



SHELLEY MEDIA FUND 5
AN INGENIOUS EIS FUND

WE ARE INGENIOUS

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IMPORTANT INFORMATION

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the content of this Information Memorandum (**Memorandum**) and/or any action you should take, you are strongly recommended to seek advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (**FSMA**) who specialises in advising on investment opportunities of this type. Nothing in this Memorandum constitutes investment, tax, legal or other advice by either Ingenious Media Investments Limited (**Ingenious Investments**) or Ingenious Ventures (a trading division of Ingenious Asset Management Limited) (**the Manager**) and your attention is drawn to the section headed "Risk Factors" on pages 17-20. An investment in Shelley Media Fund 5 (**the Fund**) will not be suitable for all recipients of this Memorandum.

This Memorandum constitutes a financial promotion pursuant to Section 21 of the FSMA and is issued by Ingenious Investments, 15 Golden Square, London, W1F 9JG, which is authorised and regulated by the Financial Services Authority in the United Kingdom.

Ingenious Investments and the Manager have each taken all reasonable care to ensure that the facts stated in this Memorandum are true and accurate in all material respects and that there are no material facts in respect of which omission would make any statement, fact or opinion in this Memorandum misleading. Delivery of this Memorandum shall not give rise to any implication that there has been no change in the facts set out in this Memorandum since the date hereof or that the information contained herein is correct as of any time subsequent to such date. Ingenious Investments and the Manager accept responsibility accordingly. This document is not intended to constitute a recommendation or provide advice of any sort to any prospective investor.

Any references to tax laws or rates in this Memorandum are subject to change. Past performance is not a guide to future performance and may not be repeated. The value of your investment can go down as well as up and you may not get back the full amount invested. You should consider an investment in the Fund as a medium term investment. Investments made by the Fund are likely to be illiquid.

No person has been authorised to give any information or to make any representation concerning the Fund other than the information contained in this Memorandum or in connection with any material or information referred to in it and, if given or made, such information or representation must not be relied upon. This Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase securities and, in particular, does not constitute an offering in any state, country or other jurisdiction where, or to any person or entity to which, an offer or sale would be prohibited.

SHELLEY MEDIA FUND 5

An Ingenious EIS Fund

Managed by Ingenious Ventures,
a trading division of Ingenious Asset Management Limited

Promoted by Ingenious Media Investments Limited

This Memorandum contains information relating to investment in the Fund. An investment may only be made on the basis of this Memorandum and the Investor Agreement. All statements of opinion or belief contained in this Memorandum and all views expressed and statements made regarding future events represent Ingenious Investments' and the Manager's own assessment and interpretation of information available to them as at the date of this Memorandum. No representation is made, or assurance given, that such statements or views are correct or that the objectives of the Fund will be achieved. Prospective investors must determine for themselves what reliance (if any) they should place on such statements or views and no responsibility is accepted by either of Ingenious Investments or the Manager in respect thereof.

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PART 1: OVERVIEW

The following points summarise the key details of the opportunity to subscribe to the Fund and should be read in conjunction with the full text of this Memorandum.

Investment Opportunity:

- The Fund will provide investors with the opportunity to invest in film, video game and television production, sectors displaying resilience to general prevailing economic conditions and showing strong medium and long term growth potential
- Anticipated **tax free** returns of **13.7% p.a.** (a gross equivalent return of **27.3% p.a.** for a 50% taxpayer)¹
- Investment activities focussing on production companies targeting strong commercial film, television and video game projects whilst significantly reducing market risk through the benefit of applicable film, television or video games tax incentives and distributor/publisher pre-sales
- Supported by the industry reputation and extensive relationships of the Ingenious Group
- Managed by a leading EIS investment specialist, which has raised in excess of £280 million to date, investing in and advising more than 150 EIS qualifying media companies
- Excellent track record of delivering anticipated returns on our EIS investments
- High degree of capital preservation and potential to achieve significant returns

Key Features:

- Targeting companies operating under conservative business models, with a view to generating attractive returns significantly in excess of the risk free rate²
- Access to the experience and support of the Ingenious Group
- Benefits offered by the Enterprise Investment Scheme suitable for UK taxpayers
- Medium term investment (at least three to three and a half years)

Offer Details:

- Launch Date: 8.00 am on Tuesday 1 November 2011
- Closing Date: 10.00 am on Monday 2 April 2012³
- Minimum Individual Investment: £3,000
- Minimum Fund size: £4,000,000⁴
- Maximum Fund size: £15,000,000⁵

What are the Benefits of the EIS?:

The Enterprise Investment Scheme (EIS) is a government sponsored initiative to encourage investment in the UK's enterprise market (subject to meeting the relevant requirements and restrictions).

The tax benefits of EIS qualifying investments include the following:

- 30% income tax relief, reducing net cost of investment to 70p per £1 invested¹
- The opportunity to defer capital gains realised within three years prior to, or up to 12 months after investments are made by the Fund
- No CGT is payable on gains realised from the disposal of the Qualifying Shares
- Ability to offset any capital losses realised on disposal of the Qualifying Shares against investors' income or capital gains
- Investments in Qualifying Shares which are held for more than two years should qualify for relief from inheritance tax

Fund Costs:

- 9.5% investment and advisory fee charged to Investee Companies (adviser commissions will be paid out of this fee)
- up to 0.775% p.a. Media Services and Custodian Fees
- £5,000 p.a. per investee company administrative fee
- 3% Fund Performance Fee deferred and payable upon the disposal of the Qualifying Shares subject to Fund performance

See page 16 for further details

How to Apply:

After reading the Memorandum and Investor Agreement, please complete the Application Form and return it to Client Service Centre, Ingenious Ventures, 15 Golden Square, London, W1F 9JG, together with (i) any supporting documentation requested therein and (ii) your subscription payment (instructions for which are in Section 4 of the Application Form) by no later than the Closing Date. **Note:** To ensure all investor subscriptions are received in cleared funds by the Closing Date, cheques will only be accepted if received on or before 23 March 2012. Thereafter, subscription payments should be made by bank transfer.

¹ For investments applied against an investor's 2011/12 income tax liability.

² Assessed by reference to one month Treasury bills.

³ Subject to the Manager's discretion to close at an earlier or later date.

⁴ Subject to the Manager's discretion to accept a lower amount.

⁵ Subject to the Manager's discretion to change the amount.

PART 2: INVESTMENT OPPORTUNITY

1. Overview

The Fund presents an exciting opportunity for UK resident individuals and trusts to invest in EIS qualifying companies (**Investee Companies**) producing original feature films, video games and/or television programmes (**Entertainment Projects**) for exploitation. It is currently anticipated that the majority of the Fund will be invested in companies engaged in the production of feature films and television programmes.

The Fund will be managed by Ingenious Ventures, the venture capital arm of the Ingenious Group, one of the UK's leading media advisory and investment businesses. Ingenious Ventures, in its role as Manager, will focus on identifying suitable Investee Companies whose conservative business models for the production of Entertainment Projects meet the parameters of the Fund.

Despite the considerable challenges presented by the current economic climate, the sectors targeted by the Fund continue to exhibit strong indicators for sustained growth. For example, feature films remain a popular and cheap form of entertainment in times of reduced disposable income and current levels of theatrical box office receipts support the industry's historic reputation for performance that is not directly correlated with wider economic trends. Against this economic backdrop, the development and implementation of new distribution platforms and delivery technologies provide the producers of high quality entertainment content with broader revenue generating opportunities.

In this context, the Manager will implement a conservative investment strategy designed to achieve the following objectives:

- to take advantage of the growth trends in the media and entertainment sector by utilising the Manager's expertise and relationships to identify and secure opportunities to invest in companies producing high quality Entertainment Projects; and
- to limit the Fund's exposure to the commercial performance of the Entertainment Projects by only committing to Investee Companies undertaking Entertainment Projects where they can negotiate an attractive entitlement to the benefit of contracted pre-sales, applicable film, television or video games tax incentives or other acceptable forms of minimum contracted revenue streams.

Ingenious Media Services Limited (**IMSL**) will offer its services to each Investee Company to assist them in identifying, sourcing, evaluating and executing suitable Entertainment Projects.

The combination of the implementation of a conservative business strategy and the tax benefits available under the EIS should maximise investors' prospects of achieving attractive returns from their investment in the Fund.

The Manager is seeking to raise up to £15 million of capital for the Fund (subject to its discretion to increase the target raise), which will close on 2 April 2012⁶.

2. Investment Strategy

The Manager's objective is to limit the risk for investors in the Fund and maximise their potential returns by identifying opportunities to invest in Investee Companies that adopt a conservative approach to the production of commercially viable Entertainment Projects. In this context, the Manager intends to appoint one or more of its employees to the board of each of the Investee Companies.

It is anticipated that each Investee Company will engage in the production and exploitation of Entertainment Projects and, in keeping with industry practice, will typically work with other co-production partners and/or production service providers on each project.

⁶ Subject to the Manager's discretion to change the Closing Date.

The production process of each Investee Company will vary depending upon the nature of the project undertaken, but it is anticipated that the majority of Entertainment Projects will be completed within six to twelve months from the commencement of production and it is likely, due to the scale of the Investee Companies in the early years, that they will only produce one or two Entertainment Projects over each twelve month period. Each Investee Company will be required to acquire all necessary rights to enable it to produce or co-produce and exploit its Entertainment Projects.

It is anticipated that each Investee Company will engage the services of IMSL to provide advice and operational assistance and resources in relation to the production of its Entertainment Projects and to assist the Investee Company in adhering to the business model approved by the Manager.

The business model of each Investee Company should be designed to:

- maximise the returns on its trading activities by engaging on Entertainment Projects where it is able to secure attractive fees for producing such projects; and
- mitigate the risk on the production expenditure it incurs on each Entertainment Project by negotiating an entitlement to pre-contracted sales receipts, the benefit of applicable film, television or video games tax incentives or other minimum contracted revenues available. In the event that these are not received by the Investee Company on an Entertainment Project, the Investee Company would need to recover its expenditure from other revenues generated from the exploitation of that Entertainment Project. In addition, each Investee Company will be required to obtain relevant insurance policies and Completion Bonds (where appropriate) in order to protect it from exposure to normal industry risks.

The Manager also expects each Investee Company to seek to negotiate an entitlement to share in the profits generated from the exploitation of its Entertainment Projects where possible.

The Manager will not make an investment in any potential Investee Company without being satisfied that the company will apply this business model on the Entertainment Projects that it greenlights. After delivery of its first Entertainment Project, the Manager anticipates that the Investee Company will seek to undertake further projects (with a similar approach to risk mitigation) from its existing cash-flows.

The Manager may also invest in Investee Companies engaging in the marketing or co-marketing of Entertainment Projects under comparable business models to that outlined above. References in this Memorandum to production companies and the production of Entertainment Projects should be construed accordingly.

The Manager's preference would be for the Fund to take a majority stake in each Investee Company but it will also look at co-investment with other similar funds (including other funds managed or operated by the Ingenious Group).

3. The Market for Entertainment Projects

Filmed entertainment (the sector anticipated to provide the majority of Entertainment Project opportunities for the Investee Companies) is a sector that continues to display significant growth potential. Worldwide revenues from filmed entertainment through theatrical release, video/DVD and online are anticipated to grow to \$114.8 billion by 2015 from 2010's level of \$86.2 billion⁷, representing a compound annual growth forecast of 5.9%. This is in part driven by the resilience of theatrical revenues (which have historically proven able to withstand and even benefit from the pressures of economic downturns⁸) and the advances in technology that are enhancing the consumer experience in traditional areas such as cinema (in particular the rapid expansion of 3-D screens resulting in increased tickets prices), video and television as well as offering new viewing platforms to consumers such as the internet and mobile phones.

⁷ PWC: Global Entertainment and Media Outlook 2011-2015. These figures exclude revenues earned from television, including video on demand.

⁸ National Association of Theatre Owners, ShoWest 2008 Talking Points and Fact Sheet.

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Notable sector performance highlights and developments include:

- 2010 saw huge box office increases for both China (63.9%) and Russia (49.5%)⁹. With both countries constructing multiplexes (including 3-D screens), their respective box office revenues are expected to increase until 2015 at compound annual rates of 26.6% and 13.4%. These figures are expected to help drive global box office takings to \$48.7 billion in 2015 at a compound annual growth rate of 8.1%¹⁰.
- Digital streaming revenues are set to reach \$12.1 billion by 2015, up from \$5.3 billion in 2010 (an annual compound growth rate of 18%), almost doubling their share of the wider Home Video market¹¹. As more and more households take up broadband connections (and benefit from the associated increase in bandwidth), the internet becomes a viable distribution platform. Numerous legitimate video download businesses now exist, including services offered by Apple, Netflix, Tivo, Amazon.com and Blockbuster, all of which have been further boosted by the rapid consumer uptake of tablet devices.
- The growth of digital television has led to a proliferation of channels and increased demand for filmed entertainment on television. This has created greater demand not just for first-run films but also library titles, thereby extending the revenue generating lifespan of the average film. The global TV subscription market (consisting of revenues generated by cable and satellite television companies) is forecast to grow at a compound annual rate of 7.6% from 2010 to 2015¹².

The Television Market

The UK boasts the second largest television market in Europe, after France. Total television subscription and licence fees in the UK are forecast to increase from £11.9 billion at an annual rate of approximately 4.2% reaching £14.7 billion in 2015¹³. A significant increase in revenues will come from new platforms such as digital cable, internet protocol television (IPTV) and mobile television which will all encourage subscription spending. An 'over-the-top' market is also emerging through providers such as Netflix that stream TV shows either over the internet or to video games consoles while bypassing a TV provider. Annual over-the-top spending in Western Europe is expected to reach \$715 million in 2015¹⁴. However, subscription spending is the principal component of the global television market and is expected to increase from \$163.4 billion in 2010 to \$235.8 billion in 2015¹⁵.

Consumers are increasingly exploring new audio-visual media. The expanding digital terrestrial platforms, digital cable and IPTV are expected to stimulate growth in video-on-demand usage. It is anticipated that the value of the video-on-demand market will rise from \$4.9 billion in 2010 to \$9.2 billion in 2015¹⁶. Mobile television is also fast becoming a major platform for accessing content and mobile TV subscription spending is expected to reach \$3.4 billion in 2015¹⁷.

Upgrades to wireless networks will drive the increased availability of mobile TV principally through hybrid models combining free services for standard programmes and subscriptions for premium content. The increase in the number of new channels and platforms continues to drive demand for TV content, creating a significant commercial opportunity for producers of mass-appeal English language content.

9 PwC: Global Entertainment and Media Outlook 2011-2015.

10 *ibid.*

11 *ibid.*

12 *ibid.*

13 *ibid.*

14 *ibid.*

15 *ibid.*

16 *ibid.*

17 *ibid.*

Video Games

The video games market (excluding hardware and accessory sales) in North America, EMEA, Asia Pacific and Latin America is projected to expand from \$55.5 billion in 2010 to \$82 billion (at a compound annual growth rate of 8.2%) by 2015¹⁸. This growth will be driven by the current generation of consoles (principally, Wii, Xbox 360 and PlayStation 3), the latest handheld devices (principally, Nintendo DS and PlayStation Portable) and the rise in the online market catalysed by increasing broadband penetration and the development of online console capabilities, as well as the proliferation of tablet devices and smartphones. Beyond the advancement and delivery of commercially relevant technology, growth in the sector will also be fuelled by consumer trends and the methods by which the sector adapts to accommodate and monetise these developments. A notable example is the rise of “massively multiplayer online games”, which have assisted in the implementation of new revenue models (for example subscription fees, micro-transactions and “in game” and/or platform advertising) that are offering both viable alternatives and support to the traditional boxed game retail models.

Notable sector performance highlights and developments include:

- The console games market is expected to grow at a compound annual rate of 4.4% from \$28.1 billion in 2010 to \$34.8 billion in 2015¹⁹. A further acceleration is anticipated once the next generation of consoles is introduced from 2015 onwards.
- The steady decline of the PC games market should be compensated for by the rapid rise of the online and wireless games market with projected compound annual growth rates of 14.9% (to \$28.4 billion) and 11% (to \$12.7 billion) respectively²⁰.
- The burgeoning video game advertising market is projected to grow from \$1.8 billion in 2010 to \$3.0 billion in 2015 at a compound annual growth rate of 10.0%²¹, providing content owners and distributors with a significant additional revenue stream.

4. Why Ingenious?

The Ingenious Group has an extensive footprint across the UK media sector from both its investment and advisory activities. It operates a number of specialist funds and manages specialist content businesses across the media sector. It has been at the forefront of the media and entertainment industry for more than 13 years. Its activities in the media sector have involved working with several of the world’s premier content producers including US film studios and some of the world’s leading independent producers and publishers of films, television programmes and video games.

Ingenious is one of the UK’s leading alternative asset managers and a specialist in EIS offerings, and has raised over £280 million from EIS investors since 2005, aiding investment in, and advising over 150 EIS based media production companies. In the last six years, companies within the Ingenious Group have executive produced, co-produced and/or produced a broad range of films, video games and television programmes, closely monitoring the distribution of all titles to ensure investors fully capitalise on the success of the projects. Recent Ingenious projects include *Avatar* (the highest grossing film ever produced) and the latest three films in the hugely popular *X-Men* franchise, the video game *Colin McRae: Dirt* and the television programmes *Foyle’s War* and *Law & Order: UK*.

18 PWC: Global Entertainment and Media Outlook 2011-2015.

19 *ibid.*

20 *ibid.*

21 *ibid.*

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Investors in the Fund will benefit from both the Manager's considerable private equity experience and the specialist content creation and exploitation expertise of the Ingenious Group, collectively providing the Fund with the following competitive advantages:

- well established industry relationships and contacts;
- a thorough understanding of the risks, economics and commercial opportunities across a wide range of sectors within the media and entertainment industries; and
- extensive experience of structuring, negotiating and executing arrangements dealing with the creation and exploitation and/or sale of entertainment content with a wide range of major producers and distributors of content in the global marketplace.

5. Monitoring of Investee Companies

The Manager will monitor the activities of the Investee Companies, particularly with respect to each Investee Company's adherence to a conservative business model for content creation and exploitation and the commercial performance of its Entertainment Projects. In this context, the Manager intends to appoint one or more of its employees to the board of each of the Investee Companies.

Any decisions or action required in relation to the Fund's rights and interests in the Investee Companies will be taken by the Manager, acting in its sole discretion.

Each Investee Company will also have access to media specialists from the Ingenious Group through services offered by IMSL. These personnel will assist each Investee Company in the sourcing and evaluation of potential Entertainment Projects, development of suitable marketing and distribution strategies, planning and co-ordination of the production process and other production activities undertaken by the Investee Company.

6. Tax Benefits

An investment in the Fund is expected to benefit from the tax advantages offered by the EIS. Investors should obtain income tax relief (by way of tax credit) in respect of their proportionate share of each investment made by the Fund at 30% against their 2011/12 income tax liability, or 20% against their 2010/11 income tax liability (if a carry back claim is made). This means that if an investor has taxable income of £100,000 in each of 2011/12 and 2010/11 an investment of £100,000 in the Fund would enable the investor to reclaim income tax of £30,000 against their 2011/12 income tax liability, or £20,000 against their 2010/11 income tax liability. The investor may also make a partial carry back claim to spread the relief over both years. The claim may be made in respect of each investment made by the fund once the Manager has obtained EIS3 certificates from HMRC and sent them to each investor. This relief is limited to investments of up to £500,000 in total in EIS qualifying companies in each tax year (although investments of up to a further £500,000 may be carried back to the preceding tax year, to the extent the investor did not fully utilise available EIS reliefs in that earlier year)²². Gains realised on disposal of such investments are exempt from CGT.

In addition, capital gains realised by investors on the disposal of other assets within three years prior to or up to 12 months after investments are made by the Fund, may be deferred provided the investments made by the Fund on behalf of the investor at least equal the amount of the capital gains to be deferred. This may enable investors to defer gains subject to CGT, which will then crystallise on disposal of the Qualifying Shares. The ability of an investor to defer such gains arises from his/her proportionate share in each separate investment made by the Fund, and consequently a deferral based on the full amount of the investor's investment in the Fund can only be claimed for gains arising within three years before the date on which the Fund makes its final investment or those which arise within 12 months after the date on which the Fund makes its first investment.

22 See Income Tax Relief section on page 21 for more details.

Capital losses on investments can be offset against income in the year in which the loss is crystallised (and/or the preceding year), after taking account of the initial tax relief claimed (at the applicable rate or rates).

EIS reliefs are available to investors by reference to the date each investment is made by the Fund. The Manager anticipates that the Fund's capital will be fully invested in the Investee Companies by 5 April 2012.

The section above provides only a very brief summary of the EIS Reliefs. A fuller explanation of the tax benefits and requirements of the EIS is set out on pages 21-23 of this Memorandum. The value of the tax reliefs will depend on personal circumstances and may be subject to changes in those circumstances or in the tax legislation. Neither Ingenious Investments nor the Manager provides tax advice and prospective investors are recommended to obtain independent tax advice.

7. Summary Financial Illustrations²³

Each investor's return from an investment in the Fund will be determined by the value of the Qualifying Shares upon their realisation. Following the expiry of the Relevant Period for each Investee Company, the Manager will consider options for realising the value of the Qualifying Shares for investors, having particular regard to the maximisation of the redemption value for investors.

	Investment applied against 2010/11 income tax liability (£)	Investment applied against 2011/12 income tax liability (£)
Cost of Investment	100,000	100,000
Less Income Tax Relief at 20%/30%	(20,000)	(30,000)
Net Investment	80,000	70,000
Investment Proceeds	102,673	102,673
Total Return	28.3%	46.7%
Average Annual Return	8.3%	13.7%
Average Gross Equivalent Annual Return ²⁴	16.6%	27.3%

The above anticipated returns are illustrative only and are based on a number of assumptions. These anticipated returns may not be a reliable indicator of future performance.

8. Liquidity

Each investor will have a divisible interest in the Fund. However, as the Fund will be invested in unquoted companies, there will be no active market in the Qualifying Shares. Consequently, the most likely mechanism for realising an investment in the Fund is through a realisation process implemented by the Manager. The Manager will consider options for making realisations and returning funds to investors after the Relevant Period. However, the optimum time for realising Qualifying Shares may be longer than the end of the Relevant Period.

²³ Based upon a single investment of £100,000, current bank interest rates and tax rates, a realisation of the Qualifying Shares in each Investee Company after three full years of trade, and upon the availability to an investor of EIS income relief at 20%/30% (as applicable).

²⁴ Gross Equivalent Annual Return is the return a 50% income tax rate investor would need to achieve from an equivalent investment in order to achieve the same return as that provided by the Fund.

9. Who is this Investment Likely to be Suitable for?

This opportunity is likely to be suitable for UK resident investors looking for a medium term investment whose personal circumstances allow them to take advantage of the EIS Reliefs, such that they are able to benefit from the income tax relief and/or defer capital gains, for example:

- an investor who has sufficient income tax liability to claim income tax relief under the EIS;
- an investor wishing to defer a taxable capital gain; or
- an investor wishing to defer a capital gain, but who also has sufficient income tax liability to claim income tax relief under the EIS.

The minimum individual investment in the Fund is £3,000. Investors should note that the assets to be held by the Fund will be shares in small unquoted companies (often with high risk) and that they may not have access to their capital for at least 3.5 years from the date of application.

PART 3: THE MANAGER AND INVESTMENT TEAM

The Manager of the Fund is Ingenious Ventures, the venture capital arm of the Ingenious Group which, since its formation in 2000, has been engaged in the structuring, promotion and management of a broad range of investment funds in the media and entertainment sectors. Ingenious Ventures is a division of Ingenious Asset Management Limited, which is authorised and regulated by the Financial Services Authority. The Manager's investment team will be responsible for sourcing, approving, implementing and managing investments.

Ingenious Ventures' senior management combines private equity investment disciplines with in-depth investment financing, consulting and operational experience gained principally across the media and entertainment sectors.

The investment team will be supported by the extensive professional infrastructure of the Ingenious Group, including a large finance team experienced in accounting and reporting procedures for both private and listed investment vehicles and funds.

1. Funds Managed by Ingenious Ventures

The first media fund managed by Ingenious Ventures was a partnership with UBS. The fund was established in August 2001 and invested £22.5 million in five companies across the music, television, live events and video games sectors. Ingenious Ventures LP made one of its first investments in 19 Entertainment Ltd, the company that created the worldwide hit formats *Pop Idol* and *American Idol*.

Ingenious Ventures is the manager of Ingenious Media Active Capital Limited (**IMAC**), a venture capital fund whose shares were admitted to trading on AIM in April 2006, raising approximately £150 million (before expenses) from institutional and individual investors. Since its launch, IMAC has made 16 investments in a broad range of entertainment and media companies.

Ingenious Ventures is also the manager of a number of VCTs, which in aggregate have raised approximately £110 million for investment in companies operating in the media and entertainment sector whose businesses include concerts, festivals, exhibitions, theatrical shows, conferences, recorded music, film, video games and sporting events.

2. The Manager's Investment Team

The Manager's investment team will be comprised of Patrick McKenna, Duncan Reid (both of whom are also directors of Ingenious Media Holdings plc), Patrick Bradley and Sebastian Speight. Patrick McKenna, Duncan Reid and Patrick Bradley are members of the Manager's investment team for IMAC and the Ingenious VCTs.

Patrick McKenna

Patrick is one of the leading figures in the creative industries and is the founder and Chief Executive of Ingenious. He started his career in the accountancy profession and was a Partner in Deloitte before becoming Chairman and Chief Executive of The Really Useful Group.

Patrick is currently Chairman of the Young Vic Theatre, Hat Trick Productions and Stage Three Music and is a trustee of the British Council and NESTA. He is also a member of the Film Business Academy Board, part of the Cass Business School and is actively engaged with the evaluation and selection of media projects proposed for funding by the investment vehicles operated by the Ingenious Group.

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Duncan Reid

Duncan Reid is the Commercial Director of Ingenious, sharing his time between Ingenious Investments and Ingenious Ventures. Duncan is a member of the Manager's investment team and provides supervision and mentoring to the management of the IMAC portfolio companies as well as being a member of the investment committee of the Ingenious VCTs. Duncan qualified as a chartered accountant with Deloitte & Touche. He was then Business Development Manager for Andrew Lloyd Webber's Really Useful Group and later acted as Finance Director of Nottingham Forest plc during its flotation before founding the Ingenious Group with Patrick McKenna.

Patrick Bradley

Patrick is a director of the Manager and is a member of the Manager's investment team, where he led the investment and management of Ingenious Ventures LP and subsequently IMAC, as well as being a member of the investment committee of the Ingenious VCTs. Prior to joining Ingenious, Patrick spent over ten years in senior operating positions within major media companies including Polygram and Universal Pictures, @ Entertainment and UPC Media. Patrick has worked on numerous transactions including PolyGram's acquisition of 30% of the Really Useful Group and its acquisition of Motown Records, A&M Records, Island Records, Palace Pictures and Working Title. He was also General Counsel to investment company Ilchester Investments.

Sebastian Speight

Sebastian is a director of Ingenious Investments and is a member of the Manager's investment committee of the Ingenious VCTs. Sebastian is responsible for the origination of new investment funds within Ingenious. Sebastian qualified as a solicitor in 1996 and spent the majority of his legal career at Allen & Overy, which he left as a senior banking associate to join Ingenious in 2003. For the last eight years he has worked across the media investment funds operated by Ingenious in the film, music, television and video games sectors, actively analysing new investment opportunities.

3. The IMSL Team

The following team will be available to provide each Investee Company with operational assistance and advice on its production activities. The team have significant experience in day-to-day production work and the management of production projects and can also provide strategic advice and execution capacity with respect to the production and exploitation of Entertainment Projects.

James Clayton

James is CEO of Ingenious Investments and has overall responsibility for the company's business and operations. He also manages key relationships with the major studios and is well known in the film industry. James frequently speaks on film and other media businesses at industry events, and has a wealth of experience in the sector.

Nik Bower

Nik is the managing director of the Media division within Ingenious Investments. He joined Ingenious in 2005, after many years working in acquisition and project finance for Allen and Overy and Goldman Sachs. For the last six years his responsibilities have included sourcing, evaluating and negotiating production arrangements for television and theatrical feature film productions. He regularly attends the major film markets to source attractive projects and negotiate and monitor the commercial exploitation of completed films for client businesses.

Jim Reeve

A qualified barrister and Emmy award winner, Jim has worked for more than 20 years in the media sector. He has produced television commercials, television programmes and feature films (with clients including Domecq, Sky, and Showtime (US)). Jim's central role at Ingenious is in sourcing and overseeing the completion of television production projects for businesses for which Ingenious provides operational management services.

Dylan Jones

Dylan Jones is a director of Ingenious Investments and Managing Director of its Leisure division. After starting his career as an entertainment lawyer at Denton Wilde Sapte, Dylan worked as a director in the investment banking division of RBS, leading a team focusing on the film and television sectors. Since joining Ingenious in early 2009, Dylan has overseen the operation of a number of Ingenious' investment funds and been actively involved in the supervision of the production and exploitation of film and television productions and video games development projects on behalf of client businesses.

Michael Shykja

Michael joined Ingenious in 2009 from Allied Irish Banks, where he was Joint Head of Entertainment Finance. Before joining Allied Irish, Michael spent over seven years at Société Générale as a Director of the Media Team with responsibility for the origination, negotiation and execution of structured finance loans in the filmed entertainment sector.

Stephen Fuss

After starting his career as an entertainment lawyer at Denton Wilde Sapte and DLA Piper, Stephen joined Ingenious in January 2009. His role at Ingenious focusses on sourcing and evaluating suitable entertainment projects, running commercial negotiations with production partners and financiers and overseeing all aspects of the production process.

Charles Auty

Charles joined the Ingenious legal team in 2005 where he qualified and worked as a lawyer on independent and studio film and television transactions as well as a wide range of music, entertainment and festival transactions. More recently he has been involved in the commercial aspects of production and exploitation of film and television productions on behalf of client businesses and the sourcing and evaluation of suitable entertainment projects for businesses for which Ingenious provides operational management services.

PART 4: FUND STRUCTURE, OFFER DETAILS AND COSTS

1. Fund Structure

The term “fund” (as used by and defined in the applicable EIS legislation) suggests an investment vehicle with separate legal status. However, in fact, each investor will enter into a discretionary portfolio investment management arrangement with the Manager by means of an Investor Agreement (attached to this Memorandum), although the Manager will implement the investment strategy on a collective basis.

The subscriptions made by all investors will be aggregated for the purpose of making investments through the Fund, and investments will be made by the Manager in each Investee Company on a pro-rata basis to the investors' subscriptions. The Manager will be responsible for discretionary decisions in relation to the selection of, and the exercise of rights in relation to, investments, but the investor will retain beneficial ownership of the Qualifying Shares. An investor cannot require the Manager to dispose of his or her interest in an Investee Company prior to disposal of the Fund's overall investment in that company. The Manager may, at its absolute discretion, however, have regard to any requests made to it by an investor to liquidate any individual shareholdings in the Fund (but such termination may result in a loss of EIS Reliefs and crystallisation of any deferred capital gain).

2. Investment Amounts

The minimum individual investment in the Fund is £3,000. There is no restriction on the maximum investment by an individual subject to control restrictions preventing individuals owning more than 30% of an individual Investee Company. However, the maximum amount on which an investor can obtain EIS income tax relief in any tax year is limited to £500,000. Each spouse has his or her own limit of £500,000. In addition, investments of up to a further £500,000 may be carried back to the previous tax year, to the extent that the investor did not fully utilise EIS income tax relief in that year²⁵. This yearly limit applies to the aggregate of EIS investments made by an investor within a given tax year. There is no limit to the capital gains which may be deferred by means of an investment in the Fund, or in the value of assets acquired which qualify for relief from inheritance tax.

The minimum Fund size necessary for it to proceed is £4 million and the maximum Fund size is £15 million, subject to the discretion of the Manager to change these amounts.

3. Withdrawals

An investor is not permitted to make a partial withdrawal of his investment from the Fund. An investor may be permitted to make an early withdrawal of his investment from the Fund, provided that he does so in full. Early withdrawal will result in termination of the Investor Agreement and the transfer of the relevant investor's investments (whether the Qualifying Shares and/or cash), into that investor's name. In such circumstances, the Manager will be under no obligation to sell or otherwise realise the cash value of any Qualifying Shares to which the Investor is entitled. If a disposal of Qualifying Shares occurs before the end of the Relevant Period, the investor would have to repay the initial income tax relief (if it has been claimed) and any deferred gains would crystallise. The Manager's entitlement to the Investment and Advisory Fee and the Fund Performance Fee will survive any withdrawal as will IMSL's entitlement to any Media Services and Custodian Fees that are charged to each Investee Company that engages IMSL in accordance with the terms of such engagement.

The Manager will have a lien on all assets being withdrawn by an investor and will be entitled to dispose of some or all of the same and apply the proceeds in discharging an investor's liability to the Manager in respect of damages or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining investments will then be passed to the investor.

²⁵ See Income Tax Relief section on page 21 for more details.

4. Life of the Fund

In order to retain the EIS Reliefs, investors must hold the Qualifying Shares acquired by the Manager for the Relevant Period, and no partial withdrawals are permitted within this time. It is intended that the Manager will consider options for realising the Qualifying Shares in the interests of the investors after the expiry of the Relevant Period. Having regard to the Relevant Period and the feasibility of obtaining a realisation thereafter, the Fund has a target life of approximately 3-3.5 years but there can be no guarantee that all of the Qualifying Shares will be realised within this period. The Manager will have regard to the maximisation of value in considering the strategy for, and timing of, the realisation of the Qualifying Shares.

It would be prudent to view an investment in the Fund as medium term. An investment should only be made in the Fund on the basis that it will remain invested for at least 3-3.5 years.

Following realisation of the Qualifying Shares in each Investee Company, the realisation proceeds will be paid to investors. Consequently, it is possible that investors will receive distributions from the Fund over a period of time.

5. Offer Details

- Launch Date: 8.00 am on Tuesday 1 November 2011
- Closing Date: 10.00 am on Monday 2 April 2012²⁶
- Minimum Fund size: £4,000,000²⁷
- Maximum Fund size: £15,000,000²⁸

6. How to Apply

After reading this Memorandum and the Investor Agreement, please complete and sign the Application Form attached to this Memorandum and return it to Client Service Centre, Ingenious Ventures, 15 Golden Square, London, W1F 9JG; together with (i) any supporting documentation requested therein and (ii) subscription payment, (instructions for which are in Section 4 of the Application Form), to arrive no later than the Closing Date. **Note:** To ensure all investor subscriptions are received in cleared funds by the Closing Date, cheques will only be accepted if received on or before 23 March 2012. Thereafter, subscription payments should be made by bank transfer.

7. Right of Cancellation

The investor may exercise a right to cancel his/her subscription and terminate the Investor Agreement by notification to the Manager within 14 days of the Manager receiving the investor's Application Form. This should be done by a cancellation notice sent to the Manager's registered office as set out in this document. For convenience, a cancellation notice form is provided at the end of this Memorandum.

On exercise of the investor's right to cancel, the Manager will refund any monies paid to the Fund by the investor, less any charges the Manager has already incurred for any services undertaken in accordance with the Investor Agreement (but not any initial fees paid to the Manager).

The Custodian is obliged to hold investment monies until satisfactory completion of checks by the Manager under the Money Laundering Regulations 2007 (as amended).

The investor will not be entitled to interest on monies refunded following cancellation.

²⁶ Subject to the Manager's discretion to change the Closing Date.

²⁷ Subject to the Manager's discretion to accept a lower amount.

²⁸ Subject to the Manager's discretion to change this amount.

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The right to cancel under the FSA rules does not give the investor the right to cancel or terminate or reverse any particular investment transaction executed for the account of the investor before cancellation takes effect.

The Manager reserves the right to treat as valid and binding any application not complying fully with the terms and conditions set out in this Memorandum. In particular, but without limitation, the Manager may accept applications made otherwise than by completion of an Application Form where the investor has agreed in some other manner acceptable to the Manager to apply in accordance with this Memorandum and the Investor Agreement.

8. Fund Costs and Fees

The following fees will apply to the Fund:

Investment & Advisory Fee	9.5% of the aggregate amount of subscriptions invested in the Fund as at the Closing Date (charged by the Manager pro rata to each Investee Company). Adviser commissions will be paid out of this fee.
Media Services and Custodian Fees	Up to 0.775% (in aggregate) per annum of the aggregate amount of subscriptions invested in the Fund as at the Closing Date, charged to each Investee Company.
Ingenious Investments Administrative Fee	£5,000 per annum per Investee Company for the provision of corporate administrative services by Ingenious Investments.
Fund Performance Fee	Up to 3% of the aggregate amount of subscriptions invested in the Fund as at the Closing Date deferred and charged against (and recovered only from) any proceeds of the realisation of the Qualifying Shares that exceed the aggregate amount of subscriptions invested in the Fund as at the Closing Date.

All fees and costs are exclusive of VAT, which will be charged where applicable. The reasonable expenses incurred by the Manager (in managing and administering the Fund and its investments) and IMSL (in relation to the services provided to the Investee Companies) will be charged to the Investee Companies or the Fund (as appropriate), including legal and transactional costs, audit costs and all other associated third party costs.

It is anticipated that agreed levels of commission will be payable to certain authorised financial advisers in connection with subscriptions to the Fund. These commissions will be paid by the Manager from its fees outlined above. Further details can be found in part 3 of the Application Form and are available on request from the Manager. Any subscription returned to an investor will be returned net of any commission paid by the Manager to the investor's financial adviser.

Under the Investor Agreement, the Manager will be entitled to interest accrued on the Fund pending investment in Investee Companies as an advance on the fees set out above.

PART 5: RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this Memorandum and should consider whether an investment in the Fund constitutes a suitable investment in the light of their personal circumstances, tax position and the financial resources available to them. An investment in the Fund involves a high degree of risk and may not be suitable for all investors. Potential investors should, therefore, seek advice from a stockbroker, accountant, fund manager or other independent financial adviser before making any decision to invest. Potential investors are also recommended to consult a professional adviser regarding their personal tax position.

This section contains the material risk factors that Ingenious Investments and the Manager believe to be associated with an investment in the Fund. If any of the following events or circumstances arise, the financial position and/or results of the Fund could be materially and adversely affected; as could the availability of tax reliefs to investors. In such circumstances, investors may lose all or part of their investment. Additional risks and uncertainties not presently known, or that are deemed to be immaterial, may also have an adverse effect on the Fund and the risks described below do not necessarily include all the risks associated with investment in the Fund.

1. Risks Relating to Returns

- The value of the Qualifying Shares may go up or down. An investor may not get back the full amount invested and may, therefore, lose some or all of their investment. Therefore, assumptions, projections, intentions, illustrations or targets included within this Memorandum cannot and do not constitute a definitive forecast of how the Fund and/or its investments will perform but have been prepared upon assumptions which Ingenious Investments and the Manager consider reasonable.
- After holding the Qualifying Shares in Investee Companies for the Relevant Period, it may be difficult to realise the Qualifying Shares or to obtain reliable information as to their value, as it is anticipated that there may not be a ready market for them.
- The performance of the Fund is dependent on the Manager being able to identify appropriate Investee Companies which carry on, and continue to carry on, a Qualifying Trade for the Relevant Period.
- The Fund does not have an established investment record and will be operating in a competitive industry where the commercial risks are high. The past performance of the Manager is not a guide to the future performance of the Fund.
- The Manager intends to invest the Fund in Investee Companies producing between them a range of Entertainment Projects. This approach is intended to help mitigate the performance risk exposure for the Fund on an individual Investee Company and to increase the chances of the Fund generating attractive returns for investors across the Investee Companies' portfolio of Entertainment Projects. If the availability of suitable Entertainment Projects for production by Investee Companies is limited, the opportunities for diversification may be reduced.
- If the minimum size of the Fund is not reached by the Closing Date, the Fund may not proceed and investors' monies may be returned without interest.
- To the extent that the maximum size of the Fund is not raised, there will be less opportunity to diversify investments in different Investee Companies, which may adversely impair returns.
- Each investor should note that it is possible that other taxes or costs may arise for the investor in connection with its investment in the Fund that are not paid via, or imposed by, the Manager.

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- The level of return to investors will be a function of the quantum and economic performance of the Entertainment Projects produced by each Investee Company, the value of the pre-sale contracts (or other contracts providing an Investee Company with a minimum contracted revenue entitlement), the financial performance and position of the obligors under any such contracts, and the receipt of the benefit of anticipated applicable film, television or video games tax incentives and, to a lesser extent, the level of base interest rates from time to time.
- An investment in a money market fund will be subject to normal market fluctuations, which are mainly influenced by changes in interest rates. In contrast to a cash deposit, the value of the principal invested in a money market fund may fall. Other relevant risk factors will include credit risk, interest rate risk and currency risk.

2. Risks Relating to Taxation

- This Memorandum is prepared in accordance with the Manager's and Ingenious Investments' interpretation of current legislation, rules and practice. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any such changes, and in particular any changes to the bases of taxation, tax reliefs, rates of tax or the investor's tax position, may affect the return investors receive from the Fund.
- Tax law is complex and investors should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect this may have on their own position generally.
- The tax benefits described and their value to an investor are dependent on the investor's personal circumstances. Therefore, these tax benefits may not be available to all investors and/or may be lost by investors in certain circumstances.
- Tax relief may be withdrawn in certain circumstances and neither Ingenious Investments, nor the Manager, nor the Custodian accepts any liability for any loss or damage suffered by any investor or other person in consequence of such relief being withdrawn or reduced.
- If the amount of an investor's subscription is such that his pro-rata beneficial interest in an Investee Company amounts to more than 30% of the capital or voting rights, he will be "connected" with that company and will therefore not be entitled to income tax relief in respect of that investment. In determining whether an investor is connected with the company, the interests of his "associates" are also considered (associates broadly meaning relatives and business partners of the investor). However, as each investor's interest is held through the Fund, this will not arise unless the investor and his associates own between them in excess of 30% of the Fund.

3. Risks Relating to the EIS

- It is possible that an investor could cease to be entitled to certain of the tax benefits available under the EIS which are set out in this Memorandum. For example, deferral relief may be lost if an investor ceases to be resident in the UK during the Relevant Period, and all EIS Reliefs may be lost if an investor receives value from an Investee Company (other than a normal dividend), in the period from one year before the issue of Qualifying Shares to the Nominee to the end of the Relevant Period.
- Delays to the investment timetable could cause certain investors to lose the opportunity to defer capital gains which arose more than three years prior to their respective investment in an Investee Company through the Fund.
- The ability of the Manager to identify suitable Investee Companies within expected timescales for the Fund to invest in may affect the availability and timing of tax reliefs and the return investors receive from the Fund.
- If an Investee Company ceases to carry on a Qualifying Trade during the Relevant Period, its EIS qualifying status may be adversely affected. While the Manager will require various safeguards to be provided against this risk, neither Ingenious Investments nor the Manager can guarantee that all Investee Companies will retain their qualifying status.

- Provisional approval will be sought from HMRC that each company in which the Fund invests is a qualifying company for EIS purposes, before the Fund makes an investment. However, it cannot be guaranteed that the EIS Reliefs will be available or will continue to be available, in respect of each investment made by the Fund.
- Investee Companies are required to employ all of the EIS funding they receive in their trade within two years of issuing the relevant Qualifying Shares or commencing their trade, whichever is later. Failure to employ funds within this time limit would be a breach of the EIS rules and result in a withdrawal of tax relief on that investment.
- If an Investee Company fails to meet the EIS qualifying requirements: (i) investors may, as a result, be required to repay the income tax relief received (at the applicable rate) on a particular investment (along with any related interest); (ii) a liability to CGT may arise on the subsequent disposal of the relevant Qualifying Shares; and (iii) any deferred capital gains may crystallise.
- Any sale of Qualifying Shares prior to the end of the Relevant Period will create a liability to repay the income tax relief claimed (at the applicable rate) as a result of the investment in those Qualifying Shares and any gain will be subject to capital gains tax.

4. Risks Relating to Entertainment Production

- The production cost of an Entertainment Project may exceed its budget. In order to mitigate the risk, Investee Companies will be expected to budget for an element of contingency to allow for any potential cost overruns. In addition, where appropriate, Investee Companies will be expected to arrange for customary production related insurances to be put in place for all productions prior to commencing any production funding on an Entertainment Project.
- If an Investee Company does not produce an Entertainment Project in accordance with the requirements set out in a commissioning agreement, or an Entertainment Project is not completed, this could adversely affect the revenue derived from it, particularly where a distributor refuses to accept delivery of the Entertainment Project. In order to mitigate this risk, the Manager will monitor the Investee Company's production of each Entertainment Project on an ongoing basis. In addition, where appropriate, the Investee Company will be expected to put a Completion Bond or other suitable arrangement in place.
- If a claim is brought by a third party that an Entertainment Project is defamatory, libellous or obscene or infringes the rights of a third party, this could adversely affect the revenues the Investee Company derives from it. In order to mitigate the risk, the Manager may require that Investee Companies acquire appropriate "errors and omissions insurance" for Entertainment Projects effective from the start of principal photography.
- Due to the nature of the industry, content production is inherently risky (as it is not generally possible to accurately predict the level of sales income that can be achieved). However, as described herein, each Investee Company will be expected to mitigate these risks by negotiating suitable recoupment positions from pre-sales (or other contracts providing an Investee Company with a minimum contracted revenue entitlement) or the benefit of applicable film, television or video games tax incentives, before committing to production or co-production.
- The receipt by an Investee Company of any amount in respect of an agreed profit share of revenues generated from the exploitation of an Entertainment Project is dependent on the Entertainment Project generating sufficient levels of revenue to trigger any such entitlement. Accordingly, for the purposes of their decision to invest in the Fund, prospective investors may wish to assume that the Investee Companies entitlement to profit shares will not constitute a material sum.
- To the extent that revenues received by an Investee Company with respect to its Entertainment Projects are re-applied in production activity on similar terms, the same risks apply to the returns from such further production activity.

5. Risks Relating to Foreign Exchange

- In order to mitigate any exchange rate risk associated with an Investee Company's revenue entitlements with respect to the contracted minimum revenue entitlements it has negotiated in relation to its Entertainment Projects, it is anticipated that each Investee Company will ensure that such receipts will either be paid in sterling or that suitable hedging arrangements will be put in place.

6. Financial Services Compensation Scheme

- Both the Manager and the Custodian are covered by the Financial Services Compensation Scheme. An Investor may be entitled to compensation from the scheme if either the Manager or the Custodian cannot meet their obligations, as described in greater detail in the Investor Agreement.
- Funds will be placed on deposit by the Custodian at the investors' own risk and neither Ingenious Investments, the Manager, nor any person engaged by either of them to hold such funds as receiving agent or otherwise (**Deposit Holder**), nor any director or officer of any of them, will be liable to any investor in the event of an insolvency of any bank with which such funds are deposited, nor in the event of any restriction on the ability of any Deposit Holder to withdraw funds from such bank for reasons beyond the reasonable control of any of them.

7. Forward Looking Statements

This Memorandum includes statements that are (or may be deemed to be) "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. "Forward-looking statements" involve risk and uncertainty because they relate to future events and circumstances. "Forward-looking statements" contained in this Memorandum based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under applicable laws and regulations, neither Ingenious Investments nor the Manager undertake to update or revise any "forward-looking statements", whether as a result of new information, future events or otherwise.

Investors should not place undue reliance on "forward-looking statements", which speak only as of the date of this Memorandum.

PART 6: TAXATION BENEFITS FOR INVESTORS

This summary is based upon current UK tax law and practice and is intended as a guide only. It is not intended to constitute legal or tax advice and prospective investors are recommended to consult their own professional advisers concerning the possible tax consequences of purchasing, holding, selling or otherwise disposing of Qualifying Shares. The value of any tax reliefs will depend on the individual circumstances of investors and may be subject to change in the future. The examples in this section are set out for illustrative purposes only. They are not, and should not be construed as, forecasts or projections of the likely performance of the Fund.

The Fund has been structured to allow investors to claim EIS reliefs and IHT relief on the amount of their subscription, as described below.

To obtain the tax reliefs described below it is necessary to subscribe for Qualifying Shares and claim the relief. The summary below gives only a brief outline of the tax reliefs and assumes that the investor is either a 40% or 50% taxpayer in 2010/11 and 2011/12. It does not set out all the rules which must be met during the Relevant Period by the Investee Company and the investor. The tax reliefs will only be relevant to investors who pay UK income tax and/or wish to defer a capital gain.

1. The Four Elements of EIS Relief

Income Tax Relief

Individuals can obtain income tax relief on the amount subscribed for Qualifying Shares provided they (or their associates) are not connected with the issuing company. The relief is limited to EIS qualifying investments of up to £500,000 in aggregate in each tax year and husbands, wives, and civil partners, can each obtain income tax relief on investments up to this amount. For investors claiming relief in relation to shares issued in the 2011/12 tax year, this relief will total 30% of the amount subscribed. In addition, investments of up to a further £500,000 may be carried back to the preceding tax year (i.e. 2010/11) to the extent the investor did not fully utilise his/her entitlement to EIS income tax relief in that year. In these circumstances, relief may be claimed at the rate of 20% for the 2010/11 tax year. In each case, the total relief cannot exceed an amount which reduces the investor's income tax liability to nil.

Income Tax Relief	Investment applied against 2010/11 income tax liability (£)	Investment applied against 2011/12 income tax liability (£)
Gross Investment in Qualifying Shares	100,000	100,000
Less Income Tax Relief (at 20%/30%)	(20,000)	(30,000)
Net Cost of Investment	80,000	70,000

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Exemption from CGT

Any capital gains realised on a disposal of Qualifying Shares after the Relevant Period and on which EIS income tax relief has been given and not withdrawn, will be exempt from capital gains tax.

CGT Exemption	(£)
Realisation Value of Qualifying Shares	105,000
Less Original Cost	(100,000)
Tax-Free Gain	5,000

Loss Relief Against Income or Gains

Tax relief is available for any loss realised on the disposal of Qualifying Shares on which EIS income tax relief (see above) has been obtained. The amount of the loss (after taking account of any income tax relief initially obtained) may be set against the individual's taxable income arising in the tax year in which the disposal occurs, or the previous tax year, or both (if sufficient relief is available). Alternatively, the loss may be offset against capital gains in the tax year of disposal. Any excess losses may be carried forward for relief against future capital gains. In the case where no proceeds are received on disposal of the Qualifying Shares, the net loss after tax on an investment of £100,000 would be as follows:

Loss Relief	(£) 40% Tax Payer		(£) 50% Tax Payer	
	2010/11 Year	2011/12 Year	2010/11 Year	2011/12 Year
Realised Value of Qualifying Shares	Nil	Nil	Nil	Nil
Amount Invested in Qualifying Shares	(100,000)	(100,000)	(100,000)	(100,000)
Income Tax Relief (20%/30%)	20,000	30,000	20,000	30,000
Loss net of Income Tax Relief (at applicable rate)	(80,000)	(70,000)	(80,000)	(70,000)
Loss Relief at 40%/50%	32,000	28,000	40,000	35,000
Net Loss after Tax	(48,000)	(42,000)	(40,000)	(35,000)

CGT Deferral Relief

To the extent to which a UK resident investor (including certain trustees) subscribes for Qualifying Shares, he can claim to defer paying tax on all or part of a chargeable gain. The gain may have arisen on the disposal of any asset, or a previously deferred gain may have been brought back into charge. There is no limit on the amount of chargeable gains which may be deferred in this way.

The gains which may be deferred are those which have arisen in the three years before Qualifying Shares are issued, and those which arise up to one year after that date. Such gains are deferred until there is a chargeable event such as a disposal of Qualifying Shares or an earlier breach of the EIS rules. It is important to note that the ability to defer gains relates to each separate investment made by the Fund and consequently a deferral based on the full amount of the investment in the Fund can only be claimed for gains arising within three years before the date on which the Fund makes its final investment, or those which arise within 12 months after the date on which the Fund makes its first investment.

2. IHT Business Property Relief

The Qualifying Shares should constitute “Relevant Business Property” (as defined in IHTA). Accordingly, once such Qualifying Shares have been held for a period of two years, they should qualify for 100% business property relief, which would reduce the IHT liability on a transfer of the Qualifying Shares to nil.

3. EIS Requirements

The following is a non-exhaustive list of some of the requirements for qualification under the EIS:

Investee Companies

Investee Companies must be unlisted (i.e. they must not be listed on a recognised stock exchange) and there must be no “arrangements” in place for such companies to become listed. In addition, throughout the Relevant Period, such a company must not be a subsidiary of, or be controlled by, another company; and the company must either exist to carry on a Qualifying Trade or must be the parent company of a trading group. There must be no “arrangements” in existence for the Investee Company to come under the control of another company.

Qualifying Trade

Each Investee Company must either carry on a Qualifying Trade or must be the parent company of a trading group and employ the money raised by the issue of Qualifying Shares in such a Qualifying Trade.

Money Raised

An Investee Company must not raise more than £2 million from EIS and/or VCT sources in any period of 12 months. In addition, all of the money raised from the issue of Qualifying Shares to the investors must be employed for the purposes of the Qualifying Trade within two years of the issue of the Qualifying Shares or the commencement of trade (if later) by the Investee Company.

Gross Assets

The gross assets of each Investee Company must not exceed £7 million immediately before the issue of Qualifying Shares and £8 million immediately afterwards.

4. Timing of EIS Claim

Investors in the Fund will obtain income tax relief in the tax year in which investments in qualifying EIS companies are made by the Fund. The Manager anticipates that the Fund will deploy all of its capital into qualifying EIS companies before the end of the current tax year (2011/12), although this cannot be guaranteed. Investors are also entitled to carry back EIS income tax relief to the tax year preceding that in which the Fund makes its investments, to the extent that they have not already used their EIS capacity in that year.

Once the Investee Companies have been trading for four months, the Manager will obtain EIS3 certificates from HMRC and send them to each investor. The EIS3 certificates will confirm the amount of EIS qualifying investments the investor has made and are required by investors in order to claim EIS Reliefs. The Manager anticipates that the Investee Companies will begin trading soon after the Fund’s capital has been invested, however, investors may not receive their EIS3 certificates until after the 31 January following the Closing Date. EIS Reliefs must be claimed no later than five years after 31 January following the year of assessment in which each investment was made in the Fund.

PART 7: OPERATION OF THE FUND

1. Client Accounts

Prior to investment in Investee Companies, and following the realisation of investments in Investee Companies prior to the distribution of proceeds, investors' funds will be held by the Custodian on client account in cash or cash equivalents or in money market funds with a rating of at least A1 or AAAm (Standard & Poors) or P2 or Aaa/MR1+ (Moody's) (as applicable). The interest or return arising thereon will be paid to the Manager as an advance on fees. Consequently, any interest or return so paid will reduce (by an equal amount) both the amount chargeable by the Manager to the Investee Companies as an Investment and Advisory Fee and thereafter the Media Services and Custodian Fee.

Qualifying Shares will be issued in the name of the Nominee (and, for EIS purposes, the Qualifying Shares will be treated as if they were subscribed for and issued to the investors who will retain beneficial ownership over them pro rata for the life of the Fund). Any dividends received by the Nominee from Investee Companies will be forwarded directly to investors pro rata. However, the Manager does not anticipate that any dividends will be paid by the Investee Companies during at least the Relevant Period.

All documents of title will be held by the Nominee.

2. Allocations

The Manager will arrange for the maintenance of accounts which will be open to inspection by each investor (upon reasonable notice) showing the amounts invested and yet to be invested on that investor's behalf.

The number of Qualifying Shares allocated to a particular investor will be calculated by reference to the proportion which the investor's subscription bears to the total subscriptions by all investors in the Fund. It is intended that monies received from each investor will be invested on a pro-rata basis to his or her subscription in the Fund, as investment opportunities arise. Variations to this standard procedure will only occur to avoid issuing fractions of shares, or if an investor is subject to professional rules preventing him or her from making an investment in a particular Investee Company.

Should an investor die before his or her subscription is fully invested, all uninvested sums subscribed by him or her will be repaid by the Manager upon receipt of notice from the investor's personal representatives. Consideration will be given to liquidating the deceased investor's Qualifying Shares, subject to the Manager's absolute discretion.

3. Documentation and Communication

The Manager will send each investor half-yearly reports made up to 30 September and 31 March in each year (assuming a Fund closing date of 2 April 2012), containing details of all investments made by the Fund, together with a commentary on the progress of each of these investments. The first such report will be in respect of the period ending 30 September 2012 (assuming a Fund closing date of 2 April 2012).

The Manager will submit applications for EIS3 certificates once the Investee Companies have been trading for four months. These certificates are required to claim EIS Reliefs, subject to each investor's own circumstances.

4. The Custodian and Nominee

By completing the Application Form, prospective investors will, inter alia, be deemed to have irrevocably agreed to the Manager having appointed the Custodian on behalf of investors, to exercise the powers, and to carry out duties, on behalf of the investors in accordance with the provisions of the Custodian Agreement, a summary of which is set out below. Investors should note that the following does not summarise all the provisions of the Custodian Agreement. Investors may request a copy of the Custodian Agreement from the Manager.

A. Function

The function of the Custodian will be to perform (or procure the performance of) custodian, nominee and associated administrative services, which are conferred upon it by the terms of the Custodian Agreement.

B. Custodian's Obligations and Powers

The Custodian will:

- (a) hold funds arising from investor subscriptions in a designated bank account or in cash equivalents or in money market funds with a rating of at least A1 or AAAM (Standard & Poors) or P2 or Aaa/MR1+ (Moody's) (as applicable) pending investment in Qualifying Shares, deploy funds on the instructions of the Manager acting in accordance with the Investor Agreement, appoint the Nominee to acquire Qualifying Shares and hold the corresponding shares and share certificates in its name, and act on the instructions of the Manager to realise investments for investors; and
- (b) be authorised to:
 - (i) buy, sell, retain, convert, exchange or otherwise deal in the investor's Qualifying Shares upon the instructions of the Manager;
 - (ii) exercise voting and other shareholder rights in relation to the investor's Qualifying Shares upon the instructions of the Manager; and
 - (iii) carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as a Custodian, acting in compliance with ITA, FSMA and the FSA rules as applicable.

C. Liability

The Custodian will act in good faith and with reasonable care and diligence in the performance of its functions. The Custodian will not be liable to an investor in the event of any loss in value of funds invested or any insolvency of any bank with which funds are deposited in accordance with the Custodian Agreement, nor in the event of any restriction on the Custodian's ability to withdraw funds from such bank for reasons reasonably beyond the control of the Custodian.

D. Termination

The Custodian Agreement may be terminated (i) after the expiry of a minimum period of three years after the Closing Date, subject to six months written notice or (ii) if either the Custodian or the Manager fails to remedy a material breach of the Custodian Agreement within 30 days of notice of same. Where the Custodian is to be replaced, the Custodian will co-operate with the Manager and any replacement custodian to ensure an effective transfer of responsibilities.

5. Conflicts Policy

The Manager may approve an investment in an Investee Company involved in an Entertainment Project in which members of the Ingenious Group have a commercial interest. The Manager shall take steps necessary to ensure that, in either case, such decisions are taken fairly and without reference to that commercial interest.

The Manager, IMSL and other members of the Ingenious Group act and will continue to act as the investment manager, operator, agent and/or investment adviser to various other new and existing clients which are involved in the production of entertainment projects. Projects may therefore arise that are suitable for the Investee Companies, or one or more other clients of the Ingenious Group (both current and future). The Manager and/or IMSL will seek in their absolute discretion to ensure that any suitable projects are allocated fairly between such other clients of the Ingenious Group in accordance with the conflicts policies of the Ingenious Group from time to time and without prejudice to the Manager's obligations to the Fund. A summary of the Manager's policy for managing conflicts of interest can be found in the Investor Agreement.

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Ingenious Media Holdings plc and its subsidiaries are, and will continue to be, active investors in, and advisers to, entities and individuals in the media and entertainment sector. There may be circumstances in the future, therefore, where Ingenious Media Holdings plc, its subsidiaries and/or managed funds might enter (or propose to enter) into contracts, transactions, arrangements or investments in connection with the Fund and/or an Investee Company or may otherwise be directly or indirectly interested in contracts, transactions, arrangements with, or investments by, the same. Such circumstances (if they occur) will be managed in accordance with any requirements under applicable laws and regulations.

PART 8: DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Terms	Definitions
Application Form	An application form to invest in the Fund completed by the investor in the form appended to this Memorandum
CGT	Capital Gains Tax
Closing Date	This is determined by the Manager as the last date upon which the investor may make a Subscription to the Fund and, at the date of this Memorandum is 10:00 am on 2 April 2012. This date is subject to the Manager's discretion to close at an earlier or later date/time
Completion Bond	Contractual support provided by a recognised completion guarantor or other suitable entity, giving protection against certain production risks that can be incurred in completing and delivering an Entertainment Project, or any other similar arrangement. A fee will be payable (out of the project's budget) to the company providing the Completion Bond
Custodian	Such person as the Manager may appoint to provide, and with which the Manager has agreed terms for, safe custody, custodial and nominee services in respect of the Fund and at the date of this Memorandum is Woodside Corporate Services Limited
Custodian Agreement	The agreement between the Custodian and the Manager setting out the agreed terms for safe custody, custodial nominee and administrative services to be provided by the Custodian in respect of the Fund
EIS	The Enterprise Investment Scheme set out in ITA Sections 156-257, and in TCGA Sections 150A-150D and Schedule 5B
EIS Reliefs	The tax reliefs available under the EIS, including the income tax relief, capital gains tax exemption and deferral relief
Entertainment Project	Original film, television and/or video game content to be created by an Investee Company
FSA	The Financial Services Authority
Fund	Shelley Media Fund 5
Fund Performance Fee	Has the meaning given to it in part 4, section 8 of this document
HMRC	HM Revenue and Customs
IHT	Inheritance tax
IHTA	The Inheritance Tax Act 1984
IMSL	Ingenious Media Services Limited
IMAC	Ingenious Media Active Capital Limited
Ingenious or Ingenious Group	Ingenious Media Holdings plc and each of its subsidiaries from time to time

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Terms	Definitions
Ingenious Investments	Ingenious Media Investments Limited
Ingenious Investments Administrative Fee	Has the meaning given to it in part 4, section 8 of this document
Ingenious VCTs	Ingenious Music VCT plc, Ingenious Music VCT 2 plc, Ingenious Live VCT 1 plc, Ingenious Live VCT 2 plc, Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc
Ingenious Ventures	Ingenious Ventures, an operating division of Ingenious Asset Management Limited, registered in England and Wales under company number 3900078, with its registered office at 15 Golden Square, London, W1F 9JG, which is authorised and regulated by the FSA and is registered on the FSA register with registration number 223074
Investee Company	A company in which the Fund is invested, which is a qualifying company for EIS purposes
Investment and Advisory Fee	Has the meaning given to it in part 4, section 8 of this document
Investor Agreement	The agreement to be entered into between each investor and the Manager, in the terms set out in the Appendix
ITA	The Income Tax Act 2007
Manager	Ingenious Ventures, a trading division of Ingenious Asset Management Limited
Media Services and Custodian Fees	Has the meaning given to it in part 4, section 8 of this document
Memorandum	This information memorandum
Nominee	Such nominee as the Custodian may appoint from time to time
Qualifying Shares	Ordinary shares in an Investee Company
Qualifying Trade	A trade permitted by Sections 189 and 192 ITA
Relevant Period	The period beginning on the date that the Qualifying Shares are issued by the Investee Company and ending three years after that date, or three years after the commencement of the Investee Company's trade, whichever is later
Tax Benefits	The various tax benefits, including EIS Reliefs, arising from subscriptions for shares in Investee Companies
Trade	With respect to each Investee Company, the production and exploitation of Entertainment Projects as described in this Memorandum.
TCGA	The Taxation of Chargeable Gains Act 1992
VCT	A company approved as a venture capital trust under s259 ITA

This Memorandum is dated 1 November 2011.

CANCELLATION NOTICE

You may cancel your Application and terminate the Investor Agreement at any time within 14 days of the Manager receiving your Application Form. If you wish to cancel your Application, please complete the details below and send this notice to the Manager for the attention of: **Client Services Centre, Ingenious Ventures, 15 Golden Square, London W1F 9JG.**

I hereby cancel my application to Shelley Media Fund 5.

Title: Forename(s): Surname:

Signature:

Address:

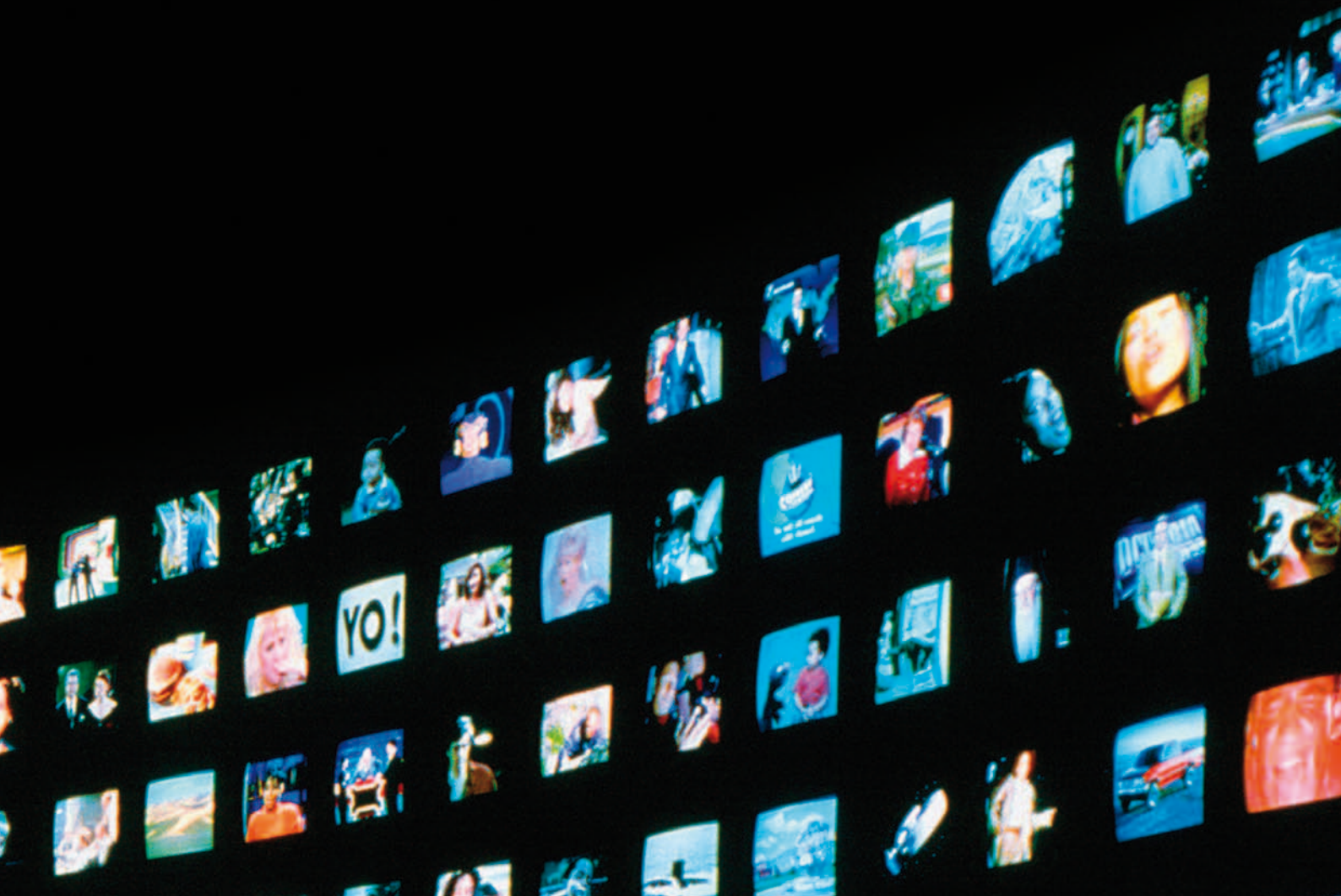
Postcode:

Date:



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INVESTOR AGREEMENT



INVESTOR AGREEMENT

This investor agreement (the **Agreement**) sets out the terms upon which we, Ingenious Ventures (the **Manager**), agree to manage the Fund for you, (the **Investor**).

The Application Form forms part of this Agreement. Upon acceptance of a signed Application Form, this Agreement, the Application Form and those parts of the Memorandum referred to herein, will constitute the whole of the binding agreement between you and the Manager in respect of the Fund.

1. Introduction

- 1.1 The Manager is an operating division of Ingenious Asset Management Limited, registered in England and Wales under company number 3900078 with its registered office at 15 Golden Square, London, W1F 9JG. Ingenious Asset Management Limited is authorised and regulated by the Financial Services Authority of 25 The North Colonnade, London, E14 5HS.
- 1.2 Operation of the Fund requires:
 - (a) the appointment of the Manager by the Investor upon the terms of this Agreement;
 - (b) the appointment of a third party to hold the Investor's cash and the Investments on behalf of the Investor and the Manager has entered into an agreement with the Custodian for the provision of these custodian, nominee settlement and associated services; and
 - (c) the total aggregate Subscriptions to the Fund being an amount of at least £4 million (subject to the Manager's discretion to change the amount) on the Closing Date.

2. Definitions, Construction and Interpretation

- 2.1 The following words and phrases have the following meanings when used in this Agreement:

Act means the Financial Services and Markets Act 2000;

Applicable Laws means all relevant English laws, regulations and rules, including those of the FSA;

Application Form means an application form to invest in the Fund, to be completed by the Investor, in the form set out in the Memorandum;

Associate means any person or entity, which (whether directly or indirectly) controls or is controlled by another party or is under common control with that party. For the purpose of this definition "control" shall be deemed to refer also to any power to exercise significant influence over the operating or financial policies of any person or entity;

Closing Date means **2 April 2012** or such earlier or later date as is determined by the Manager as the last date upon which the Investor may make a Subscription;

Custodian means Woodside Corporate Services Limited, registered in England under company number 6171085, with its registered office at 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB, or such other custodian or nominee as may be appointed by the Manager from time to time;

Custodian Agreement means the agreement between the Manager and the Custodian, entered into by the Manager on behalf of each Investor;

Custodian Services means the services provided by the Custodian under the Custodian Agreement;

EIS means the Enterprise Investment Scheme as set out in Part 5 of ITA;

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EIS Relief means the tax reliefs available under the EIS, including the income tax relief, capital gains tax exemption, and deferral relief;

Financial Services Compensation Scheme has the definition given to it under the Act;

FSA means the Financial Services Authority;

FSA Rules means the rules of the FSA as set out in the FSA's Handbook of Rules and Guidance and any other rules and guidance issued by the FSA from time to time;

Fund means Shelley Media Fund 5;

Fund Performance Fee 3% of the aggregate amount of subscriptions invested in the Fund as at the Closing Date deferred and charged against and recovered only from any proceeds of the realisation of the Qualifying Shares that exceed the aggregate amount of subscriptions invested in the Fund as at the Closing Date;

Group means Ingenious Media Holdings plc and any of its direct or indirect subsidiaries from time to time;

HMRC means HM Revenue & Customs;

Ingenious Investments means Ingenious Media Investments Limited; Ingenious Investments Administrative Fee has the meaning given to it in the Memorandum, being £5,000 per annum, charged by Ingenious Investments to each Investee Company for provision of corporate administrative services;

IMSL means Ingenious Media Services Limited;

Ingenious Ventures means Ingenious Ventures, an operating division of Ingenious Asset Management Limited, registered in England and Wales under company number 3900078, with its registered office at 15 Golden Square, London, W1F 9JG, which is authorised and regulated by the FSA and is registered on the FSA register with firm reference number 223074;

Initial Period means the period of 12 months commencing on the Closing Date;

Interim Investments has the meaning given to it in Clause 5.3 of this Agreement;

Investee Company means a company which is an investee company for the purposes of the EIS, as defined in Chapter 4 Part 5 ITA;

Investment means an investment in Qualifying Shares acquired at the direction of the Manager for the Fund;

Investment & Advisory Fee has the meaning given to it in the Memorandum, being 9.5% of the aggregate amount of Subscriptions invested in the Fund as at the Closing Date, charged by the Manager pro rata to each Investee Company;

Investment Restrictions means the investment restrictions for the Fund as set out in the Memorandum;

Investment Strategy means the investment strategy for the Fund as set out in the Memorandum;

ITA means the Income Tax Act 2007;

Media Services and Custodian Fees have the meaning given to it in the Memorandum, being up to 0.775% (in aggregate) of the Fund invested in each Investee Company, charged pro rata to each Investee Company;

Memorandum means the information memorandum issued by the Promoter in connection with the Fund;

MiFID means EU Markets in Financial Instruments Directive which came into force on 1 November 2007, as subsequently amended;

Promoter means Ingenious Media Investments Limited;

INVESTOR AGREEMENT

Qualifying Shares means Ordinary shares in an Investee Company;

Readily Realisable Investments means:

- (a) a packaged product (i.e. a life policy, a unit in a Regulated Collective Investment Scheme, an interest in an investment trust savings scheme or a stakeholder pension scheme or a personal pension scheme); or
- (b) a government or public security denominated in the currency of the country of its issuer; or
- (c) any other security which is:
 - (i) admitted to trading on an exchange in a European Economic Area State; or
 - (ii) regularly traded on or under the rules of such an exchange; or
 - (iii) regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange; or
- (d) a newly issued security, which can reasonably be expected to fall within (c) when it begins to be traded.

Regulated Collective Investment Scheme means:

- (a) “an authorised open-ended investment company” as defined in Section 237(3) of the Act; or
- (b) “an authorised unit trust scheme” as defined in Section 237(3) of the Act; or
- (c) “a recognised scheme” under Sections 264, 270 or 272 of the Act.

Regulated Market means any market included on the list maintained by the FSA in accordance with the provisions of Article 47 of MiFID and included as such on the FSA Register, or any equivalent market similarly regulated in another member state of the EEA;

Schedule means a schedule to this Agreement:

Services means the services provided by the Manager under Clause 6 of this Agreement;

Subscription means a subscription to the Fund by the Investor pursuant to Clause 5 of this Agreement; and

Tax Benefits means the various tax benefits, including EIS Relief, arising from subscriptions for Qualifying Shares.

- 2.2 Words and expressions defined in the FSA Rules, which are not otherwise defined in this Agreement will, unless the context otherwise requires, have the same meaning in this Agreement.
- 2.3 Any reference to a statute, statutory instrument or to rules or regulations are references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 2.4 References to the singular also include the plural and vice versa.
- 2.5 Unless otherwise indicated, references to Clauses and Schedules are to Clauses and Schedules in this Agreement.
- 2.6 Headings to Clauses are for convenience only and do not affect the interpretation of this Agreement.

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3. Making an Investment

- 3.1 This Agreement comes into force on the date that the Manager accepts the Investor's Application Form. An Application Form is accepted when recorded on the register of applications maintained by the Manager.
- 3.2 An Application Form must be properly completed and executed by the Investor and received by the Manager before acceptance as an Investor. The specific details of the Fund, including the launch date and the Closing Date are set out in the Memorandum.
- 3.3 Where the Investor submits an Application Form which is accepted by the Manager, the Investor hereby appoints the Manager to fulfil its role in managing the Fund on the terms and subject to the conditions set out in this Agreement. The Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.

4. Cancellation Rights

- 4.1 The Investor has the right to cancel his Subscription provided that the Investor notifies the Manager in writing at the address set out in this Agreement within 14 days of the Manager receiving that Investor's Application Form.
- 4.2 If the Investor exercises the right to cancel his Subscription, the Manager will refund any monies paid by the Investor less any charges the Manager has already incurred for the Services undertaken in accordance with the terms of this Agreement. The Manager will endeavour to arrange the return of any such monies as soon as possible (and in any event, not more than 30 days following cancellation). The Investor will not be entitled to interest on such monies.
- 4.3 Where an Investor does not exercise the right to cancel within the requisite time period, any termination of this Agreement by the Investor will be governed by the conditions specified in Clause 17.
- 4.4 The Investor acknowledges that, notwithstanding the right to cancel under the FSA Rules, it does not have the right to cancel, terminate and/or reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.

5. Subscription

- 5.1 In order to invest in the Fund, the Investor must make a Subscription of at least £3,000 (subject to the Manager's discretion to accept a lower amount) at the same time as submitting his Application Form.
- 5.2 Subject to the Manager's discretion, the Investor may make further Subscriptions up to a maximum Subscription of £1,000,000 at any time up to and including the Closing Date. The Investor may not make any Subscription after the Closing Date and the Manager cannot require Investors to add further monies to the Fund following the Closing Date.
- 5.3 Pending their application to an Investment, Subscriptions received will be deposited in an interest bearing bank account with the Custodian or invested in cash equivalents or in money market funds each with a rating of at least A1 or AAAm (S&P) or P2 or Aaa/MR1+ (Moody's) as applicable (**Interim Investments**). Any interest or return arising from such Interim Investments will be payable to the Manager and applied initially towards satisfaction of the Manager's fees under Clause 14.1 and thereafter to each Investor, pro rata to their individual Investment.
- 5.4 The Custodian will hold Subscriptions until the Manager has completed its money laundering checks in respect of an Investor to its satisfaction.
- 5.5 The Investor agrees and acknowledges that where, in the Manager's view, there are excess Subscriptions to the Fund which are not capable of being invested appropriately in accordance with the Investment Restrictions within the Initial Period, the Investor will be deemed to have instructed the Manager to make a partial withdrawal from the Fund immediately prior to the end of the Initial Period, such that the Fund thereafter has at least 90% of the Fund invested as at the end of the Initial Period.

INVESTOR AGREEMENT

- 5.6 The Investor acknowledges that the Interim Investments and any proceeds on the disposal of Qualifying Shares held on deposit or invested in cash equivalents or money market funds by the Manager or the Custodian are held at the Investor's risk and that neither the Promoter, nor the Manager nor any Custodian, nor any director or officer of any of them, will be liable to the Investor in the event of any loss in value of such investments or the insolvency of any bank with which Investor's funds are deposited, nor will they be so liable in the event of any restriction on their ability to withdraw funds from such bank for reasons beyond the reasonable control of any of them.
- 5.7 If Subscriptions of less than £4 million (subject to the Manager's discretion to change the amount) in aggregate are received immediately following the Closing Date, the terms of Clause 17.1 will apply.

6. Manager Services

- 6.1 The Manager will manage the Fund as from the Closing Date and exercise all discretionary investment powers in relation to the selection of or exercising rights relating to Investments, including, for the avoidance of doubt, any conversion, subscription, voting or other rights relating to Investments (and the Investor hereby irrevocably authorises and empowers the Manager in this regard), in each case upon the terms and subject to the conditions set out in this Agreement.
- 6.2 The Investor acknowledges and agrees that the Custodian is not obliged to seek or accept any instruction or direction directly from the Investor in respect of the Custodian's execution of instructions from the Manager relating to the exercise of the Investor's rights relating to Investments.
- 6.3 The Manager will not, except as expressly provided in this Agreement or unless otherwise authorised by or on behalf of the Investor, have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.
- 6.4 The Tax Benefits are dependent on an Investor's personal circumstances. The Manager does not provide tax advice and Investors should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect that this may have on their own position generally.

7. Custodian Services

- 7.1 The Manager will arrange for the Custodian to provide safe custody services in relation to the Investments and the Investor's cash pursuant to the Custodian Agreement. The Custodian will act as custodian of the cash and other assets of the Fund.
- 7.2 The Manager will provide a copy of the Custodian Agreement to the Investor as soon as practicable upon written request.
- 7.3 By accepting the terms of this Agreement, the Investor agrees that:
- 7.3.1 the Manager is authorised to enter into the Custodian Agreement on the Investor's behalf as the Investor's agent, to give instructions to the Custodian and to agree any subsequent amendments to the Custodian Agreement on the Investor's behalf, provided that the Manager notifies the Investor of such amendments in accordance with the FSA rules;
 - 7.3.2 the Investor is bound by the terms of the Custodian Agreement; and
 - 7.3.3 the Custodian is authorised to transfer cash or Investments from the Investor's account to meet its fees and settlement or other obligations under the Custodian Agreement.
- 7.4 Under the Custodian Agreement, the Investor will remain the customer of the Manager, but will also become a customer of the Custodian for settlement, custody and nominee purposes only. The Manager retains responsibility for compliance and regulatory requirements regarding the management of the Fund. The Custodian neither provides investment advice, nor gives advice nor offers any opinion regarding the suitability of any transaction. The Investor should direct all enquiries regarding the Fund to the Manager and not to the Custodian. The Custodian will not accept instructions from the Investor directly.

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- 7.5 The Manager is authorised to replace the Custodian in the event of material breach of the Custodian Agreement and/or to vary the terms of the Custodian Agreement from time to time and will endeavour to ensure that it does so on terms no less beneficial to the Investor.
- 7.6 The Investor acknowledges that although the Custodian will not co-mingle securities with its own property, the Custodian may co-mingle the securities with securities held for other customers. In addition, securities deposited with a delegate of the Custodian may be held in an omnibus account by the delegate of the Custodian. In each case individual client entitlements may not be identifiable by separate certificates, or other physical documents by title, entries on the register or equivalent electronic records. If there is an irreconcilable shortfall following any default by the Custodian or a delegate of the Custodian, the Investors may not receive their full entitlement and may share in the shortfall pro-rata among the Custodian's other clients or the delegate's other clients.

8. Delegation and Assignment

- 8.1 The Manager may employ agents, including Associates, to perform any administrative, custodial or ancillary services to assist the Manager in performing the Services, in which case it will act in good faith in the selection, use and monitoring of agents and Associates but otherwise will have no liability in respect of such agents and Associates. Any such employment of such agents and Associates will not affect the liability of the Manager under the terms of this Agreement.
- 8.2 The Manager may replace, substitute, assign or novate this Agreement to any appropriately authorised and regulated member of the Group, and agrees to notify the Investor of such replacement, substitution, assignment or novation.
- 8.3 This Agreement is personal to the Investor and the Investor may not assign it.

9. Potential Conflicts of Interest and Disclosure

- 9.1 The Manager and the Custodian may provide services similar to the Services or any other services whatsoever to any other of their respective customers and neither the Manager nor the Custodian will in any circumstances be required to account to the Investor for any profits earned in connection therewith. So far as is deemed practicable by the Manager or Custodian, the Manager or the Custodian will use all reasonable endeavours to ensure fair treatment as between the Investor and other customers in compliance with the FSA Rules.
- 9.2 A summary of the Manager's conflicts of interest policy, which details how the Manager identifies and manages conflicts of interest, is set out in Schedule 1.

10. Manager Authorisation, Client Categorisation, Investor Confirmations and Obligations

- 10.1 The Investor is categorised by the Manager as a "Retail Client" and this Agreement constitutes a "Client Agreement" for the purpose of the FSA Rules. The Investor has the right to request categorisation as a "Professional Client". However, if the Investor does so and if the Manager agrees to such categorisation the Investor will lose certain protections afforded by FSA Rules. This may include, but may not be limited to the following:
- 10.1.1 **Disclosures:** Additional disclosures which must be provided to Retail Clients need not be provided to Professional Clients (for example, on costs, commissions, fees and charges, foreign exchange conversion rates and certain information on managing investments).
- 10.1.2 **Suitability:** When it is necessary to assess the suitability of an investment for the Investor, the Manager can assume that a Professional Client has the necessary experience and knowledge to understand the risks involved and in certain circumstances can assume it is able financially to bear any investment risks as set out in the Memorandum.

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- 10.1.3 **Best execution:** The obligation to obtain the best possible result when executing an order on behalf of an Investor differs in its application between Retail Clients and Professional Clients.
- 10.1.4 **Periodic statements:** A Retail Client is entitled to receive more detailed information in periodic statements than a Professional Client, and a Retail Client may request to receive a statement every three months.
- 10.1.5 The Financial Ombudsman Service (**FOS**) is a point of referral under which certain complaints relating to regulated activities may be resolved quickly and with minimum formality by an independent person. Only Retail Clients are entitled to refer complaints to FOS.
- 10.2 The Investor confirms that he/she is an experienced investor in small to medium higher risk, unquoted companies and is suitably knowledgeable of the risks associated with non-Readily Realisable Investments.
- 10.3 The Investor confirms that they are not seeking advice from either of the Promoter or the Manager on the merits of any investment in respect of the Fund.
- 10.4 The Investor agrees that the Manager may hold information about them and their affairs in order to verify their identity and financial standing or otherwise in the performance of the Services (among other things the Manager may consult a credit or mutual reference agency, which may retain a record of the enquiry).
- 10.5 The Manager has a duty to comply with the anti-money laundering provisions of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the FSA Rules. The Manager must therefore verify the Investor's identity and report suspicious transactions to the appropriate enforcement agencies. If the Investor does not provide the identity verification information when requested, the Manager may be unable to accept any instructions from them or provide them with any services.
- 10.6 The Fund is established on the basis of the declaration made by the Investor in the Application Form, which includes the following statements by the Investor:
 - 10.6.1 the Investor wishes to seek EIS Relief for the Investments;
 - 10.6.2 the Investor agrees to notify the Manager if any Investment is made in a company with which the Investor is connected, as defined in Sections 166, 167, 170 and 171 ITA or if within three years of the later of the issue of the relevant shares and the commencement of trade they become connected with a company in which an investment is made or receive value from such a company; and
 - 10.6.3 the Investor confirms that the information stated in the Application Form is true and accurate as at the date of submission of the Application Form and will be true and accurate as at the date of this Agreement.
- 10.7 The Investor must, as soon as practicable but in no event later than 14 days from the date of such change, inform the Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which Clause 10.6 above refers.
- 10.8 The Investor shall provide the Manager with any information which it reasonably requests for the purposes of managing the Fund pursuant to the terms of this Agreement.

11. Investment Objectives

- 11.1 In performing its Services, the Manager will at all times have regard to and shall use its reasonable endeavours to comply with:
 - 11.2.1 the Investment Strategy;
 - 11.2.2 the need for the Fund to attract the Tax Benefits; and
 - 11.2.3 all Applicable Laws.

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- 11.3 The Manager reserves the right to return any surplus of cash if it concludes that it cannot be invested in appropriate investments, and it considers this to be in the best interests of the Investor or other Investors.
- 11.4 In the event of a gradual realisation of Investments prior to termination of the Fund under Clause 17, the cash proceeds of realised Investments may be placed on deposit (in an interest bearing client account) or invested in government securities or in other investments of a similar risk profile. Any interest arising on such deposits will be payable to the Manager, and applied initially towards satisfaction of the Manager's fees under Clause 14.1 and thereafter to each Investor, pro rata to their individual investment.

12. Terms Applicable to Dealing

- 12.1 The Investor agrees and accepts that the Fund will be invested in a range of unlisted securities and that such securities generally do not trade on a Regulated Market or multi-lateral trading facility. The Investor acknowledges there is no certainty that market makers will be prepared to deal in such securities and adequate information for determining the current value of such securities may be unavailable. The Manager will ensure that transactions in unlisted securities will be effected on the best commercial terms which can be secured.
- 12.2 The number of Qualifying Shares allocated to a particular Investor will be calculated by reference to the proportion which the investor's subscription bears to the total subscriptions by all investors in the Fund, provided that Investors will not have fractions of shares. The investor acknowledges that minor variations may be required to prevent Investors having fractions of shares.
- 12.3 Subject to both the FSA Rules and the Manager's policy on the management of conflicts of interest, the Manager may make use of dealing commission arrangements in respect of deals undertaken by the Fund as may be disclosed to the Investor from time to time.
- 12.4 Subject to the FSA Rules the Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, will have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement.
- 12.5 The Manager shall take all reasonable steps to obtain the best possible result when executing orders on an Investor's behalf. This duty of best execution is owed by the Manager to an Investor only when the Manager has contractual or agency obligations to an Investor. An Investor should familiarise themselves with the Order Execution Policy, provided at Schedule 2 of this Agreement. The Manager is required to obtain each Investor's consent to this policy, which will be demonstrated by the relevant Investor submitting a completed Application Form to the Manager.
- 12.6 The Manager may aggregate an Investor's transactions for the Fund with those of other customers and of its employees, in accordance with the FSA Rules. It is unlikely that the effect of such an allocation will work to an Investor's disadvantage; however, occasionally this may not be the case. The Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FSA Rules.

13. Reports and Information

- 13.1 The Manager, in accordance with FSA Rules, will provide the Investor with a periodic statement once every six months and will provide reports which will include a measure of the Fund's performance. The Investor may request in writing that the Manager provides a statement every three months.
- 13.2 The Manager will endeavour to supply such further information, which is in its possession or under its control as the Investor may reasonably request in writing, upon reasonable notice and subject to any overriding duty of confidentiality to which the Manager may be subject in respect of the same.
- 13.3 The Investor confirms that confirmation of every transaction completed in respect of the Fund is not required. The Manager confirms and the Investor accepts that periodic statements sent by the Manager will include such information as is prescribed by the FSA Rules for confirmation of trades.

14. Fees and Expenses

- 14.1 In consideration of the performance of the Services under this Agreement, the Manager will receive the Investment & Advisory Fee and the Fund Performance Fee (as applicable) and shall be reimbursed its costs and expenses in each case as set out in this Agreement and the Memorandum respectively.
- 14.2 Interest payable to the Manager under Clause 5.3 will, in the first instance, be applied to satisfy the Manager's fees owed under Clause 14.1, and thereafter to each Investor, pro rata to their individual Investment.
- 14.3 The Custodian will receive fees for the provision of custodian, nominee, settlement and associated services under the Custodian Agreement. The Custodian will receive reimbursement of its costs and expenses under this Agreement and the Custodian Agreement respectively.
- 14.4 IMSL, an affiliate of the Manager, may be separately engaged by some or all of the Investee Companies to assist those companies in carrying on their businesses, in consideration of which, it will receive a Media Services Fee.
- 14.5 Ingenious Investments, an affiliate of the Manager, may be separately engaged by some or all of the Investee Companies to provide certain administration services, in consideration of which it will receive the Ingenious Investments Administrative Fee.
- 14.6 If the full amount of the Investment & Advisory Fee has not been paid to the Manager by the date falling on the day prior to the first anniversary of the Closing Date, the Manager is entitled to deduct from the Fund an amount equal to the full amount of the Investment & Advisory Fee less any amounts of the Investment & Advisory Fee already received (the **Investment & Advisory Fee Shortfall**). In such instance, the Manager will direct the relevant Investee Company(ies) to pay the relevant Investment & Advisory Fee to the Fund in repayment of the Investment & Advisory Fee Shortfall.
- 14.7 Any Subscription monies returned to the Investor will be returned net of any commission paid by the Manager to the Investor's financial adviser.

15. Liability

- 15.1 Each of the Manager and Custodian will at all times act in good faith and with reasonable care.
- 15.2 The Investor agrees that neither the Manager nor the Promoter shall have any liability to the Investor for any direct or indirect loss, damage, costs, charges, expenses or other claims of whatsoever nature arising under, or in connection with, things done or omitted to be done by it or them pursuant to this Agreement, including (but not limited to) loss or damage incurred as result of (a) HMRC not granting EIS Relief or withdrawing EIS Relief previously claimed in relation to Investee Companies, (b) changes in legislation since the date of this Agreement, and (c) third party claims, **provided that** nothing in this Agreement will operate to exclude or limit any liability of the Manager or the Promoter (i) in respect of fraud on its or their part, or (ii) in respect of death or personal injury arising from its or their negligence, or (iii) which otherwise cannot lawfully be omitted or excluded (including any duty or liability owed to the Investor under the FSA Rules), or (iv) which is finally and judicially determined to have resulted from its or their wilful default or negligence.
- 15.3 The liability of the Manager under or in connection with this Agreement is limited to the fees paid to the Manager under Clause 14.
- 15.4 The Investor hereby undertakes to indemnify and keep fully indemnified the Manager and the Promoter on demand from and against any and all liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses imposed upon, incurred by or asserted against either of them arising from or in connection with performance of its or their obligations under this Agreement or arising from breach by an Investor of any of its obligations or duties or representations it may be deemed to have given under this Agreement and/or the Application Form, **provided that** the Investor will not be required to so indemnify the Manager or the Promoter (as the case may be) where such liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses are finally and judicially determined to have been caused by the fraud, wilful default or negligence of the Manager or the Promoter (as the case may be).

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- 15.5 Neither the Promoter nor the Manager will be liable for the default of any counterparty, agent, banker, nominee, custodian or other person or entity which holds money, investments or documents of title for the Fund provided that any such agent, banker, nominee, custodian, person or entity was selected, appointed or retained by the Manager in good faith and applying reasonable care.
- 15.6 The Investor acknowledges that:
- 15.6.1 neither the Promoter, nor the Manager gives any representation or warranty as to the performance of the Fund;
 - 15.6.2 EIS Investments are not Readily Realisable Investments and as such are high risk investments for which there is a restricted market and that it may be difficult to sell the Investments or to obtain reliable information about their value; and
 - 15.6.3 he/she has considered the suitability of investment in EIS Investments carefully, and has noted the description of the proposed Investments and has read the risk warnings set out in the Memorandum.
- 15.7 If the Custodian should fail, for any reason, to deliver any necessary documents or to account for any Investments to the Manager, the Manager will take all reasonable steps on the Investor's behalf to recover such documents or Investments or any sums due or compensation in lieu thereof but, subject to the Manager's general duty of good faith, will not be liable for such failure.
- 15.8 Neither the Promoter nor the Manager will be liable to the Investor for any failure, interruption or delay in the performance of the Manager's obligations under this Agreement resulting from any occurrence not reasonably within the Manger's control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; storm, accident or fire; lock-out or strike; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest). Neither the Promoter nor the Manager will be liable to the Investor for any consequent impact on the Fund or any consequent damage or loss suffered or incurred by the Investor. In such circumstances, all amounts due to the Manager under this Agreement will continue to be paid as and when due.

16. Early Withdrawal

- 16.1 The Investor may not require the Manager or the Custodian to dispose of the whole or any part of the Investor's interest in an Investee Company prior to the disposal of all Qualifying Shares in the relevant Investee Company which are attributable to the Fund.
- 16.2 Prior to the Manager realising all Investments under this Agreement:
- 16.2.1 The Investor may not withdraw (or require the Manager or the Custodian to withdraw) only part of his Investment from the Fund; and
 - 16.2.2 the Investor may withdraw his Investment from the Fund in full by serving notice on the Manager, in which case this Agreement will terminate and the provisions of Clause 17.5 will apply. The Manager's entitlement to each of the Investment & Advisory Fee and the Fund Performance Fee shall survive termination of this Agreement under this Clause 16.2. For the avoidance of doubt, notwithstanding any notice served pursuant to this Clause 16.2.2 in respect of the interest in Qualifying Shares, the Media Services Fee will remain payable to IMSL by each Investee Company that enters into a services agreement with IMSL in accordance with the terms thereof.

17. Termination

- 17.1 If Subscriptions of less than £4 million (subject to the Manager's discretion to change the amount) in aggregate are received immediately following the Closing Date, this Agreement will terminate and the Subscriptions will be returned to the Investor in accordance with Clause 17.5.

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- 17.2 The life of the Fund is expected to be a period of approximately three and a half years after the Closing Date, prior to the expiry of which the Manager will set and notify Investors of an estimated date upon which the Fund will come to an end and the Manager will begin to realise Investments (dependent on the liquidity of the particular Investments).
- 17.3 The Manager may at any time terminate this Agreement on no fewer than three months' written notice to the Investor or on immediate notice if required by any competent regulatory authority.
- 17.4 This Agreement will terminate if the Manager ceases to be appropriately authorised by the FSA or becomes insolvent and is not replaced by another appropriately authorised and regulated member of the Group.
- 17.5 On termination of this Agreement:
- 17.5.1 any unpaid fees costs or expenses, due under this Agreement, the Custodian Agreement or pursuant to the Memorandum will be paid immediately, and any accrued rights survive termination;
 - 17.5.2 the Investments (including any cash) will be transferred into the Investor's name (or into such other name as the Investor may direct) and the Investor will be liable to pay the cost of any such transfers;
 - 17.5.3 the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously; and
 - 17.5.4 the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under this Agreement.
- 17.6 Termination will not affect any accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that the Investor will continue to be obliged to pay fees, expenses and costs properly incurred by the Manager and/or the Custodian up to and including the date of termination, and payable under the terms of this Agreement.

18. Data Protection and Confidential Information

- 18.1 Neither the Manager nor any Associate of the Manager is obliged to disclose to the Investor or to take into consideration information:
- 18.1.1 the disclosure of which to the Investor would or might be a breach of duty or confidence to any other person; or
 - 18.1.2 which comes to the notice of an employee, officer or agent of the Manager or of an Associate of the Manager, but properly does not come to the actual notice of an individual managing the Fund.
- 18.2 The Investor hereby agrees that the Custodian may use, store or otherwise process personal information provided by the Investor, the Promoter or the Manager in connection with the provision of the Custodian Services for the purposes of providing the Custodian Services, administering the Investor's account, or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments.
- 18.3 Neither the Investor, the Manager, the Promoter nor the Custodian shall disclose information of a confidential nature acquired in relation to any of them to any other third party (other than an Associate of any of them) and the information will not be used for any purpose other than in connection with the provision of the Services and any services provided by the Custodian under the Custodian Agreement. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Information of a confidential nature may only be disclosed to third parties, (excluding Associates), in the following circumstances:
- 18.3.1 where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over the Manager or the Custodian (or any respective Associate);
 - 18.3.2 where required to investigate or prevent fraud or other illegal activity;

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- 18.3.3 where required by a third party in connection with the provision of the Services to the Investor by the Manager or the Custodian Services of the Custodian;
 - 18.3.4 for purposes ancillary to the provision of the Services, the Custodian Services or the administration of the Investor's account, including, without limitation, for the purposes of credit enquiries or assessments;
 - 18.3.5 if it is in the public interest to disclose such information; and
 - 18.3.6 at the Investor's request or with the Investor's consent.
- 18.4 The Manager, and where relevant the Custodian, will act as data controller (and in certain circumstances, data processor) within the meaning of the Data Protection Act 1998 (the [Data Protection Act](#)). The Investor hereby consents to the processing and use by the Manager, and where relevant the Custodian, and their agents and their respective Associates of personal data (as defined in the Data Protection Act) given by the Investor under this Agreement in connection with the provision of Services and/or Custodian Services to the Investor. The Investor undertakes to supply personal data to the Manager and the Custodian in accordance with the provisions of the Data Protection Act.
- 18.5 The Investor's personal data will be stored on a database, which is shared by the Manager and Associates of the Manager. The Investor agrees that this personal data may be used by the Manager and/or Associates of the Manager to send the Investor details of new and existing products (including by e-mail) unless the Investor notifies the Manager in writing that it may not be used in this way.
- 18.6 Please be advised that, by signing this Agreement, the Investor will be consenting to the transmittal of their data outside of the European Economic Area (as defined in the Data Protection Act).
- 18.7 In accordance with the Data Protection Act, the Investor is entitled, on payment of a fee, to a copy of the information the Manager and the Custodian hold about the Investor. In the first instance, the Investor should direct any such request to the Manager. The Investor should let the Manager know if they think any information the Manager (if applicable) and/or the Custodian hold about them is inaccurate, so that the Manager and/or the Custodian may correct it.
- 18.8 The Investor may not require the destruction or deletion of any record pertaining to the Investor unless the Manager or the Custodian are required to destroy or delete such records by force of law or other regulatory requirement.

19. Complaints and Compensation

- 19.1 Any complaint the Investor may have in relation to the Services provided under the terms of this Agreement should be made in writing to:

[Ingenious Ventures, a Division of Ingenious Asset Management Limited](#)

Address: 15 Golden Square, London, W1F 9JG

For the Attention of: The Compliance Officer

- 19.2 Any complaint the Investor may have in relation to the Custodian Services should be made in writing to the address below (and copied to the Manager at the address given above):

[Woodside Corporate Services Limited](#)

Address: 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB

For the Attention of: The Compliance Officer

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- 19.3 Complaints to the Manager and/or the Custodian will be dealt with in accordance with the FSA Rules. The Manager and Custodian will endeavour to resolve an Investor's complaint as quickly as possible, but in any event, will acknowledge receipt of an Investor's letter of complaint within five business days of receipt. Where the Investor is categorised by the Manager as a Retail Client then, if for any reason the Investor is dissatisfied with the Manager's or the Custodian's final response, the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Manager's or the Custodian's final response.
- 19.4 Details of the Manager's and Custodian's internal complaints handling procedures are available upon request, and will be provided upon receipt of a complaint.
- 19.5 Both the Manager and the Custodian are covered by the Financial Services Compensation Scheme. The Investor may be entitled to compensation from the scheme if either the Manager or the Custodian cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £50,000. Further information about compensation arrangements is available on request from the Manager, or from the Financial Services Compensation Scheme.

20. Notices, Instructions and Communications

- 20.1 Any notice or other communication given or made under this Agreement will be in writing and delivered to the relevant party (i) by hand or (ii) by first class prepaid recorded delivery letter to the address of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or (iii) by fax to the fax number of the relevant party specified in this Agreement (or the relevant Application Form as the case may be) or, (iv) in the case of an Investor, by electronic mail to the email address specified in that Investor's Application Form, or in each case, to such other address or number in England as may be notified hereunder by that party from time to time and in each case shall be effective notwithstanding any change of address not so notified. Unless the contrary shall be proved, each such notice or communication shall be deemed to have been given or made and delivered, if by UK first class letter, 48 hours after posting, if by delivery, when left at the relevant address, if by facsimile transmission, when transmitted (save where receipt has not been confirmed) and if by electronic mail, when transmitted (save where notice of a failure to deliver the electronic mail has been received by the sender).

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20.2 The address and fax number of the Manager for the purpose of Clause 20.1 is:

Ingenious Ventures, a division of Ingenious Asset Management Limited

Address: 15 Golden Square, London, W1F 9JG

For the Attention of: The Company Secretary

Fax number: + 44 (0)207 319 4001

20.3 The Manager will notify the Investor of the address and fax number of the Custodian for the purpose of Clause 20.1 which, at the date of this Agreement is:

Woodside Corporate Services Limited

Address: 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB

For the Attention of: The Company Secretary

Fax number: + 44 (0)203 216 2002

20.4 The Manager may rely and act on any instruction or communication, which purports to have been given by persons authorised to give instructions by the Investor under this Agreement (or the Application Form as the case may be), or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person has been terminated.

20.5 The Manager will not be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.

20.6 The Investor shall communicate with the Manager in the English language. Any documents or other information provided by the Manager will be in English.

21. Amendments

21.1 The Manager may amend the terms and conditions in this Agreement from time to time by giving the Investor not less than ten business days' written notice prior to amendment. The Manager may also amend these terms by giving the Investor written notice with immediate effect if this is necessary in order to comply with HMRC requirements in order to maintain the EIS Relief or in order to comply with the FSA Rules.

22. Entire Agreement

22.1 This Agreement, together with the Application Form and those sections of the Memorandum referred to herein, comprises the entire agreement between the Manager and each Investor relating to the provision of the Services.

23. Rights of Third Parties

23.1 Save for the Custodian, who shall have the benefit of Clauses 5.6, 15 and 18 and the Promoter, who shall have the benefit of Clauses 15 and 18, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party, which exists or is available apart from that act.

24. Severability

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

25. Governing Law

25.1 This Agreement and all matters relating thereto will be governed by and construed in accordance with the laws of England and Wales and the parties hereby submit to the exclusive jurisdiction of the English Courts.

SCHEDULE 1

CONFLICTS OF INTEREST POLICY

This Schedule describes the arrangements put in place by the Manager to identify and manage conflicts of interest arising during the course of carrying on regulated activities. The Manager is an operating division of Ingenious Asset Management Limited, which is authorised and regulated by the FSA.

Ingenious Asset Management Limited is a subsidiary of Ingenious Media Holdings plc (together, for the purpose of this Schedule, the Group), along with two other firms regulated by the FSA, which are Ingenious Corporate Finance Limited (ICF) and the Promoter.

1. Identifying Conflicts

- 1.1. The Manager is required to take all reasonable steps to identify conflicts of interest that arise, or may arise, in the course of providing a service between:
 - (a) the Manager, including its senior management, employees, appointed representatives or tied agents (where relevant), or any person directly or indirectly linked to them by control, and a client of the Manager; or
 - (b) one client of the Manager and another client.
- 1.2. For the purpose of identifying conflicts, the Manager will take into an account whether the firm or a relevant person:
 - (a) is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
 - (b) has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
 - (c) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
 - (d) carries on the same business as the client; or
 - (e) receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

2. Conflicts Which May Apply to the Manager

- 2.1. The following scenarios have been identified as potentially giving rise to a conflict of interest:
 - (a) the Manager acting as discretionary investment manager and executing, or considering executing, a deal involving a related party where ICF has accepted a mandate to advise on a transaction.
 - (b) the Manager acting as a discretionary investment manager and sourcing investment opportunities for clients focussed on similar industry sectors; and
 - (c) where the Manager exercises discretion to purchase, on behalf of a client, an investment which, by its size and nature, could be deemed an appropriate acquisition for another discretionary client's portfolio.
- 2.2. Note that the list at paragraph 2.1 above is not intended to be exhaustive; other situations may occur which give rise to an actual or potential conflict of interest arising. The key consideration at all times is that where a situation contains either an inherent conflict, or the potential for a conflict to arise, relevant employees of the Manager will ensure that appropriate actions are taken and that those actions are consistent with the policies and procedures established by the Manager.

3. Managing Conflicts of Interest

- 3.1. The Promoter operates and maintains effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest identified from constituting or giving rise to a material risk of damage to the interests of its clients. These arrangements include:
- (a) the investment agreements and/or policies agreed with each client set out the parameters of the discretionary investment management decisions the Manager is entitled to take;
 - (b) all employees of the Group are subject to a personal account dealing policy, designed to avoid conflicts of interest arising from the acquisition by employees of shares or securities relating to a client, prospective client, target or acquirer of a client;
 - (c) a remuneration policy, which means that there is no direct link between the remuneration of employees engaged in one part of the Group with the remuneration of, or revenues generated by, those employees in another part of the Group, where a conflict of interest may apply;
 - (d) systems and controls, such as clear job descriptions and reporting lines and independent oversight and monitoring by compliance and the audit committee, are designed to prevent or limit any employee from exercising undue influence over the way in which staff carry out services or activities;
 - (e) an anti-corruption gifts & hospitality policy, which sets out the level of small gifts and minor hospitality, which are acceptable; and
 - (f) it is the policy of the Manager that the highest standards of conduct will be observed for all categorisations of client, regardless of whether they are eligible counterparties, Professional Clients or Retail Clients.

4. Chinese Walls

- 4.1. Chinese walls are a key part of the Group's conflicts management policy, and are used to isolate business areas that have confidential information or inside information. Where it can clearly be demonstrated that the Chinese Walls have been observed, then no party on the 'other side' will be considered to have acted 'with knowledge' of the confidential information or inside information held by the other party.
- 4.2. Chinese walls operate at Group level, both around and within certain individual regulated firms in the Group.

5. Disclosure of Conflicts of Interest

- 5.1. If it is felt that the arrangements put in place to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, the Manager will clearly disclose the general nature and/or sources of such conflicts of interest to the client before undertaking business, or any further business, for the client.

6. Declining to Act

- 6.1. If it is determined that the Manager is unable to effectively manage an actual or potential conflict of interest, which has arisen or may arise, it may have to decline to act for the client.

7. Further Information

- 7.1. Further details of the Manager's conflicts of interest policy are available on request.

SCHEDULE 2

ORDER EXECUTION POLICY FOR RETAIL CLIENTS

1. Purpose

- 1.1. This Schedule summarises the arrangements put in place by the Manager under the FSA Rules and MiFID to meet its obligation to take all reasonable steps to obtain the best possible result when executing orders in financial instruments on behalf of clients.
- 1.2. The duty of best execution is owed by the Manager to a client only when the Manager has a contractual or agency obligation to the client.

2. 'Execution Factors' and 'Execution Criteria'

- 2.1. In meeting our best execution obligation to you, we will take into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.
- 2.2. Additionally, when executing a client order, the following best execution criteria will be taken into account when determining the importance of the execution factors, which are the characteristics of: the client (including their categorisation as a Retail or Professional Client; the client order; the financial instruments that are the subject of the order; and the execution venues to which the order can be directed (where relevant).
- 2.3. Your attention is drawn to the information about Fund structure set out in the Memorandum, which explains the restrictions which apply to your ability to dispose of an interest in an Investee Company prior to disposal of the Fund's overall position in that company.

3. The Role of Price When Obtaining Best Execution

- 3.1. For a Retail Client, the best possible result will always be determined in terms of the "Total Consideration". The Total Consideration represents:
 - (a) the price of the financial instrument; and
 - (b) the costs related to execution, which will include any expenses incurred by you, which are directly related to the execution of your order. This can include:
 - (i) execution venue fees;
 - (ii) clearing and settlement fees; and
 - (iii) any other fees paid to third parties involved in the execution of the order.
- 3.2. Therefore when dealing for you or on your behalf, obtaining the best result in terms of Total Consideration will take precedence over the other execution factors listed in paragraph 2.1 above, and the other execution factors will only be given precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result in terms of the Total Consideration to you.

4. Execution Venues

- 4.1. The Manager, as investment manager of the Fund, primarily executes deals in transferable securities, which are not admitted to trading on a Regulated Market or Multi-lateral Trading Facility (MTF). Transactions in unlisted securities will be effected on the best commercial terms, which can be secured.

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- 4.2. The Manager considers that it will be demonstrated that all reasonable steps have been taken to obtain the best possible result when executing a client order in an unlisted security where this is in accordance with:
 - (a) the objectives of the Fund, as detailed in the Memorandum; and
 - (b) the factors set out in Clause 11 of this Agreement.
- 4.3. Pending the acquisition of Qualifying Shares, the Manager may invest in government securities or in other investments it considers to be of a similar risk profile. In order to execute an order in a financial instrument admitted to trading on a regulated market, the Manager will transmit the order to a broker for execution, typically a Member of the London Stock Exchange. Such a firm will have its own Order Execution Policy in respect of its obligation to obtain the best possible result when executing orders, which the Manager will have consented to. The Manager will place reliance on the Order Execution Policy of the executing broker to ensure that the best possible result is obtained for the client in this type of scenario.
- 4.4. The Manager remains responsible for the execution of any transactions on your behalf. Where an order is transmitted by the Manager to a third party to execute on your behalf, the Manager, and not you, will be the client of that third party. In respect of such transactions, the execution venue(s) used may include from time-to-time those which are not a Regulated Market or a MTF. Regarding a trade for units in a fund, the venue will be the fund manager or the fund itself.

5. Demonstration of Best Execution

- 5.1. On request from a client, the Manager will, as soon as reasonably practicable following such request, demonstrate that orders have been executed in accordance with this policy.

6. Review of This Policy

- 6.1. The Manager will review the effectiveness of this policy at least on an annual basis. Clients will be notified of any material changes.

7. Consent

- 7.1. The Manager is required to obtain your consent to this policy. This will be demonstrated by your submission of a completed Application Form to The Manager.

APPLICATION FORM (INDIVIDUALS)

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Please print **CLEARLY** in **BLACK INK** and in **BLOCK CAPITALS**

Please send this completed Application Form and the anti-money laundering documentation described in Section 7 to Client Service Centre, Ingenious Ventures, 15 Golden Square, London, W1F 9JG so as to arrive no later than 10.00am on 2 April 2012* ([Fund Closing Date](#)). Please see Section 4 for details of how to pay your Subscription.

Capitalised terms not defined herein have the meaning given to them in the information memorandum issued by Ingenious Investments in relation to Shelley Media Fund 5 ([Memorandum](#)). In the event of any conflict between the provisions of the Memorandum and this Application Form, the Memorandum shall prevail.

1. Personal Details

Title:	<input type="text"/>	Forename(s):	<input type="text"/>	Surname:	<input type="text"/>		
Address:	<input type="text"/>			Postcode:	<input type="text"/>		
Previous Address: (If moved within last 3 years)	<input type="text"/>			Postcode:	<input type="text"/>		
Email:	<input type="text"/>			DOB:	<input type="text"/> / <input type="text"/> / <input type="text"/>		
Phone Number:	<input type="text"/>			US Person**	<input type="checkbox"/>		
Are you a partner in any existing partnerships? (includes partnerships promoted by the Ingenious Group, those promoted by other promoters, and any business partnerships)				Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If you ticked Yes, please provide the names of all the partnerships in which you are a partner:				<input type="text"/>			
Are you aware of any direct relatives also making an application to the Fund? (includes spouse, parents, grandparents, children and grandchildren)				Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If you ticked Yes please provide the name(s) of relative(s) also making an application:				<input type="text"/>			

2. Correspondence (if different from above)

We can forward copies of any correspondence we send you to one third party.

Copy correspondence should be sent to: Adviser (please tick): or:

Title:	<input type="text"/>	First Name:	<input type="text"/>	Surname:	<input type="text"/>
Address:	<input type="text"/>			Postcode:	<input type="text"/>
Phone Number:	<input type="text"/>			Email Address:	<input type="text"/>

* Subject to the Manager's discretion to close on an alternative date.

** US persons include US Citizens (including dual citizens), US passport holders, individuals born in the US who have not renounced their citizenship, permanent residents of the US and those with a "substantial presence" in the US as defined in US tax law. If you are in any doubt as to whether you are a US person you should consult an adviser.

3. Adviser Details - to be completed by your Adviser (if any)

Title:	<input type="text" value="Mr"/>	Forename(s):	<input type="text" value="David"/>	Surname:	<input type="text" value="Scrivens"/>
Name of Firm:	<input type="text" value="Clubfinance Ltd"/>				
Firm Address:	<input type="text" value="PO Box 1036, Hemel Hempstead, Herts"/>			Postcode:	<input type="text" value="HP1 2WU"/>
Email:	<input type="text" value="contact@clubfinance.co.uk"/>		Firm FSA Number:	<input type="text" value="400139"/>	
Phone Number:	<input type="text" value="01442 217 287"/>		Individual FSA Number:	<input type="text" value="DJS01274"/>	

Please specify your commission requirements by completing the appropriate box/boxes:

1. 3% Upfront commission

2. 2.5% Upfront with a trail⁽¹⁾ 2 Years, or 4 Years

3. WAIVED commission All (3%), or %

 Taken as Additional Investment rebated to Applicant as CASH

Note:
(1) Trail Commission cannot exceed 1% and can only be in increments of 0.5% or 0.25%

Adviser Confirmation Please see section 6 of the application form
I confirm that the Applicant is a customer of our firm and I have assessed the suitability of this investment for the Applicant:

Signature of Adviser: Date: / /

Print Name:

4. Subscription to the Fund

£ (min. £3,000)

Cheques must be received by **no later than 23 March 2012** to ensure adequate time for funds to be cleared by the Fund Closing Date.

Please indicate how you will pay your subscription:

by Cheque Cheques should be made payable to "Woodside Corporate Services Limited"

Bank Transfer Bank transfer account details:

 Account Name: Woodside Corporate Services Limited Shelley Media EIS 5 Client Account
 Sort Code: 16 10 29
 Account Number: 10302846

5. Bank Account Details

Please provide details of the bank account to which you would like any distributions credited. Where the account is in the name of a third party it will be necessary to identify that person for anti-money laundering purposes.

Account Name:

Account Number: Sort Code:

Bank Name:

6. Suitability - Your application cannot be accepted if this information is not provided

The Manager is required by the FSA Rules to obtain sufficient information from you to determine whether investment in Qualifying Shares is suitable for you. Therefore it is important that you provide all of the information requested below.

As investment in the Fund involves a high degree of risk, it may not be suitable for all investors. Therefore, it is important that you read and understand the detailed risk factors relating to an investment in the Fund, as set out in the Memorandum.

(a) Investment Objectives

Shelley Media Fund 5 offers investors an opportunity to participate in a portfolio of Qualifying Shares in unquoted companies operating in the media and entertainment sector, while at the same time aiming to provide a significant level of downside protection. The investment strategy is set out in more detail in the Memorandum.

Shares in unquoted companies carry a higher risk than shares quoted on the main market of the London Stock Exchange. The investment is designed to be held for the medium to long term, and any investment should be made on the basis that it will be left intact for at least 3.5 years

The Fund may not provide an income as it is not intended that any income or capital will be returned to investors during the Relevant Period. In line with the FSA's requirement to establish a meaningful benchmark, the performance of the Fund will be assessed against cash (UK Sterling base rates), taking into account the benefit of the EIS Reliefs.

The Manager will not borrow money on behalf of Investors, nor lend securities or enter into stock lending or similar transactions.

Confirmation

Please tick the appropriate boxes below to confirm the following:

- | | | |
|---|--------------------------|--------------------------|
| | Yes | No |
| • You understand the investment objectives and risk profile of the Fund | <input type="checkbox"/> | <input type="checkbox"/> |
| • The objectives and risk profile are consistent with your personal investment objectives | <input type="checkbox"/> | <input type="checkbox"/> |
| • You understand that your investment will be held over the medium to long term | <input type="checkbox"/> | <input type="checkbox"/> |

(b) EIS Relief

If you cannot take advantage of EIS Relief the Fund is not likely to be a suitable investment for you.

Please answer the questions below (for each question, tick one box as appropriate).

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| • Do you wish to take advantage of EIS Relief for the investments made by the Fund on your behalf? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are you seeking to claim full income tax relief? (You should consider whether you have sufficient tax liability in the relevant year) | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are you seeking to claim income tax relief for tax year 6 April 2010 - 5 April 2011? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are you seeking to defer a capital gain? | <input type="checkbox"/> | <input type="checkbox"/> |
| - If your answer is 'Yes', please indicate the date on which the gain you wish to defer arose or crystallised if previously deferred: | <input type="text"/> | <input type="text"/> |
| • Are you aware of any significant capital commitments within the next 4 years which cannot be funded from your disposable income or liquid savings? | <input type="checkbox"/> | <input type="checkbox"/> |
| - If your answer is 'Yes', please confirm how this commitment will be funded: | <input type="text"/> | |

(c) Investment Experience and Understanding

Please confirm which, and how many, of the types of investments listed below you have previously made in the last 5 years:

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| | 0 | 1-5 | 5+ |
| • Tax efficient investments (including VCTs, EIS, EZT) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Entities quoted on the London Stock Exchange | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • AIM-listed companies, or companies which are not listed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Other relevant investments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

On average, how much do you cumulatively invest each year in new investments of the types listed above?

Less than £10,000 £10,001 - £25,000 £25,001 - £100,000 £100,001+

(d) Employment and Source of Income

Please provide the following employment details:

- Employment Status (e.g. employed/self-employed/retired)
- Source of Income (e.g. earnings/investment income)
- Occupation/Professional Position*:

*Please indicate if you hold or have previously held a position in the financial services sector relevant to this investment, if you hold a professional qualification (e.g. ACA, ACCA, CTA, Securities Institute Cert/Diploma), or if you are a professional (e.g. accountant, stockbroker or solicitor)

(e) Financial Situation

Please indicate your annual disposable income (after all regular financial commitments):

Less than £50,000 £50,001 - £100,000 £100,001 - £500,000 £500,001+

Please state the value of your net assets (other than your principal residence and net of any loans):

Less than £50,000 £50,001 - £100,000 £100,001 - £1 million £1 million+

Please state the value of your principal residence and any other property investments:

Less than £250,000 £250,001 - £500,000 £500,001+

Please state the source of your Subscription (e.g. a capital gain/savings/earnings):

7. Identification

Please state which of the following forms of identification are enclosed with your application (one from A and one from B), or if an Introducer's Certificate is enclosed. We will return your original documents to you by special delivery post (or courier, if we consider this to be more appropriate).

If you would rather not send us your original documents, we can accept a copy, certified as a true copy of the original by personal signature of a solicitor with a current UK practising certificate, an accountant or an FSA approved adviser, using blue ink (in order to distinguish the certification from a black and white photocopied document). The name of the signatory must also be printed underneath the signature.

- A. Passport Photocard Driving Licence
- B. Utility Bill Bank Statement Local Tax Authority Bill Credit Card Statement
- Full Driving Licence
- C. Introducer's Certificate

Identity

- Current and valid passport
- Current and valid UK driving licence photocard (paper-style UK provisional licences are not acceptable).

Address

Please submit one of the following which (with the exception of a UK driving licence) must be dated no earlier than 3 months before the date of your application:

- current and valid UK photo driving licence, including both the photocard and the paper counterpart (paper-style UK provisional licences are not acceptable);
- utility bill, i.e., gas, electricity, water or telephone bill (but not a mobile telephone bill and not one printed from the internet);
- most recent bank, building society or credit card statement (Mastercard or Visa only) and not one printed from the internet; or
- local authority tax bill for the current year.

8. Data Protection

By providing personal information as part of your application and by signing this Application Form, you hereby confirm that you consent to the use of your personal information as follows. Ingenious Ventures is registered under the data protection laws of the United Kingdom. Except as stated below, Ingenious Ventures will not make the personal information provided by you as part of this form available to any person or entity outside the Ingenious Media Holdings plc group (the **Group**) other than Woodside Corporate Services Limited, WCS Nominees Limited and where required by law or, if requested, by any regulatory authority having jurisdiction over Ingenious Ventures, to investigate or prevent fraud or other illegal activity, or at your request or with your consent. This personal information will be stored on the database which is shared by Ingenious Ventures and all of the companies within the Group. This personal information may be used by Ingenious Ventures and/or any member of the Group to send you details of new and existing products (including by e-mail) unless you notify Ingenious Ventures in writing that it may not be used in this way.

9. Cancellation Rights

There is a limited period during which you have the right to cancel your investment. If you wish to exercise this right to cancel, you must notify the Manager in writing (to the contact details in clause 20.2 of the Investor Agreement) within 14 days of the Manager receiving your Application Form.

10. Investment Reporting

Unless otherwise requested, the Manager will provide you with a periodic statement once every 6 months. For further information please refer to clause 13 of the Investor Agreement.

11. Declaration/Terms & Conditions

- I confirm that:
- a) I wish to seek EIS Relief for my investment;
 - b) I am applying on my own behalf;
 - c) I will notify the Manager of any investment made by the Fund in any Investee Company with which I am connected, as defined in Sections 166, 167, 170 and 171 of ITA;
 - d) I will notify the Manager if, within the Relevant Period, I become connected with an Investee Company or receive value from such a company;
 - e) I have read the Memorandum and the Investor Agreement, I have understood and I agree to be bound as a party to the terms of the Investor Agreement and authorise the Manager to enter into the Custodian Agreement on my behalf;
 - f) I accept that the information supplied at part 6 above is only to enable the Manager to assess the suitability of the Fund for me. I acknowledge that neither Ingenious Investments nor the Manager are providing investment, legal, financial, tax or other advice and that any tax information provided is in the context of an investment into the Fund;
 - g) I have read this Application Form and I confirm that I have provided information on my personal and financial circumstances which is true and accurate at the date of this Application Form in order that the Manager may assess the suitability for me of investment in the Qualifying Shares. I confirm that such information will be true and accurate at the date upon which this Application Form is accepted by the Manager. I understand that the Manager may decline to act on my behalf in the event that the information provided is incomplete;
 - h) I will notify the Manager if the information on my personal and financial circumstances as provided in this application form changes to an extent that it may impact upon the suitability for me of investing in the Qualifying Shares;
 - i) I have advised the Manager if I am a solicitor or accountant or other professional person who is subject to professional rules preventing me from making investments in particular Investee Companies; and
 - j) I consent to the Manager’s Order Execution Policy and provide my express consent that, on occasions when the Manager passes an order to another party for execution, the counterparty may execute the trade outside a regulated market or multi-lateral trading facility and may not publish any unexecuted client limit orders.

Signature:

Date:

Print Name:

