABOUT OCTOPUS

Octopus is built around people like you, our customers. We're happy when you're happy.

OUR APPROACH

Octopus is an investment company with a difference: we listen to our customers, design products that meet their needs, and deliver products and service with them in mind. We're thinking about you as well as your investment.

What this means is that when you call us, you'll get straight through to a real person, rather than being put on hold by a recorded voice. At Octopus we don't use call centres or automated systems. Furthermore, our fund managers and senior team are also available to talk to you whenever you want.

Similarly, we work to make all written communications from us clear and easy to understand. So whether on the phone or in writing, we can give you clear explanations about what's happening with your investment.

We'll also work with you to make sure that you receive the level of communication that's right for you, so you can get updates and information from us in a manageable form.

OUR CREDENTIALS

Within financial services, we have developed a reputation for quality and innovation by designing products that meet the needs of investors.

We're a market leader in many areas of investment. Of course, what's important is that our products bring real benefits to our customers and the industry recognition simply reflects this. We've already helped many customers and we continue to welcome new investors to Octopus.

- We're the largest provider of Enterprise Investment Scheme (EIS) solutions, including one of the most successful EIS funds ever launched
- We're the largest provider of inheritance tax solutions based around Business Property Relief in the UK, and winner of the Moneyfacts 'Best tax and estate planning solution provider' award in 2009 and 2010
- We're the market leading Venture Capital Trust (VCT) provider, voted 'VCT provider of the year' in 2007, 2008, 2009 and 2010 and have been shortlisted for or have won 'VCT of the year' every year since 2004
- We're the manager of the £30 million Octopus Capital for Enterprise Fund, part of the UK Government's 'Real Help for Businesses Now' scheme designed to help UK SMEs
- We've a talented multi manager team that boasts an impressive track record within its peer group. The team is currently responsible for eleven funds and over £800 million in funds under management

WHAT NEXT?

Financial advisers regularly vote us one of the best customer service providers in the industry. We won't let them (or you) down.

If you decide to invest, please complete and return the Octopus Eureka EIS application form. If you have any questions, please contact your financial adviser in the first instance. You can call us on **0800 316 2298** or visit us at **octopusinvestments.com**.

If you require an application form please visit our website where all of our literature can be downloaded. Application packs for products contain a full customer agreement. Please be sure to read through this carefully in order to familiarise yourself with the terms and conditions of investment.

We know how important making the right investment decision is, and we want you to feel comfortable and informed about investing with us. We recognise that in the current climate, many investors have concerns, so please feel free to call us at any time with your questions or queries. We're here to help and we're always happy to hear from you.

Chris, Simon and Guy
Octopus founders



Investing with Octopus should be a simple, enjoyable experience.

OCTOPUS EUREKA

Application Pack

FREQUENTLY ASKED QUESTIONS

Q: How do I check the progress of my investments?

A: A valuation statement will be sent to you quarterly, but you can call us at any time to speak to the fund manager or one of the team.

Q: Can I own my investment jointly with my spouse?

A: No, investments in Octopus Eureka cannot be jointly owned.

Q: How do I apply?

A: Please complete the Client Suitability form and Application form within this document.

Q: Who do I make my cheque payable to and where do I send it?

A: Your cheque should be made payable to 'Eureka'. This cheque, along with your Application form and Client Suitability form, should be sent to:

Octopus Investments Ltd
PO Box 10847
Chelmsford
CM99 2BU

Q: Can I pay by via CHAPS/BACS?

A: Yes. Please transfer your investment to the following bank account ensuring that you **reference the payment with your name:**

Sort code:	40-03-28	Bank:	HSBC
Account no:	02038609	Branch:	Holborn

Q: What should I expect after I invest?

A: We will acknowledge receipt of your application by return post. Investments into qualifying companies are typically made over 12-18 months of your investment into Eureka.

Q: How do I claim my tax relief?

A: Once we have invested into EIS qualifying companies and the companies have been trading for a period of four months, we will apply to HMRC for permission to issue you with EIS3 certificates. These certificates enable you to claim your income tax relief and capital gains tax deferral from HMRC.

Q: Claiming the income tax relief

A: Upon receipt of the EIS3 certificates, you should enter the amount you have invested on your tax return for the year in which you're entitled to receive the income tax relief. If you have already completed your tax return and sent it to your Tax Office, you can make the claim by completing the claim section of the EIS3 certificates and sending them to your Tax Office.

The latest date on which an investor can claim EIS relief is five years after 31 January following the tax year to which the claim relates.

Q: Capital gains tax deferral

A: Once you have received your EIS3 certificates, you can make the claim by completing the claim sections and sending them to your Tax Office (in accordance with the notes printed on the back of the certificates). You do not need to submit the claim with your tax return, but you should not send it to your Tax Office before you have submitted the tax return giving details of the gain to which your claim relates.

You will need to specify in your claim:

- the amount of the chargeable gain against which the investment is to be set
- the date on which the chargeable gain arose (if you have made two or more gains on the same day you will need to specify which gains to defer), and
- where expenditure on the shares is to be set against two or more gains, the amount of expenditure which is to be set against each gain.

Where a chargeable gain arose on the disposal of an asset you will also need to specify the nature of the asset.

Where expenditure on the shares is to be set against gains which arise at different times, you may have sent the EIS3 certificates to your Tax Office before the final gain in question arises. If so, you can write to your Tax Office to claim deferral relief in respect of any gains arising after the certificates were submitted. You should provide:

- the relevant details specified above in respect of each gain for which relief has not already been claimed, and
- the date of any earlier claim you have made for income tax relief or deferral relief in respect of the shares in question.

If you need any help with any aspect of your application, please call us free on **0800 294 6861**.

APPLICATION PROCEDURE

Octopus Eureka

CLIENT SUITABILITY

Please complete and sign the Client Suitability form. This is a legal requirement and we won't be able to process your application unless you complete it.

APPLICATION FORM

SECTION 1

Please insert your full name, permanent address, daytime and evening telephone numbers, email address, date of birth and national insurance number in Section 1. Your national insurance number is required to ensure you obtain the relevant tax certificates.

SECTION 2

Please indicate how you would like us to communicate with you.

SECTION 3

Please note that the minimum investment is £25,000. The maximum investment on which income tax relief is available is £500,000 per tax year. Please attach your cheque or bankers' draft to the Application form for the total amount of your investment.

Please make cheques payable to 'Eureka' and crossed 'A/C Payee only'. Cheques must be from a recognised UK Bank or Building Society account and your payment must relate solely to this application.

Bank transfers should be paid to:

Sort code: **40-03-28** Bank: **HSBC**
Account no: **02038609** Branch: **Holborn**

Please reference bank transfers with your surname and initials.

SECTION 4

If you are acting as Power of Attorney (POA), please include a certified copy of the Power of Attorney document and identification documents for each POA with this application, and indicate where correspondence should be sent.

SECTION 5

Authorised financial intermediaries who are entitled to receive commission should stamp and complete Section 5, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission if Octopus Investments is not, in its sole discretion, satisfied that the financial intermediary is authorised.

SECTION 6

Read the declaration and sign and date the Application form.

Please send your completed Application form and Client Suitability form, together with your cheque or bankers' draft to Octopus Investments Limited, PO Box 10847, Chelmsford CM99 2BU. If you have any questions on how to complete the Application form please contact Octopus Investments on 0800 294 6861.

Application Checklist

- ✓ Please make sure that you have completed each part of the Client Suitability and Application forms.
- ✓ Please ensure that you have provided anti-money laundering documents – a certified copy of a Passport OR certified copy of a Drivers Licence AND certified copy of a Utility Bill (not a mobile bill).

Please note, if you are acting as Power of Attorney, please include a certified copy of the Power of Attorney document and identification document for each Power of Attorney.

If you have any questions, or if you would like to speak to one of the fund managers, please call us on **0800 294 6861**.

CLIENT SUITABILITY

Octopus Eureka

As a result of FSA regulations, we are required to obtain information from you in order to assess your suitability for the Service that we provide. We are not able to commence investing your money until we have received your completed form.

INVESTMENT EXPERIENCE

Which types of shares listed below have you had personal experience in? Please tick those that apply and state the number of years of experience.

	Years of experience	In what capacity have you had this experience?
Large quoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
Smaller quoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
AIM-listed or unquoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
Unit Trusts/OEICs	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
No previous shareholdings	<input type="checkbox"/>	

ADDITIONAL INFORMATION

Please state your profession (or your previous profession, if you are retired) _____

Please state your first language if it is not English _____

FINANCIAL SITUATION

Please tick one of the boxes to indicate your approximate annual net disposable income:

Above £100,000	<input type="checkbox"/>
£50,000 – £100,000	<input type="checkbox"/>
£25,000 – £50,000	<input type="checkbox"/>
Less than £25,000	<input type="checkbox"/>

Please tick one of the boxes to indicate the size of your net investable assets (typically your assets other than your house):

Above £1,000,000	<input type="checkbox"/>
£500,000 – £1,000,000	<input type="checkbox"/>
£100,000 – £500,000	<input type="checkbox"/>
Less than £100,000	<input type="checkbox"/>

Please sign and date this form to confirm that the information that you have provided is accurate to the best of your knowledge.

Full Name _____

Signature

Date

For Octopus internal use

Assessment Complete _____ Client Number _____

Signed _____ Date _____

Suitability Met _____

Signed _____ Date _____

APPLICATION

Octopus Eureka

Please ensure that you include the Octopus Eureka Client Suitability form with your application.

Before completing this Application form you should read the Product Brochure marked 'April 2011' on the front cover, Customer Agreement and Application Procedure. If you have any questions, or if you would like to speak to one of the fund managers, please call us on 0800 294 6861.

1 Your Personal Details

Mr/Mrs/Miss/Other	Address
First Name	
Middle Name(s)	
Surname	Postcode
Date of Birth	Telephone (Day)
National Insurance Number	Telephone (Home)
Tax Office	Email
Tax Reference No	<input type="checkbox"/> I am an existing investor with Octopus

2 Investor Services

1. Would you like to receive information on other Octopus products (please tick all that apply)?
- Information about other Octopus products
- Quarterly Octopus Newsletter
- No thank you
2. How would you like to be updated about your investment?
- Email or
- Post

3 Your Investment

Investment Amount (minimum £25,000) £ _____

- i. I enclose a cheque or bankers' draft drawn on a UK clearing bank or building society, made payable to 'Eureka', or
- ii. I have transferred the above funds via BACS/CHAPS into the Eureka bank account referenced with my name.

4 Powers Of Attorney (POA)

For Powers of Attorney (POA) please send correspondence to: Investor POA Both investor and POA

Please note, if you are acting as POA, please include a certified copy of the Power of Attorney document and verification of identity documents for each POA. Please note, Octopus will need to verify the identity of all POAs who sign this form for money laundering purposes and may run credit checks to do so.

5 Adviser Details (For completion by authorised financial intermediaries only)

Company Name	Clubfinance Ltd	Administrator	Clubfinance Ltd
Mr/Mrs/Miss/Other		Mr/Mrs/Miss/Other	Dr
First Name	David	First Name	Philip
Surname	Scrivens	Surname	Rhoden
Telephone	01442 217 287	Telephone	01442 217 287
Email	contact@clubfinance.co.uk	Email	contact@clubfinance.co.uk

Please provide details of your bank account so that commission can be paid to you via BACS.

Account Name	Account Number
Email for Commission Statements	Sort Code
contact@clubfinance.co.uk	

Continued overleaf

Special Instructions (including commission)

Please enter the percentage (%) commission you wish to take here, for this specific client. If left blank, standard terms will apply:

Please rebate 1.875% of our initial commission to reduce the initial charges on this investment.

Please pay 0.625% initial commission to Clubfinance Ltd

Please pay trail commission to Clubfinance Ltd.

FSA Number and Company Stamp



PO Box 1036
Hemel Hempstead
Hertfordshire
HP1 2WU
FSA No: 400139

6 Declaration

If this form is completed and signed by the investor named in Section I:

By signing this form I HEREBY DECLARE THAT:

- i. I have read and understood the relevant Product Brochure marked 'April 2011' on the front cover (or a later dated version) and agree to be bound by the terms and conditions set out in the Customer Agreement;
- ii. I will be the beneficial owner of the shares acquired on my behalf by Eureka; and
- iii. To the best of my knowledge and belief, the personal details I have given are correct.
- iv. I will notify Octopus if any investment is made in a company with which I am connected as defined in Sections 166, 167, 170 and 171 of the Income Tax Act 2007 or if within three years of

- v. the issue of the relevant shares I become connected with a company invested in or receive value from such a company;
- v. I confirm I have read and understood the investment objectives of Octopus Eureka EIS;
- vi. I consent to Octopus' best execution policy and the execution of trades on my behalf outside of a recognised investment exchange or multi-lateral trading facility.

If this form is completed and signed by an authorised financial intermediary or any other legal representative on behalf of the investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs i. to vi. above.

Signature

Date

Please send the completed Application form and Client Suitability form, together with your cheque or bankers' draft to Octopus Investments Limited, PO Box 10847, Chelmsford CM99 2BU.



CLIENT SUITABILITY

Octopus Eureka

As a result of FSA regulations, we are required to obtain information from you in order to assess your suitability for the Service that we provide. We are not able to commence investing your money until we have received your completed form.

INVESTMENT EXPERIENCE

Which types of shares listed below have you had personal experience in? Please tick those that apply and state the number of years of experience.

	Years of experience	In what capacity have you had this experience?
Large quoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
Smaller quoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
AIM-listed or unquoted companies	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
Unit Trusts/OEICs	<input type="checkbox"/> _____	Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Adviser/consultant/auditor <input type="checkbox"/> Other _____
No previous shareholdings	<input type="checkbox"/>	

ADDITIONAL INFORMATION

Please state your profession (or your previous profession, if you are retired) _____

Please state your first language if it is not English _____

FINANCIAL SITUATION

Please tick one of the boxes to indicate your approximate annual net disposable income:

Above £100,000	<input type="checkbox"/>
£50,000 – £100,000	<input type="checkbox"/>
£25,000 – £50,000	<input type="checkbox"/>
Less than £25,000	<input type="checkbox"/>

Please tick one of the boxes to indicate the size of your net investable assets (typically your assets other than your house):

Above £1,000,000	<input type="checkbox"/>
£500,000 – £1,000,000	<input type="checkbox"/>
£100,000 – £500,000	<input type="checkbox"/>
Less than £100,000	<input type="checkbox"/>

Please sign and date this form to confirm that the information that you have provided is accurate to the best of your knowledge.

Full Name _____

Signature

Date

For Octopus internal use

Assessment Complete _____ Client Number _____

Signed _____ Date _____

Suitability Met _____

Signed _____ Date _____

APPLICATION

Octopus Eureka

Please ensure that you include the Octopus Eureka Client Suitability form with your application.

Before completing this Application form you should read the Product Brochure marked 'April 2011' on the front cover, Customer Agreement and Application Procedure. If you have any questions, or if you would like to speak to one of the fund managers, please call us on 0800 294 6861.

1 Your Personal Details

Mr/Mrs/Miss/Other	Address
First Name	
Middle Name(s)	
Surname	
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National Insurance Number	Telephone (Day)
Tax Office	Telephone (Home)
Tax Reference No	Email
	<input type="checkbox"/> I am an existing investor with Octopus

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5 Adviser Details (For completion by authorised financial intermediaries only)

Company Name	Clubfinance Ltd	Administrator	Clubfinance Ltd
Mr/Mrs/Miss/Other		Mr/Mrs/Miss/Other	Dr
First Name	David	First Name	Philip
Surname	Scrivens	Surname	Rhoden
Telephone	01442 217 287	Telephone	01442 217 287
Email	contact@clubfinance.co.uk	Email	contact@clubfinance.co.uk

Please provide details of your bank account so that commission can be paid to you via BACS.

Account Name	Account Number
Email for Commission Statements	Sort Code
contact@clubfinance.co.uk	

Continued overleaf

Special Instructions (including commission)

Please enter the percentage (%) commission you wish to take here, for this specific client. If left blank, standard terms will apply:

Please rebate 1.875% of our initial commission to reduce the initial charges on this investment.

Please pay 0.625% initial commission to Clubfinance Ltd

Please pay trail commission to Clubfinance Ltd.

FSA Number and Company Stamp



PO Box 1036

Hemel Hempstead

Hertfordshire

HP1 2WU

FSA No: 400139

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By signing this form I HEREBY DECLARE THAT:

- i. I have read and understood the relevant Product Brochure marked 'April 2011' on the front cover (or a later dated version) and agree to be bound by the terms and conditions set out in the Customer Agreement;
- ii. I will be the beneficial owner of the shares acquired on my behalf by Eureka; and
- iii. To the best of my knowledge and belief, the personal details I have given are correct.
- iv. I will notify Octopus if any investment is made in a company with which I am connected as defined in Sections 166, 167, 170 and 171 of the Income Tax Act 2007 or if within three years of

- v. the issue of the relevant shares I become connected with a company invested in or receive value from such a company;
- v. I confirm I have read and understood the investment objectives of Octopus Eureka EIS;
- vi. I consent to Octopus' best execution policy and the execution of trades on my behalf outside of a recognised investment exchange or multi-lateral trading facility.

If this form is completed and signed by an authorised financial intermediary or any other legal representative on behalf of the investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs i. to vi. above.

Signature

Date

Please send the completed Application form and Client Suitability form, together with your cheque or bankers' draft to Octopus Investments Limited, PO Box 10847, Chelmsford CM99 2BU.



CUSTOMER AGREEMENT

Octopus Eureka

If you are unclear as to these terms and conditions, you should take independent advice.

DEFINITIONS

The definitions below are designed to assist your reading and understanding of the Customer Agreement. References to statutes, FSA Rules and any other rules or regulations shall be taken to include any amendments made to them from time to time.

Agreement or Customer Agreement

This customer agreement, completed application form and any relevant sections of the Product Brochure as mentioned within the body of this customer agreement

AIM

The London Stock Exchange's Alternative Investment Market

Application Form

The application form attached

Approved Bank

HSBC Bank plc, or such other bank appointed by Us to hold client money in accordance with the applicable FSA Rules

Associate

Any holding, sister or subsidiary company of Octopus Investments and any director thereof

Business Day

Any day on which AIM is open for business

Custodian

Any entity (which may be an Associate or a third party), whom we appoint to carry out safe custody and administration (and related) services in relation to investments in your Portfolio

EIS

The Enterprise Investment Scheme as set out in the Income Tax Act 2007.

Eureka

The Octopus Eureka EIS Portfolio Service

FSA

Financial Services Authority

FSA Rules

Those rules made by the FSA for the regulation of the conduct of our business

Octopus, Octopus Investments, Us or We

Octopus Investments Limited, a company registered in England & Wales under company number 3942880 and with a registered address at 20 Old Bailey, London EC4M 7AN

Portfolio

Your portfolio of investments (including any uninvested cash) which are managed in accordance with the investment policy for Octopus Eureka EIS as stated in the Product Brochure

Product Brochure

The Octopus Eureka EIS marketing brochure in force at the time of signing this Customer Agreement

Qualifying Investment

An investment into a company which is a qualifying company for the purposes of EIS

1. Agreement

This Agreement constitutes the contract between you and Us appointing Us to constitute and manage your Portfolio in accordance with our Eureka service. By signing this agreement you confirm that: (1) you have read and understood the Product Brochure and this Customer Agreement; (2) your investment in Eureka will be operated on the terms and conditions of the Product Brochure and this Customer Agreement; and (3) this Agreement shall supersede, replace and operate to the entire exclusion of any previous or other terms and conditions.

2. Regulatory Status

Octopus Investments Limited is authorised and regulated by the FSA with a Firm Reference Number of 194779. Details of our registration can be checked on the FSA's website at www.fsa.gov.uk. The address of the FSA is 25 The North Colonnade, Canary Wharf, London E14 5HS.

3. Start Date

3.1 This Agreement will come into force (and therefore We are able at our discretion to start managing your Portfolio) on the date of receipt by Us of your duly completed and signed Application form (or if later, on the date by which We have cleared funds and have completed any compliance procedures required of Us in accordance with the FSA rules on Money Laundering Regulations 2007).

3.2 The compliance procedures discussed at 3.1 above include requiring proof of your identity and of your address, or that of any person with legal control over the investment. Under the Money Laundering Regulations 2007, We are required to check the identity of clients. You authorise Octopus Investments to therefore undertake an electronic search for the purposes of verifying your identity. To do so, Octopus Investments may check the details you supply against your particulars on any database (public or other) to which We have access. Octopus Investments may also use your details in the future to assist other companies for verification purposes. A record of this search will be retained. If We cannot verify your identity, We may ask you to provide, among other things, a recent, original bank statement and an original HM Revenue & Customs Tax Notification, or a copy of your passport certified by a bank, solicitor or accountant or a Client Verification Certificate from your IFA.

4. Cancellation Rights

4.1 When We first receive your Application form, We will write to you enclosing our form of cancellation notice. If you wish to exercise your right to cancel, you must notify Us in writing within 14 days of receipt of that form, by sending it duly completed to Us at our address as printed in this Customer Agreement.

4.2 If you exercise your cancellation rights, We shall refund any monies paid by you less any commission paid to your financial adviser and any charges We have already incurred for any service undertaken in accordance with the terms of the Agreement, although this would exclude the initial charge retained by Octopus as stipulated in the Product Brochure. We are obliged to hold your investment monies until We have satisfactorily completed our money laundering checks.

4.3 We will endeavour to return any such monies as described at clause 4.2 as soon as possible. Please note, this is subject to Us having completed our money laundering checks satisfactorily. You will not be entitled to interest on such monies.

4.4 If you do not exercise this right to cancel within the requisite time period, you will still be entitled to exercise your right under clause 18 below to terminate this Agreement which is a separate right.

4.5 The right to cancel under the FSA Rules does not give you the right to cancel/terminate/reverse any particular investment transaction executed for the account of your Portfolio before cancellation takes effect.

5. Client Categorisation

5.1 We have categorised you as a retail client for the purposes of the FSA Rules. Irrespective of whether you could be categorised as a professional client for the purposes of FSA Rules. This categorisation has taken place based on our internal client categorisation process. Different rules and different levels of protection apply to you depending on your client categorisation, and retail clients are generally afforded the highest degree of protection.

5.2 You will receive notification of your categorisation in writing. If at any point after categorisation you wish to be re-categorised, you may do so in writing, or by telephone. Please note that whilst all requests for recategorisation will be considered, Octopus is not obliged to carry out any request.

5.3 Under the European Directive on Distance Marketing of Financial Services to consumers We are obliged to provide certain information in respect of agreements entered into with consumers (a natural person who is acting for purposes outside his trade, business or profession) that are concluded by the exclusive use of one or more means of distance communication (eg telephone, internet, fax or mail). If you are such a consumer, the required information is included within this Customer Agreement and the relevant Product Brochure.

5.4 You warrant that all information that you have provided to Us (including the information provided in your Application form) is true, accurate and complete in all material respects and you have not omitted any information which may be material to the services to be provided to you. We will have no responsibility or liability to you if such information is untrue, inaccurate or incomplete in any material way. You shall notify Us in writing as soon as reasonably practicable if any information you have provided requires to be updated or is no longer correct.

6. Investment Management Services

6.1 Octopus Eureka is a discretionary investment service. By entering into this Agreement, you grant to Us (subject to 10.3) the right to select and manage, at our discretion, investments which correspond with the objectives and principles for Octopus Eureka, as set out in the Product Brochure and We will, normally acting as your agent, have complete discretion to buy, sell, retain, convert, exchange or otherwise deal in investments and other assets of your Portfolio, make and withdraw deposits, apply for issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, effect transactions on any markets or exchanges, negotiate and execute counterparty and account opening documentation, take all routine or day to day decisions and otherwise act as We think appropriate in relation to the management of the Portfolio, but subject always to the provisions of this Customer Agreement. You also grant Us the right following your investment date to hold the uninvested cash in a money market fund pending investment. You acknowledge receipt and understanding of the Product Brochure and the risk factors set out in it and acknowledge that Octopus has not provided you with advice about this product.

6.2 It is your responsibility (on the advice of your professional financial adviser if appropriate) to keep your financial circumstances, objectives and appetite for risk under review and to assess whether the specific investment selected by you remains suitable for your needs. We shall not be liable for any losses you suffer or incur as a result of your investment in this product (whether or not you have received advice from a professional financial adviser) and cannot and do not make any representation that such investment is suitable or appropriate for your specific needs and requirements.

6.3 Notwithstanding the generality of clause 6.1, and also to clause 14.2 below (aggregation of orders), all transactions for your Portfolio will be undertaken in accordance with the overriding principles of 'Suitability' and 'Best Execution' under the FSA Rules.

6.4 We will acquire for your Portfolio Investments which We reasonably believe to be Qualifying Investments at the time of acquisition (but please be aware that We give no commitment that any such investment will remain a Qualifying Investment at all times thereafter). Subject thereto, there shall be no restriction on the amount invested in any one investment, or on the proportion of your Portfolio in any one investment, or any particular type of investment, or on the markets on which transactions are effected, unless specified in this Product Brochure. If We sell Qualifying Investments on your behalf, there may be tax consequences about which you should speak to your adviser.

6.5 You should be aware that some investments in your Portfolio are likely to be classified under FSA Rules as "not readily realisable". It may well be difficult or impossible to deal in such investments on a regular basis, for example because there is only a very limited market in which dealing is possible and the spread between the buying and selling price may be wide or because the investee company is unquoted.

6.6 We may arrange to exclude practising accountants or other professional persons from any investment which their professional rules prevent them from making.

7. Investment Advice

7.1 Octopus does not give investment or tax advice. This does not mean that We shall not provide you with information on investments held within your Portfolio from time to time. If We give you information on investments or markets such as market trends, investment analysis or commentary on the performance of selected companies this should not be viewed as a personal recommendation or advice – this is for information purposes only.

7.2 Where you have submitted your Application form through a financial adviser or other professional agent, then you warrant and represent that such person is acting as your agent and therefore We may, subject to applicable FSA Rules, accept instructions and deal with such agent rather than dealing with you directly. In that respect We may share with your agent details of your accounts with Us unless you advise Us to the contrary in writing. You will notify Us in writing as soon as reasonably practicable if the person previously notified to Us ceases to be your agent.

8. Fees and Expenses

8.1 The fees and expenses that you will bear are set out in the Product Brochure.

8.2 The initial charge shall be deducted from the amount you subscribe before the balance is invested in your Portfolio.

8.3 Our management charge (including the performance fee if applicable) will be deducted from any uninvested monies in your Portfolio. In circumstances where there are insufficient monies available to meet the fees and charges, then We will allow this to roll up interest free to be deducted on a later occasion when sufficient monies may be available to cover such fees and charges, whether such monies are derived from dividends, investment liquidity events, additional investments made by you, or otherwise.

9. Delegation and Use of Agents

9.1 We may delegate any of our functions under this Agreement to any Associate or third party of our choosing that is competent (and if relevant, appropriately regulated) to perform such functions. We will give you written notice of any such delegation that involves the exercise of our discretionary investment management powers and

will not, without your consent in writing, delegate the whole or substantially the whole of such powers. This does not prevent Us from assigning any agreement subject to 22.1.

9.2 We will act in good faith and with due diligence in the selection, use and monitoring of third party delegates.

9.3 Where We have delegated any of our functions to an Associate, We will accept responsibility for the acts and omissions of such Associate as if they were our own.

9.4 You agree that We may at our discretion delegate the provision of administration, nominee and safe custody services to such professional Custodian as We shall reasonably see fit. We may from time to time change or amend the terms of the relationship with the Custodian, including replacement thereof but such terms shall never be more onerous on you than those We presently have without your consent in writing.

10. Custody

10.1 The Custodian will hold all investments in your Portfolio in safe custody on the following basis:

- (a) title documents to investments in respect of which such documents are issued will be physically held by the Custodian;
- (b) any registerable investment acquired for your Portfolio will normally be registered in the name of the Custodian or its nominee company; and
- (c) any documents of title to investments in bearer form will be held by the Custodian.

10.2 Please note that investments held by the Custodian for the account of your Portfolio may be pooled with other holdings held by the Custodian. Such investments may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record and, should the Custodian default, you will share in any shortfall in proportion to your original share of any investments in the pool. On occasion, your investments may be used to settle another person's transaction, which will not affect the Custodian's record of your entitlements.

10.3 Subject only to the following, you shall retain all voting and other rights attaching to the investments comprising your Fund: rights issues; share subdivisions and consolidations; share conversions; and/or share transfers (whether for shares and/or cash); in each case only where the Fund retains a controlling interest in that Company ("Excepted Voting Rights"). We shall have discretion to exercise (or not as the case may be) the Excepted Voting Rights.

10.4 The Custodian, as soon as reasonably practicable, will claim and account to you for all dividends, interest and other payments or entitlements received in relation to investments in your Portfolio, but is entitled to deduct or withhold any sum on account of any tax required to be so deducted or withheld and provide you with evidence of such deduction or withholding for your tax records.

10.5 Where assets are pooled with third parties, distribution of entitlements to any benefits or entitlements arising from corporate events will be allocated pro rata. Fractions of entitlements arising from this process will be rounded down to the nearest whole unit or share.

10.6 We may (where this is market practice) use the services of a clearing system (being any market clearance facility, settlement system, dematerialised book entry system, centralised custodial depository or similar facility, system or depository) on such terms as We believe to be appropriate, for the purposes of holding and transferring uncertificated investments.

11. Client Money

11.1 All uninvested cash received or held for the account of your Portfolio shall be treated by Us under the FSA Rules as 'client money'. We will deal with such cash in accordance with the FSA Rules. In that respect We will deposit the cash in the United Kingdom with an Approved Bank. The Approved Bank will hold the cash on our behalf in a trust account separate to any account used to hold money belonging to Us in our own right. We will not, however, be responsible for any acts or omissions of the Approved Bank. If the Approved Bank becomes insolvent, We will have a claim on behalf of our clients against the Approved Bank. If, however, the Approved Bank cannot repay all of its creditors, any shortfall may have to be shared proportionately between them. Please note that your money may be transferred to a third party for the purpose of fulfilling a transaction.

11.2 Following our acceptance of your application, interest earned on uninvested cash within your Portfolio will accrue daily at a rate equal to the prevailing HSBC base rate less 1% and will be credited to your Portfolio quarterly.

12. Valuations and Reports

12.1 You will receive periodic statements, comprising the cost, current value, and dividends of all holdings within your Portfolio as at the last Business Day of the period in question. Statements will be produced for the period ended 31 March, 30 June, 30 September and 31 December in each year. We will provide all such reports within 25 Business Days of the end of the period in question. The performance of the investments held within your Portfolio will not be measured against a stock market index.

12.2 All Investments will be valued at mid market price at the close of business on the last Business Day before the end of the quarter or, if there is no such price, at the value which is, in our opinion, a reasonable valuation as at that date. Periodic statements will also show income and interest credited to your Portfolio, fees charged and transactions made within the period.

12.3 An integrated trading statement will be sent with each valuation, with a breakdown of any fees and charges related to the investment.

13. Best Execution

13.1 In accordance with the FSA rules, We have implemented an order execution policy which sets out the reasonable steps that We will take in order to obtain the best possible result for our customers.

13.2 Our execution policy will be set out on our website at octopusinvestments.com. Any changes to our execution policy will be posted on our website.

13.3 Octopus Eureka will execute trades outside a regulated exchange of multi-lateral trading facility. In signing this customer agreement, you provide consent and authorise Octopus to execute such trades on your behalf.

14. Dealing, Counterparties and Aggregation

14.1 We will act in good faith and with due diligence in our choice and use of counterparties. All transactions will be effected in accordance with the rules and regulations of the relevant market, exchange or trading facility, and We may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

14.2 We may aggregate your transactions with those of other customers and of our employees in accordance with the FSA Rules. It is likely that the effect of such an allocation will not work to your disadvantage however, occasionally this may not be the case. We will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FSA Rules.

15. Conflicts of Interest

We take the identification and management of conflicts of interest seriously. We have implemented a conflicts of interest policy that identifies those circumstances that constitute, or may give rise to, conflicts of interest that pose a material risk of damage to our customers. This policy also addresses the effective organisational and administrative arrangements that We maintain and operate to manage those conflicts. A copy of our conflicts policy is available on request.

16. Our Liability

16.1 We will act in good faith and with due diligence in managing your Portfolio in accordance with this Agreement. We accept responsibility for loss to you only to the extent that such loss is due to our negligence, wilful default or fraud or that of our Associates.

16.2 If the Custodian should fail to deliver any necessary documents or to account for any investments, We will take all reasonable steps on your behalf to recover such documents or investments or any sums due or compensation in lieu thereof but subject thereto to our general duty of good faith, shall not be liable for such failure.

16.3 In the event of any failure, interruption or delay in the performance of our obligations resulting from acts, events or circumstances not reasonably within our control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or services; disruption to stock market dealings; and acts of war, terrorism or civil unrest) We shall not be liable to you for consequent loss in the value of, or failure to perform investment transactions for the account of, your Portfolio.

16.4 Nothing in clauses 16.1 – 16.3 is deemed to limit any liability We may have to you under the terms of the FSA Rules.

16.5 Subject to 16.1, We shall not be liable for any loss or damage of any direct or indirect nature caused by the retraction by HM Revenue & Customs of the EIS status of any holdings within your Portfolio, or for any other changes in legislation.

16.6 We are not responsible for loss of goodwill, profit, opportunity or any special or indirect losses.

17. Withdrawals and Transfers

17.1 If you wish to withdraw money or investments you must provide Us with written instructions only. Subject to 17.2 We will realise the cash sum required and pay the net sale proceeds over to you upon receipt of such proceeds by Us into your nominated bank account.

17.2 Your investments in unquoted companies are not readily marketable and the timing of any sale cannot be predicted. It is likely that money invested in these companies will not be available until Eureka exits from them. Investments in AIM companies should be realised within 10 days, however large transactions may take longer.

17.3 Where you elect to withdraw or transfer investments third party administration and/or custody fees and costs may apply.

18. Termination

18.1 You may terminate this Customer Agreement at any time by immediate written notice to us. Upon receipt of written instruction, Octopus can make arrangements to transfer the assets held to you in-specie. Octopus may terminate this Customer Agreement by giving you 30 days written notice. Where required to do so by applicable law or regulation or where it becomes impossible, impractical or unreasonable for Us to continue to manage your Portfolio We may terminate this Customer Agreement immediately, in which case you will be notified in writing. In this event, Octopus will make arrangements to either transfer the assets to you as the holder, or to appoint another investment manager.

18.2 We reserve the right to settle outstanding transactions for your Portfolio at the effective date of termination.

18.3 Further to clause 6.5 above, you should be aware that if on termination We are required to liquidate your Portfolio, this may take place over an extended period of time as there may be limited liquidity for your Portfolio's investments.

18.4 Subject to 18.3, termination will take effect on the date stated in the written notice of termination or some later date that We agree with you and shall be without prejudice to the completion of transactions already initiated, which will be completed in an orderly manner.

18.5 You will provide Us with written instructions confirming what you would like Us to do with your Portfolio investments and cash, including, whether you would like Us to liquidate the investments or whether you would like Us to transfer the investments and cash.

18.6 Further to clause 6.5 and 17.2, you should be aware that if on termination We are required to liquidate your Portfolio, We cannot guarantee that We will be in a position to obtain the best result for you in accordance with our order execution policy.

18.7 Termination will not affect accrued rights, or any contractual provision intended to survive termination.

18.8 On termination, you will be liable to pay (meaning that We may debit from your Portfolio):

- (a) all fees and other charges mentioned at clause 8 above, pro rata to the date of termination;
- (b) any additional expenses necessarily incurred by Us in terminating this Agreement; and
- (c) our charges (if any) in connection with transferring your Investments into your name or as you may direct.

18.9 On termination, We may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay your outstanding liabilities. If there is a dispute as to the payment of fees to us, you may require the disputed amount to be held in an escrow account pending resolution of the dispute.

18.10 After all outstanding transactions have been accounted for, We will provide you with a closing valuation of the Portfolio prepared in the manner described above. Our management responsibility for the Portfolio will then cease entirely.

19. Data Protection and Confidentiality

19.1 We are registered under the Data Protection Act 1998, and as such may keep records in which your name and certain personal information will be stored. Certain information may be shared with Associate companies within the Octopus group, for administrative reasons. We may also share some or all of your information with the FSA if We are required to do so in accordance with FSA Rules, and with other governmental, judicial, law enforcement or regulatory bodies if similarly required to do so.

19.2 You have the right, upon payment of a reasonable fee, to receive a copy of the information that Octopus holds about you to the extent that it constitutes personal information. For more details, please write to the Compliance Officer.

20. Risk Warnings and Further Disclosures

20.1 General

Your attention is drawn to the risk warnings set out in the Product Brochure.

20.2 The value of investments and the income derived from them may go down as well as up and you may not get back the full amount

invested. Investments made by Eureka, because they are in AIM-listed or unquoted companies, are classified by the FSA as higher risk than companies on the London Stock Exchange official list. An investment in Eureka is not suitable as a short-term investment and should be held for three to five years.

20.3 Penny Shares Risk Warning

There is an extra risk of losing money when shares are bought in some smaller companies including 'penny shares' (as defined in the FSA Rules). Because the spread between the buying price and the selling price of such shares is a substantial part of the share price, they are more susceptible to movement in market price than other investments, and in addition a dealing in such shares is liable to cost proportionately more on purchase and yield proportionately less on disposal on account of the effect of the dealing spread.

20.4 Borrowing and lending

We will not borrow money for the account of your Portfolio, nor lend securities or enter into stock lending or similar transactions.

20.5 Supplement

Subject to 18.8, We cannot require you to add further funds to your Portfolio (although you may do so if you wish).

20.6 Limit on investment powers

We will not invest in warrants, in units in collective investment schemes or in derivatives of any sort.

20.7 Stabilisation

We draw your attention to the Stabilisation Risk Warning Notice in Annex I of this Agreement.

21. Complaints Procedure and Compensation

21.1 If you have a complaint, you should write to our Compliance Officer, who will acknowledge receipt of your letter, investigate the circumstances and report back to you. If We have given you our final response and you are still dissatisfied you may refer your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints. It will only consider complaints after We have provided you with written confirmation that our internal complaints procedure has been exhausted. The FOS can be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of our complaints handling procedure is available on request.

21.2 Octopus Investments is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. The address of the Financial Services Compensation Scheme is 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

22. General

22.1 We may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to you. This Agreement is personal to you and you may not assign it.

22.2 Amendments to this Agreement shall be effective only if in writing and agreed by both parties, provided that We may amend the Agreement in circumstances where We are required to do so in accordance with applicable law or to reflect changes in regulations and any such amendment will be effective when notified to you in writing.

22.3 It is not intended that any term contained in this agreement shall be enforceable, whether by virtue of the Contracts (Rights of Third Parties) Act 1998, or otherwise, by any third party.

22.4 We may send any communication to you at the address which you provide to Us in the Application form (or to any provided postal or email address). You may communicate with Us at Octopus Investments Limited, 20 Old Bailey, London EC4M 7AN. Notice sent by first class post is deemed to have arrived on the second Business Day after posting. Notice sent by fax or email or hand-delivered is deemed to be delivered immediately (or on the next Business Day if sent after 5pm on a Business Day or on a non-Business Day). Our telephone number is 020 7710 2800. Telephone calls may be recorded or monitored for our mutual protection.

22.5 This Customer Agreement is governed by English Law and the parties shall submit to the courts of England.

22.6 This Customer Agreement is supplied in English, and We will only communicate in English during the course of our relationship with you.

ANNEX I

Risk Warning: Dealing in securities which may be subject to stabilisation

This statement complies with the rules of the Financial Services Authority (FSA). Octopus Investments Limited or its representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- (1) To be consulted before Octopus Investments Limited carries out any such transaction on your behalf; or
- (2) To authorise Octopus Investments Limited to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- (1) Limit the period when a stabilising manager may stabilise a new issue;
- (2) Fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (3) Require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

ANNEX 2

Execution policy

Execution factors and execution criteria: Octopus has an obligation when executing orders on behalf of a client to obtain the best possible outcome. The FSA requires Octopus to take into account various execution factors including price; cost; speed; market impact, likelihood of execution and settlement; size; or any other consideration relevant to the execution of the order. Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, We may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result. We will determine the relative importance of the execution factors by using our commercial judgment and experience in light of market information available and taking into account the execution criteria.

The execution criteria are defined as the characteristics of the client, order (orders placed in the market will indicate a price range that is suitable for the investment decision), type of financial instrument (some shares are more liquid than others, and illiquid shares will be less easily tradable in volume) and the execution venue. Octopus's policy on execution venues when placing orders for stocks whose principal listing is in London will be through FSA regulated brokers/market makers who are members of The London Stock Exchange and/or Plus markets.

The execution factors and their importance are defined as:

Price

The Firm believes that price is the most significant factor and therefore rates the price as being of primary importance and all subsequent factors as secondary.

Size and speed

The market may be quoting a price that represents trading in a particular size but this may not be the size that Octopus wishes to trade in. Large size trades in equities are negotiated as they have gone beyond the size where a transaction within the normal market size would take place and subsequently the orders are given to a dealer to negotiate and execute. In situations where

Octopus works an order, it is impossible to compare the result with what another similar firm might have achieved. Speed is also related to size and this means that Octopus may execute the order on a staggered basis to limit the market impact of an unusually large order. In other instances Octopus may execute the order as a single trade. It is the policy of Octopus to execute business through FSA regulated market makers and brokers trading in the applicable instruments while taking into account the price and size they are making in the instrument.

Cost

Octopus does not believe that cost is relevant to giving the client best execution as We charge commission but do not pass onto clients the costs of execution ie transaction reporting fee, brokers' charges. We do not structure or charge our commissions in such a way as to discriminate unfairly between execution venues.

Probability of execution

Transactions in AIM shares are settled through the CREST clearing system and as such Octopus does not regard the probability of settlement as relevant to its execution policy.

Specific instructions

Where you have provided Us with specific instructions regarding an order, We will execute the order in accordance with those specific instructions. You should be aware that providing specific instructions to Us in relation to the execution of a particular order may prevent Us from taking the steps set out in this execution policy to obtain the best possible result in respect of the elements covered by those instructions.

Monitoring and review

Octopus will, on a periodic basis, carry out monitoring of the best execution standards to ensure these are being maintained, and additionally review its execution policy and order execution arrangements on an annual basis.

Whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients or CIS We manage, We will update our execution policy by posting a revised version on our website.

